MARKETING
IDENTITY
2017

Online rules
– part II.

**Dana Petranová
Ľudmila Čábyová
Zuzana Bezáková
(eds.)**

FMK
Fakulta masmediálnej komunikácie
Faculty of Mass Media Communication

ONLINERULES

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

MARKETING IDENTITY
Online rules – part II.

Dana Petranová
Ľudmila Čábyová
Zuzana Bezáková
(eds.)

Conference Proceedings
from International Scientific Conference
7th – 8th November 2017
Congress Hall of the Slovak Academy of Science
Smolenice, Slovak Republic

FMK

Fakulta masmediálnej komunikácie
Faculty of Mass Media Communication

Trnava
2017

MARKETING IDENTITY: Online rules – part II.
Conference Proceedings from International Scientific Conference "Marketing Identity 2017: #onlinerules", 7th – 8th of November 2017, Congress Hall of the Slovak Academy of Sciences, Smolenice, Slovak Republic

All the submitted papers were individually reviewed in an anonymous double blind peer review process on basis of which the editors decided about their publication in the conference proceedings.

The authors of individual scientific papers are responsible for technical, content and linguistic correctness.

MARKETING IDENTITY
#onlinerules

International Scientific Conference, 7th – 8h November 2017
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 supported and attended by renowned mass media communication theorists and researchers as well as by media and marketing professionals.

The aim of the conference is to map the latest knowledge and trends in the field of marketing communication and to create space for spreading up-to-date scientific knowledge and practical experience in the field of marketing, media and communication while outlining the importance of innovations and supporting the critical dialogue between scholars affiliated with academic institutions and professionals with practical experience. The international conference Marketing Identity (called New Trends in Marketing until 2012) which was held for the thirteenth time at the Smolenice Castle, Slovakia, is organised by the Faculty of Mass Media Communication UCM in Trnava. The conference took place on 7th – 8th November 2017. It was attended by nearly 200 participants coming from 6 countries who were affiliated with more than 30 different academic and research institutions and 10 professional organisations.

The main theme of the conference was concisely expressed by its subtitle: #onlinerules. This thematic specification reflects the Faculty of Mass Media Communication's opinion that the world of today is shaped by digital media technologies. All these technological advancements related to communication obviously transform the ways we use the Internet and digital media – or rather the rules we have to comply with while doing so. We encounter the "online rules" and become familiar with them while shopping online, using social media, watching Internet-delivered television, reviewing products and goods, seeking entertainment or simply browsing websites in order to acquire information we need. That is why these rules shape the online environment, along with our perception of its possibilities as well as risks. They influence our lives and shopping decisions significantly. According to the online rules, products and services, which do not follow the latest digital communication trends, are often unable to meet the expectations and needs of consumers who prefer the online environment; most of these products cannot even attract their attention. Considering the differences

between online and "offline" media and the changes of consumer behaviour, we cannot ignore that many previously successful and popular products or services now struggle to survive on the saturated and globalised markets, and mostly because their producers and distributors do not follow the online rules as successfully as their competitors. It was highly interesting and challenging to discuss these issues within the academic circles in order to see the related problems in wider contexts. The sessions involving conference participants and their contributions were divided into four different sections as follows:

- Section 1.: #**online**vs**offline**
- Section 2.: #**consumers**and**generations**
- Section 3.: #**education**and**games**
- Section 4.: #**strategies**and**campaigns**

We were honoured to welcome many regular but also new participants and guests from abroad. Our foreign guests came from Poland, the Czech Republic, Russia, Romania, Germany and the Great Britain. Besides meeting many scholars working in the academic circles, whose papers are available on the following pages, we were also delighted to welcome marketing and media professionals who offered different practical perspectives of the discussed topics. The discussions were aimed at various creative and efficient digital solutions, successfully implemented campaigns, interesting case studies. Since our Faculty considers merging theory and practice as very important or rather necessary, we would like to thank them for accepting our invitation. One of our most prestigious professional partners, the Club of Advertising Agencies Slovakia (KRAS), deserves to be mentioned in particular; we would like to express our gratitude to this organisation as its head representatives and members significantly influenced high quality of the main part of the conference programme by attending in person as keynote speakers and by other forms of cooperation as well.

More information on the Marketing Identity conference, programme schedules, deadlines and photo galleries related to previous years are available at:

Conference website:
http://fmk.sk/marketing-identity/mi2017

Faculty website:
http://fmk.sk

Facebook website of FMK Conferences:
https://www.facebook.com/KonferencieFmk
(All photos from the conference are here to see)

Assoc. Prof. PhDr. Dana Petranová, PhD.
University of Ss. Cyril and Methodius in Trnava, Slovak Republic

Assoc. Prof. Ing. Rudolf Rybanský, CSc.
University of Ss. Cyril and Methodius in Trnava, Slovak Republic

Assoc. Prof. Mgr. Norbert Vrabec, PhD.
University of Ss. Cyril and Methodius in Trnava, Slovak Republic

PhDr. Katarína Ďurková, PhD.
University of Ss. Cyril and Methodius in Trnava, Slovak Republic

PhDr. Daniela Kollárová, PhD.
University of Ss. Cyril and Methodius in Trnava, Slovak Republic

PhDr. Peter Murár, PhD.
University of Ss. Cyril and Methodius in Trnava, Slovak Republic

Dr. Iulian Rusu
"Cheorghe Asachi" Technical University of Iaşi, Romania

CONTENTS

SECTION: #STRATEGIESandCAMPAIGNS

Dear Colleagues, Dear Friends,

After a year filled with new scholarly impulses and dynamic developments in the field of marketing communication, it is time to present another conference proceedings related to the international scientific conference Marketing Identity 2017: #onlinerules. The proceedings offer the best contributions presented during our annual international conference, which traditionally takes place at the Smolenice Castle.

The Faculty of Mass Media Communication UCM in Trnava is fully aware of the need for intensive cooperation between the academic sphere and the professional circles, for seeing theoretical and practical knowledge on marketing communication as a converging spectrum. That is why we organise this conference in the first place, why we do our best to invite renowned experts in the sphere of media studies, academics specialising in marketing research and marketing professionals as well. We also realise that online marketing, a highly functional and hypermodern combination of traditional marketing tools, Internet technologies and other digital means of communication, is a thing of the future. Its socio-cultural significance and economic potential are nowadays increasing exponentially.

In November 2017, it was the fourteenth time scholars, marketing experts and students met in the beautiful surroundings of the Little Carpathians – not only to attend really interesting discussion sessions on new rules of the Internet communication and online marketing but also to exchange their theoretical and practical experience or opinions on the given topics, establish new contacts and deepen existing professional partnerships along with personal friendships that exceed decades and national borders.

The aim of the conference was to discuss the new rules of Internet communication, i.e. the forms of presenting products, services or ideas in the online environment, the distribution schemes related to media content, the ways the Internet (and social media in particular) influences consumer behaviour and the processes of planning online advertising campaigns. During the two conference days filled with much needed discussions on the given topic, four main sections were available – **#online**vs**offline, #consumers**and**generations, #education**and**games, #strategies**and**campaigns.**

This year's conference programme also included signatures of two Memoranda on Cooperation – the first one between the Faculty of Mass Media Communication and the Slovak Syndicate of Journalists, the second between the Faculty of Mass Media Communication and the "Butterfly Effect"

platform. The aim of the latter Memorandum is to join forces and fight in order for "Slovakia to have enough specialists and move forward economically, especially in terms of the development of the digital sector," explained Lucia Šicková, the co-founder of the media company Pixel Federation.

However, my brief preface would not be complete without mentioning another very important event which accompanied the main conference programme. Dr. h. c. Assoc. Prof. Ing. Jozef Matúš, CSc., the Rector of the University of Ss. Cyril and Methodius in Trnava, received the *Dean's Award for Development of the Faculty*. The award was presented by Assoc. Prof. PhDr. Dana Petranová, PhD., the Dean of the Faculty of Mass Media Communication. It had been him who had stood behind the initial idea of organising the Faculty of Mass Media Communication's very first marketing conference. In fourteen years to follow, the conference had become an internationally recognised scientific event. Our Rector (and formerly our Dean) Jozef Matúš had not skipped even one of all fourteen annual marketing conferences. In November 2017, he gave his opening speech in the main hall, as always. None of us could have even imagined that Marketing Identity 2017 was his last conference. A month later, our highly respected Rector and beloved colleague, a great marketing professional and lecturer, passed away, unexpectedly and suddenly. He will be truly missed; even though he is no longer with us, I am certain we will never forget his traditional welcoming speeches and this kind, almost trademark sentence in particular: "Make yourself at home, or feel even better than at home." I think I can speak for all members of our academic family when I say that we will always remember his kind personality and extensive professional skills fondly.

Assoc. Prof. PhDr. Ľudmila Čábyová, PhD.

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

Section
#consumersand
generations

PERCEPTIONS OF CZECH MILLENNIALS' MEDIA CONSUMPTION AND COMMUNICATION MEANS

Veronika Braciníková – Kateřina Matušínská

Abstract

Recent years have seen a fundamental shift in how individuals are choosing to use and consume their media. The structural perspective emphasizes the importance of factors such as audience availability and access to media technologies in shaping audience behaviour. While different generations have always posed a challenge for marketers due to their unique characteristics, Millennials have created a more difficult challenge because they are not as influenced by traditional media as previous generations. In addition to understanding the psychographic profile of Millennials, it is also beneficial to understand their perceptions about effectiveness of communication means. Thus, the aim of the paper is to investigate the media usage and Czech Millennials´ preferences in the area of media consumption and communication means and to determine the correlations regarding the gender and age. In the case of relation of the perceptions of the communication means effectiveness, generally, we can say that there are no differences, relations between gender and ATL communication tools in the Millennials segment. But on the other hand we found the relations between gender and BTL communication means. During the testing of the relation between the using the media and age of respondents of segment Millennials just one relation was found.

Key words:
Communication means. Media consuption. Millennials. Use of technology.

Introduction

Marketers have utilized various means to maintain the brand loyalty of their customers, including brand elements, classical marketing mix variables, and new methods of marketing such as events, sponsorships, one-to-one marketing activities, Internet marketing and social media marketing.[1],[2],[3] Technology interactions have the potential to ease the performance of tasks and sometimes to enable people to accomplish activities they might not otherwise be able to do on their own. Many older adults use technologies widely, including personal computers and the Internet. However, little is known about the depth and breadth of technology use by older adults or whether it differs from younger adults' usage patterns. Technology adoption is influenced by various factors, such as relative advantage of the technology (compared to the previous method of accomplishing the activity) and degree to which the innovation is compatible with one's values, experiences, and needs. A systematic understanding of the technology experience of younger and older adults can provide insights into the knowledge that might be available to these user groups when faced with new technologies.[4] Thus, the aim of the paper is to investigate the media usage and Czech Millennials´ preferences in the area of media consumption and communication means and to determine the correlations regarding the gender and age.

---

1   KELLER, K. L.: *Strategic Brand Management: Building, Measuring and Managing Brand Equity.* 3rd Edition. New Jersey : Pearson Prentice Hall, 2008, p. 80.

2   For more information, see: KOTLER, P., KELLER, K. L.: *A Framework for Marketing Management*. 3rd Edition. Upper Saddle River, NJ : Pearson Prentice Hall, 2007.

3   ERDOĞMUŞ, İ. E., ÇIÇEK, M.: The Impact of Social Media Marketing on Brand Loyalty. In *Procedia – Social and Behavioral Sciences*, 2012, Vol. 58, p. 1353.

4   OLSON, K. E. et al.: Diffusion of Technology: Frequency of Use for Younger and Older Adults. In *Ageing International*, 2011, Vol. 36, No. 1, p. 124.

1 Literature review

1.1 Description of generations

Baby Boomers
In order to correctly understand millennials, it becomes imperative to also understand their more experienced counterparts. Baby Boomers were born in between 1946-1964 and are the largest group (representing approximately 79 million in the US) of the three generations.[5] Baby boomers are the young American males who returned from tours of duty during World War II. Consequently, the young males started families resulting in a large number of new babies (baby boom). Baby Boomers born in United States were raised in a prosperous economic time. Baby Boomers are optimists who grew up expecting the world to progress and for the wars to end. After some of their icons were assassinated (e.g., Martin Luther King and the Kennedy brothers), this generation rejected traditional norms and values. Furthermore, this generation did not grow up dependent on technology. As a result, they view technology as "artifacts" of organizational culture.[6] In regards to understanding this group, Baby Boomers possess traits that are shared among the members of other generations.[7]

Generation X
About 50 million Americans born between 1965 and 1980 are included in Generation X. This generation represents the period of birth decline after the baby boom and is considerably smaller than previous generation.[8] This generation has unique traits. For example, they are often described as individualistic, risk-tolerant, self-reliant, entrepreneurial, and comfortable with diversity and valuing work life balance.[9] Some researchers have concluded that this generation can be less formal in certain situations. Generation X managers will typically be less formal, and more adaptable than their predecessors. Generation X tends to focus on outcomes rather than the process.[10] The next generation has proved to be a powerful force because of their technological proficiencies.

Generation Y – Millennials
Millennials have grown up in the digital age. They show greater familiarity than previous generations with communication, media, and digital technologies. Because they are more "wired," this gives Millennials a competitive advantage and makes them

---

5   ROSENBERG, M.: *Baby Boom: The Population Baby Boom of 1946-1964 in the United States*. [online]. [2017-09-25]. Available at: <https://www.thoughtco.com/baby-boom-overview-1435458>.
6   SIMONS, N.: Leveraging Generational Work Styles to Meet Business Objectives. In *Information Management*, 2010, Vol. 44, No. 1, p. 31.
7   KAIFI, B. A. et al.: A Multi-Generational Workforce: Managing and Understanding Millennials. In International Journal of Business and Management, 2012, Vol. 7, No. 24, p. 89.
8   KANE, S.: *Common Characteristics of Generation X Professionals*. [online]. [2017-09-26]. Available at: <https://www.thebalance.com/common-characteristics-of-generation-x-professionals-2164682>.
9   GENTRY, W. A. et al.: A Comparison of Generational Differences in Endorsement of Leadership Practices with Actual Leadership Skill Level. In *Consulting Psychology Journal: Practice & Research*, 2011, Vol. 63, No. 1, p. 39.
10   DOLS, J., LANDRUM, P., WIECK, K. L.: Leading and Managing an Intergenerational Workforce. In *Creative Nursing*, 2010, Vol. 16, No. 2, p. 69.

an asset when it comes to working with new technologies.[11] They are also called the "Trophy Generation" or "Trophy Kids" based on the emerging trend in sports and competition to reward everyone for participation, rather than for winning.[12] Millennials are thought to be sceptical of long-term commitments, and are said to desire greater flexibility in their career. They are preferring collective action, working in teams, wanting work that really matters to them, and being civic-minded, eco-aware, confident, conventional, optimistic, and socially conscious.[13],[14] Members of Generation Y have been described as well-educated, technologically savvy, sophisticated, mature, and structured.[15] They desire distinctive brands with traits of their own that will serve as a form of self-expression.[16] More so than previous generations, this cohort is characterized by an accumulated, materialistic, and consumer culture that is primarily a result of technological innovation.[17] Generation Y represents powerful aggregate spending.[18] With the majority of their purchases made on clothes, shoes, jewellery, sporting equipment, entertainment, health and beauty aids, and food. Being young they have different priorities than older generations. Armed with a variety of electronic technology, they have grown up in an age of instant global communication, media saturation and material excess.[19],[20]

Generation Z
Generation Z are the children of Gen X parents who rate inner-focused qualities such as independent and hard-working higher than Baby Boomer parents and outer-focused values such as honesty, trust a and ethical lower. Gen Zers themselves find creativity and independence more important than respect. Generation Z gets more weekly allowance than previous youth generations and they spend their money more on games, hobbies and food. They also have a high influence on their parents´ purchasing decisions. Generation Z is a „snappy" generation with a shorter attention span and a more visual style of communication. They adore video content, short formats and ephemeral messaging and like to engage in interactive content creation themselves. They are the most diverse youth generation ever and are raised in a world where female empowerment and blurring gender roles has become more prominent. Brands should have a strong positioning concerning more worldly issues and live up to expectations by their actions rather than more storytelling. This generation is eager to start up their own business and have a personal impact on society. They

---

11 KAIFI, B. A. et al.: A Multi-Generational Workforce: Managing and Understanding Millennials. In International Journal of Business and Management, 2012, Vol. 7, No. 24, p. 89.
12 TOLBIZE, A.: *Generational Differences in the Workplace*. [online]. [2017-10-04]. Available at: <https://rtc3.umn.edu/docs/2_18_Gen_diff_workplace.pdf>.
13 HEWLETT, S. A., SHERBIN, L., SUMBERG, K.: How Generation and Baby Boomers will Reshape your Agenda. In *Harvard Business Review*, 2009, Vol. 1, p. 73.
14 KAIFI, B. A. et al.: A Multi-Generational Workforce: Managing and Understanding Millennials. In *International Journal of Business and Management*, 2012, Vol. 7, No. 24, p. 89.
15 SYRETT, M., LAMMIMAN, J.: Catch Them if You Can. In *Director*, 2003, Vol. 57, No. 3, p. 71.
16 GUPTA, M., BRANTLEY, A., JACKSON, V. P.: Product Involvement as a Predictor of Generation Y Consumer Decision Making Styles. In *The Business Review*, 2010, Vol. 14, No. 2, p. 29.
17 HANZAEE, K. H., AGHASIBEIG, S.: Iranian Generation Y Female Market Segmentation. In *Journal of Islamic Marketing*, 2010 Vol. 1, No. 2, p. 167.
18 CUI, Y. et al.: Cause-related Marketing: How Generation Y Responds. In *International Journal of Retail & Distribution Management*, 2003, Vol. 31, No. 6/7, p. 311.
19 BARBAGALLO, P.: Teens. In *Target Marketing*, 2003, Vol. 26, No. 4, p. 65.
20 VALENTINE, B. D., POWERS, T. L.: Generation Y Values and Lifestyle Segments. In *Journal of Consumer Marketing*, 2013, Vol. 30, No. 7, p. 598.

embrace imperfections in celebrities, products and life and understand that you learn from mistakes.[21]

1.2 Millennials and their usage of media and communication means

Computers and mobile phones are commonplace tools for Millennials; you might even call them essential. Millennials access digital media on a daily basis and have the ability to communicate and purchase from a supplier anywhere in the world. Due to their familiarity and usage of digital media, they have been identified as a driving force of online shopping. Members of Generation Y are the least likely of any population under the age of 60 to use e-mail on a regular basis and the most likely of any age cohort to utilize texting as a regular mode of communication. Generation Y is attracted to a wide variety of media, regularly using blogs, reviews, and social networks to openly express their interests and feelings.[22,23] Individuals of generation Y watch less television; they are not influenced by mainstream media, and are much more resistant to advertisements than previous generations. They grew up in a more media-saturated, brand-conscious world than their parents and they respond to ads differently, preferring to encounter ads through sources other than traditional media.[24,25,26] Generation Y does not trust the traditional news media as much as earlier generations. As an effective use of time and resources, social media marketing give companies better communication grounds with the consumers to build brand loyalty beyond traditional methods.[27,28,29] The world has changed dramatically since the dawn of the Internet, moving from one where a destination could create a web page and use it in the same fashion as one might an online brochure; to one where users generate their own content.[30]

21   BERGH, J., BEHRER, M.: *How Cool Brands Stay Hot: Branding to Generations Y and Z.* London : Kogan Page Publishers, 2016, p. 234.
22   HERSHATTER, A., EPSTEIN, M.: Millenials and the World of Work: An Organization and Management Perspective. In *Journal of Business Psychology*, 2010, Vol. 25, No. 2, p. 213.
23   SMITH, K. T.: Digital Marketing Strategies that Millennials Find Appealing, Motivating, or Just Annoying. In *Journal of Strategic Marketing*, 2011, Vol. 19, No. 6, p. 494.
24   CIMINILLO, J. A.: Elusive Generation Y Demands Edgier Marketing. In *Automotive News*, 2005, Vol. 79, No. 6144, p. 28B.
25   ENGEBRETSON, J.: Odd Gen Out. In *American Demographics*, 2004, Vol. 24, No. 4, p. 14.
26   VALENTINE, B. D., POWERS, T. L.: Generation Y Values and Lifestyle Segments. In *Journal of Consumer Marketing*, 2013, Vol. 30, No. 7, p. 599.
27   JACKSON, N.: *Infographic: Using Social Media to Build Brand Loyalty*. [online]. [2017-10-04]. Available at: <http://www.theatlantic.com/technology/archive/2011/07/infographic-using-social-media-to-build-brand-loyalty/241701/>.
28   AKHTAR, S.: *Social Media and Brand Loyalty*. [online]. [2017-10-04]. Available at: <http://www.socialtrakr.com/2011/07/12/social-media-andbrand-loyalty/>.
29   ERDOĞMUŞ, İ. E., ÇIÇEK, M.: The Impact of Social Media Marketing and Brand Loyalty. In *Procedia – Social and Behavioral Sciences*, 2012, Vol. 58, p. 1355.
30   BALAKRISHNAN, B. K., DAHNIL, M. I., YI, W. J.: The Impact of Social Media Marketing Medium Toward Purchase Intention and Brand Loyalty Among Generation Y. In *Procedia – Social and Behavioral Sciences*, 2014, Vol. 148, p. 177.

2 Czech Millennials and their preferences in the area of communication media and means

In the Czech Republic, people under 30 years of age currently represent 25 % of Czech population. This generation Y creates a significant target group. They are demanding, flexible and gradually growing rich people. The outputs of IPSOS marketing research (2015-2017)[31] show that their strengths are mainly enthusiasm, knowledge of technology and entrepreneurship. Millennials as consumers are self-confident, have high expectations and are oriented towards their success. They are highly mobile people who like to share information because they are constantly connected through smartphones and use online platforms like YouTube and so on. Firstly, the objective of authors´ primary research was to find out the perceptions of communication tools effectiveness by Millennials according to gender. Secondly, the objective of the research was to find out the rate of use of technologies by Millennials according to age. The major part of paper is devoted to primary marketing research.

2.1 Methodology

The questionnaire as the primary research method was chosen. Overall 237 respondents were participated. There were only two limitations in choosing the respondents. Respondents should have been 23-40 years old. There was no limitation regarding marital status, the level of incomes and education, gender, place of living and other demographic characteristics. The survey was distributed in the spring 2017. We questioned the respondents about their perceptions, satisfaction opinions and habits in the area of financial services. The following two research questions were defined for the purpose of the research:

RQ1: How does the gender influence the perceptions of Millennials about effectiveness of promotional means?

RQ2: How does the age influence the rate of usage of media of Millennials?

For gaining the answers of the RQs of the study two statistical methods in MS EXCEL were used – ANOVA and CHI-SQUARE TEST. ANOVA was used for investigating the perceptions in effectiveness of the respondents in communication tools according to gender. Chi-square test was used for investigating the rate of use of technologies according to age.

2.2 Primary marketing research data analysis

The structure of the sample was 54.0 % female and 46.0 % male, dominated by 23-26 years old people (see Chart 1).

---

31   *IPSOS Marketing Research. Generation Y as a Target Group of Research*. [online]. [2017-10-13]. Available at: <http://mam.ihned.cz/c1-65875070-generace-y-jako-cilova-skupina-vyzkumu>.
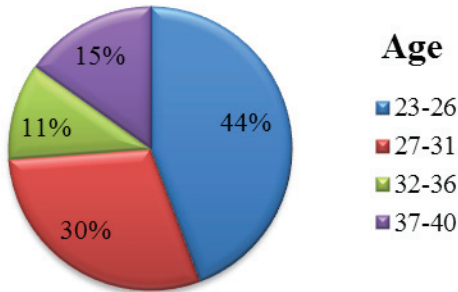
Chart 1: The structure of respondents according to their age
Source: Own processing

The largest group according to status are single people (71.0 %), the second largest group is formed by married people (24.0 %) is formed by married people (24.0 %), group of divorced people was just 5 % and one widow/widower. For the answering of the RQ1 some communication tools were tested. We questioned respondents about their perceptions of effectiveness of communication tools. At first we selected the advertising according to the media as TV, print; internet and social networks. Next we asked about another tools of marketing communication as DM letters; e-mail; sales support as contents and 3D advertising (promotional gifts). ANOVA as the statistical method was used. There was not found the relation between gender and perceptions about the effectiveness of advertising using TV and print as the communication tool. Value P was 0.08924, so we can say that there is no significant relation. It means that we accept the null hypothesis: **The gender has no significant influence on the perceptions of TV and print communication effectiveness.**

Advertising on the Internet was also tested, if there is any significant relation on gender. Value P was 0.69498; it means that there is no significant relation. Thus, we accept the null hypothesis: **The gender has no significant influence on the perceptions of Internet communication effectiveness.** The last part of advertising was focused on advertising on social networks. It means that we asked the respondents about this kind of advertising and their perceptions of its effectiveness. Value P was 0.91472, so there is no significant relation and the factor are independent. It means that we accept the null hypothesis: **The gender has no significant influence on the perceptions of social network communication effectiveness.** Another communication tool, which we asked about, was DM letter. In this case the Value P was 0.03363, what means that there is dependence of perceptions about effectiveness of addressed letter as the communication tools on gender (see Chart 2). Thus, we reject the null hypothesis: The gender has no significant influence on the perceptions of addressed letter's effectiveness. And we accept the alternative hypothesis: **The gender has significant influence on the perceptions of DM letters communication effectiveness.**
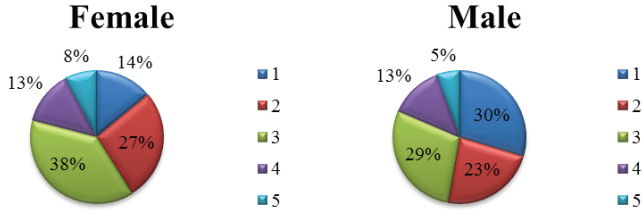
Chart 2: The perceptions of DM letter communication effectiveness according to gender (1 – the lowest importance, 5 – the highest importance)
Source: Own processing

The e-mail as the second communication tool from the direct marketing communication was tested. Also, in this case we found the relation with gender. Value P was 0.00358 and it is said that there is relation between gender and perceptions of effectiveness of e-mail as the communications tool (see Chart 3). So, we reject the null hypothesis: The gender has no significant influence on the perceptions of emails' effectiveness. And we accept the alternative hypothesis: **The gender has significant influence on the perceptions of emails communication effectiveness.**
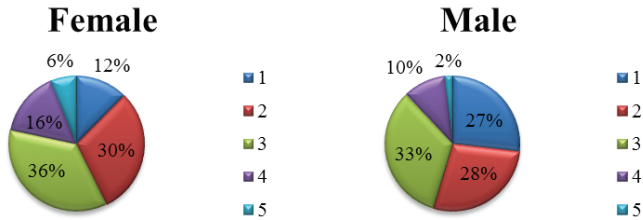
Chart 3: The perceptions of emails effectiveness according to gender (1 – the lowest importance, 5 – the highest importance)
Source: Own processing

The last communication tool was from the area of sales promotion. We asked about the contests and 3D advertising (promotional gifts). Value P was 0.0097, what means that there is the relation between gender and perceptions of effectiveness of competitions and gifts (see Chart 4). So, we reject the null hypothesis: The gender has no significant influence on the perceptions of contests and promotional gifts communication effectiveness. And we accept the alternative hypothesis: **The gender has significant influence on the perceptions of contests and promotional gifts communication effectiveness.**

Female

Male
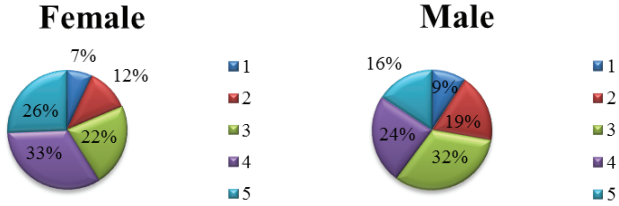
Chart 4: The perceptions of contests and promotional gifts communication effectiveness according to gender (1 – the lowest importance, 5 – the highest importance)
Source: Own processing

For the answering of the RQ2 some media tools were tested. We questioned respondents about their using online and offline media. For the purpose of this study we tested online media as YouTube, electronic diary, Facebook and email. Chi-square as the statistical method was used. At the beginning the respondents were questioned about watching videos on YouTube, which were after tested across the categories of age. There was not found any relation of watching videos on YouTube on the age of the respondents, because the number of significance was 0.2298. It means that we accept the null hypothesis: **The age has no significant influence on the consumption of videos on YouTube** (see Chart 5).
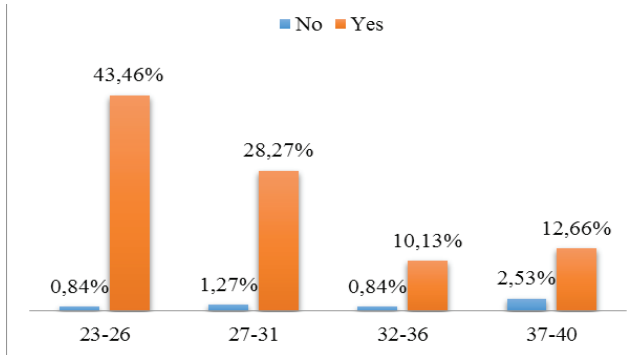
Chart 5: Watching the videos on YouTube across the age categories
Source: Own processing

Afterwards the respondents were asked about their using the electronic diary (see Chart 6). Also in this case no relation was found. The number of significance was 0.8264, what means that we accept the null hypothesis: **The age has no significant influence on the using of electronic diary**.
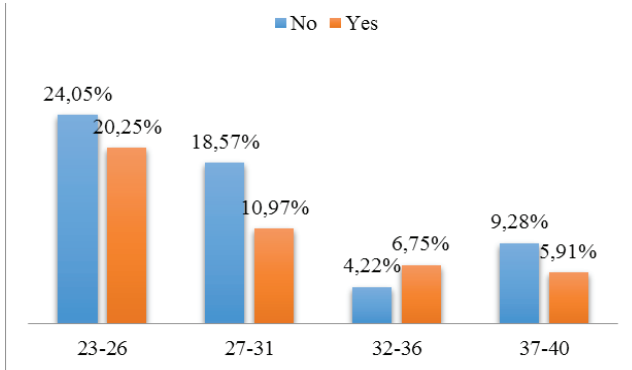
Chart 6: Using the electronic diary across the age categories
Source: Own processing

As we can see on the Chart 6, three of four groups of respondents mostly answered, that they don't use the electronic diary. Just in the fourth group in the age category 32-36 more respondents answered, that they use the electronic diary. Another question was about using Facebook for communicating with the friends. In this case the relation between using this social network and age was found. The number of significance was 1.21E-09 and it means that we reject the null hypothesis: The age has no significant influence on the using of Facebook. And we accept the alternative hypothesis: **The age has significant influence on the using of Facebook** (see Chart 7).
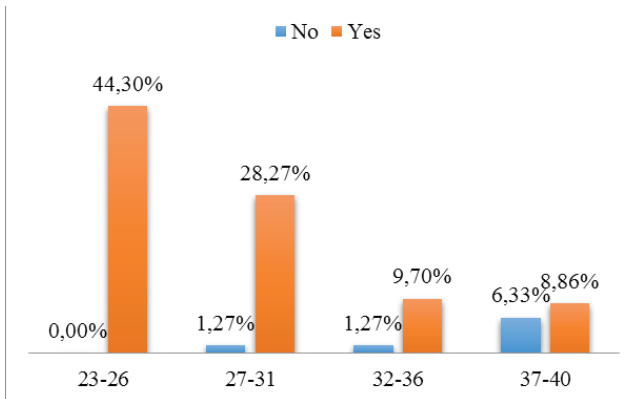
Chart 7: Social media (Facebook) consumption across the age categories
Source: Own processing

The last element, which was testing the media consumption of respondents in the age of Millennials by, was the using email for the communication with their friends.
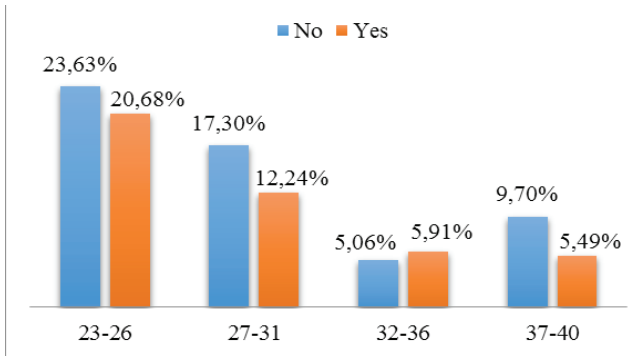
Chart 8: Using of email across the age categories
Source: Own processing

As we can see on the Chart 8, in three of four groups more respondents don't use email for communicating with their friends. Just in the case of the group in the age 32-36 more respondents answered that they use the email for communicating with the friends than they don't use the email for communication with friends. From the chart is obvious that there is no relation between using the email for communicating with friends and the age across the segment Millennials. The number of significance was 0.9832, what means that we accept the null hypothesis: **The age has no significant influence on the using of email for communicating with the friends.**

Conclusion

The digital technologies are the domain of the Millennials which have begun to penetrate the Czech market significantly in the 1990s. Today online technologies are the part of people´s everyday life. Of course, these changes are also reflected in marketing. Analysing the generation it could be seen a direct dependence between their media behavior and the possibilities of new media. In this study ANOVA and Chi-square were used for testing relations. At first the relation of the perceptions of the communication tools' effectiveness on the gender were tested. Afterwards the relation of the using the media on the age was tested. Two research questions were defined: RQ1: How does the gender influence the perceptions of Millennials about effectiveness of promotional means? RQ2: How does the age influence the rate of usage of media of Millennials? Overall 237 respondents were participated on the research. There was one limitation – the respondents should have been in the age of Millennials, what means 23-40 years old. Because of the fragmentation of the market is needed to investigate the differences among the Millennials segment according to diverse factors. That is why in this study we were researching some relations between the specific factors.

In the case of relation of the perceptions of the communication means effectiveness, generally, we can say that there are no differences, relations between gender and ATL communication tools in the Millennials segment. But on the other hand we found the

relations between gender and BTL communication means. So, the answer for the RQ1 is that the gender influences the perceptions of Millennials about the effectiveness of BTL communication means as DM letter, email, contests and promotional gifts, but doesn't influence their perceptions regarding the effectiveness of ATL communication means as advertising. For this purpose three null hypotheses were accepted and three null hypotheses were rejected. During the testing of the relation between the using the media and age of respondents of segment Millennials just one relation was found. From the results of research we can say that just the relation of using the Facebook for communicating with friend at age of Millennials was found out. But in the other case no relation was found. It means the answer for the RQ2 is that the age does not influence the rate of usage of media by Millennials. For the purpose of answering for the RQ2, three null hypotheses were accepted and one null hypothesis was rejected.

References:

AKHTAR, S.: *Social Media and Brand Loyalty*. [online]. [2017-10-04]. Available at: <http://www.socialtrakr.com/2011/07/12/social-media-andbrand-loyalty/>.

BALAKRISHNAN, B. K., DAHNIL, M. I., YI, W. J.: The Impact of Social Media Marketing Medium Toward Purchase Intention and Brand Loyalty Among Generation Y. In *Procedia – Social and Behavioral Sciences*, 2014, Vol. 148, p. 177-185. ISSN 1877-0428.

BARBAGALLO, P.: Teens. In *Target Marketing*, 2003, Vol. 26, No. 4, p. 65-68. ISSN 0889-5333.

BERGH, J., BEHRER, M.: *How Cool Brands Stay Hot: Branding to Generations Y and Z.* London : Kogan Page Publishers, 2016.

CIMINILLO, J. A.: Elusive Generation Y Demands Edgier Marketing. In *Automotive News*, 2005, Vol. 79, No. 6144, p. 28. ISSN 0005-1551.

CUI, Y. et al.: Cause-related Marketing: How Generation Y Responds. In *International Journal of Retail & Distribution Management*, 2003, Vol. 31, No. 6/7, p. 310-321. ISSN 0959-0552.

DOLS, J., LANDRUM, P., WIECK, K. L.: Leading and Managing an Intergenerational Workforce. In *Creative Nursing*, 2010, Vol. 16, No. 2, p. 68-74. ISSN 1946-1895.

ENGEBRETSON, J.: Odd Gen Out. In *American Demographics*, 2004, Vol. 24, No. 4, p. 14-18. ISSN 0163-4089.

ERDOĞMUŞ, İ. E., ÇIÇEK, M.: The Impact of Social Media Marketing on Brand Loyalty. In *Procedia – Social and Behavioral Sciences*, 2012, Vol. 58, p. 1353-1360. ISSN 1877-0428.

GENTRY, W. A. et al.: A Comparison of Generational Differences in Endorsement of Leadership Practices with Actual Leadership Skill Level. In *Consulting Psychology Journal: Practice & Research*, 2011, Vol. 63, No. 1, p. 39-49. ISSN 1939-0149.

GUPTA, M., BRANTLEY, A., JACKSON, V. P.: Product Involvement as a Predictor of Generation Y Consumer Decision Making Styles. In *The Business Review*, 2010, Vol. 14, No. 2, p. 28-33. ISSN 1553-5827.

HANZAEE, K. H., AGHASIBEIG, S.: Iranian Generation Y Female Market Segmentation. In *Journal of Islamic Marketing*, 2010, Vol. 1, No. 2, p. 165-176. ISSN 1759-0833.

HERSHATTER, A., EPSTEIN, M.: Millenials and the World of Work: An Organization and Management Perspective. In *Journal of Business Psychology*, 2010, Vol. 25, No. 2, p. 211-223. ISSN 1573-353X.

HEWLETT, S. A., SHERBIN, L., SUMBERG, K.: How Generation and Baby Boomers will Reshape Your Agenda. In *Harvard Business Review*, 2009, Vol. 1, p. 71-77. ISSN 0017-8012.

IPSOS Marketing Research. Generation Y as a Target Group of Research. [online]. [2017-10-13]. Available at: <http://mam.ihned.cz/c1-65875070-generace-y-jako-cilova-skupina-vyzkumu>.

JACKSON, N.: *Infographic: Using Social Media to Build Brand Loyalty*. [online]. [2017-10-04]. Available at: <http://www.theatlantic.com/technology/archive/2011/07/infographic-using-social-media-to-build-brand-loyalty/241701/>.

KAIFI, B. A. et al.: A Multi-Generational Workforce: Managing and Understanding Millennials. In *International Journal of Business and Management*, 2012, Vol. 7, No. 24, p. 88-93. ISSN 1833-8119.

KANE, S.: *Common Characteristics of Generation X Professionals*. [online]. [2017-09-26]. Available at: <https://www.thebalance.com/common-characteristics-of-generation-x-professionals-2164682>.

KELLER, K. L.: *Strategic Brand Management: Building, Measuring and Managing Brand Equity*. 3rd Edition. New Jersey : Pearson Prentice Hall, 2008.

KOTLER, P., KELLER, K. L.: *A Framework for Marketing Management*. 3rd Edition. Upper Saddle River, NJ : Pearson Prentice Hall, 2007.

OLSON, K. E. et al.: Diffusion of Technology: Frequency of Use for Younger and Older Adults. In *Ageing International*, 2011, Vol. 36, No. 1, p. 123-145. ISSN 1936-606X.

ROSENBERG, M.: *Baby Boom: The Population Baby Boom of 1946-1964 in the United States*. [online]. [2017-09-25]. Available at: <https://www.thoughtco.com/baby-boom-overview-1435458>.

SIMONS, N.: Leveraging Generational Work Styles to Meet Business Objectives. In *Information Management*, 2010, Vol. 44, No. 1, p. 28-33. ISSN 1535-2897.

SMITH, K. T.: Digital Marketing Strategies that Millennials Find Appealing, Motivating, or just Annoying. In *Journal of Strategic Marketing*, 2011, Vol. 19, No. 6, p. 489-499. ISSN 1466-4488.

SYRETT, M., LAMMIMAN, J.: Catch Them if You Can. In *Director*, 2003, Vol. 57, No. 3, p. 70-76. ISSN 0012-3242.

TOLBZIE, A.: *Generational Differences in the Workplace.* [online]. [2017-10-04]. Available at: <https://rtc3.umn.edu/docs/2_18_Gen_diff_workplace.pdf>.

VALENTINE, B. D., POWERS, T. L.: Generation Y Values and Lifestyle Segments. In *Journal of Consumer Marketing*, 2013, Vol. 30, No. 7, p. 597-606. ISSN 0736-3761.

Contact data:
Ing. Veronika Braciníková
Silesian University in Opava
Faculty of Business Administration in Karviná
Univerzitní náměstí 1934/3
733 40 Karviná
CZECH REPUBLIC
bracinikova@opf.slu.cz

Ing. Kateřina Matušínská, Ph.D.
Silesian University in Opava
Faculty of Business Administration in Karviná
Univerzitní náměstí 1934/3
733 40 Karviná
CZECH REPUBLIC
matusinska@opf.slu.cz

DEMOGRAPHIC-GENERATION SEGMENTATION OF CUSTOMER IN CONTEXT OF STRATEGIC MANAGEMENT OF SELECTED CULTURAL INSTITUTION

Ivana Butoracová Šindleryová – Michal Lukáč

Abstract
The study is concerned about the topic of specific features of the cultural management necessary implemented within the cultural policy in relation to the research of both demographic and generation segmentation of the final target group on the illustration case of selected cultural institution – a museum. The authors present their knowledge about the changes of the typical behaviour of the customer in the field cultural market, claiming the curiosities and specific features that need to be considered within cultural management nowadays. Considering the present years progress, it is obvious that managers did not regard the global cultural environment as a significant source of opportunities and threats in the Slovak republic.

Key words:
Culture. Customer. Features. Management. Museum. Segmentation.

1 Management in its traditional view

Traditionally, cultural environment was not seen as a potential sphere for enterprises – due to the various circumstances, so the management was not implemented and there used to be a lack of strategic management access within. As the result, the cultural institutions have been managed in post-socialism style backing up their potential progress and development to take the market advantage and rise up continuously. These issues have simply been out of the look and concern of the experienced managers who, however, remained firmly focused on the organizations competing in the market. As time flew and the markets got opened for the global environment touching also the sphere of cultural heritage, the current situation seems to prove that the service market related to the culture as one of the perspective progressing fields is constantly rising.[1] Nowadays, more and more managers regard the global culture environment as open – which means they must respond to its challenges. If there is no will or attempt to adapt to these changes, there is a risk of finding themselves reacting rather than innovating, and their organizations often become uncompetitive which may lead to a failure.

Building a competitive advantage requires to know the customer, considering the existing ones as well as those potential ones. It is necessary to be aware of basic four building blocks of competitive advantage which are superior efficiency, quality, innovation and responsiveness to customers. Achieving a competitive advantage requires managers to use all their skills and expertise to develop resources and improve the four building blocks mentioned. This feature may be involved in any of the managerial processes – strategy planning, creating an organizational settings, leading and controling the people and employees groups to effectively use the resources to achieve organizational goals. If considering the cultural environment and the

---

1   TEJ, J., MATUŠIKOVÁ, D.: Tourism Product Creation as a Basis of Economic Prosperity of a Destination. In *Ekonomičnyj časopys – XXI = Economic annals*, 2014, Vol. 21, No. 5, p. 45-48.

potential progress of the institutions active on the field, the magical key to progress seems to lie within the knowledge of the customer – his preferences, interests, needs and basic characteristic that usually refers to the demographic criteria. These are to be described in this study.

2 Basic customer identification in the cultural environment – research basis

A significant source of demand for services, products and cultural institutions is a certain group of people who can be designated by the term visitors. The attraction of these organizations is given also by the fact that the individual - visitor - may meet the different needs that may have nothing to do with the actual filling or the spirit of the institution. For individuals exposed to busy lifestyle, therefore, tourist sites can become escape place from other people and for lonely people are in turn an opportunity of getting into the company of people. The sites are therefore the typical examples of places, where the visitor can meet the extensive range of needs and interests. The successful development of listed structures is particularly subject to the thorough knowledge of the real and potential visitors and their needs. In principle, it must be assumed that every person may be visitors to the museum.

According to the authors, there are several arguments for organizations engaged in the management of cultural heritage, particularly large groups of criteria, in conjunction with which we can define the different types of the target audience. Schouten distinguishes „*three categories of visitors: scientists, visitors with special interests and visitors, who are looking for relaxation.*"[2] McManus distinguishes four categories of visitors, according to which they behave the groups with children - they are interested in primarily interacting objects, individual visitors - they read texts in details and stay relatively shortly in the institution, couples - they stay longer at the exhibition, they read texts thoroughly and discuss them after the exhibition, which is often attended individually, groups of adults - they pass the exhibition quickly, briefly and they do not read the texts.[3] The expert on cultural heritage Johnová identifies „*several specific types of visitors listed as a professional, an amateur, a consumer, a sheep, a snob and a critic.*"[4] For organizations dealing with the management of cultural heritage it is extremely important to detect each single category and change their opinion individually, which is sometimes time-consuming, but also using some kind of motivation.

3 Specific features of the customer segmentation in relation to the selected type of cultural institution – a museum

Museum as charity collections and scientific organizations are profiled at the end of the 19th century and the company realized that the institution in addition to collecting

---

2   For more information, see: SCHOUTEN, F.: Target Groups and Display in Museums. In *Exhibition Design as an Educational Tool*. Amsterdam : Reinwardt Academie, 1983.

3   See: McMANUS, P.: Making Sense of Exibitis. In KAVANAGH, G. (ed.): *Museum Languages: Objects and Textes*. London : Leicester University Press, 1991.

4   JOHNOVÁ, R.: *Marketing kulturního dědictví a umění*. Praha : Grada, 2008, p. 65.

activities broadens educational horizons, but also the human personality. From the time when the museum was highly valued several years have passed and for today's generation the museum is almost useless institution. However, we can find also those individuals, who regard it as a shrine accumulating the gems from the past, which must be protected at all expenses for future generations. The individual´s approach to the museum as an institution is limited by the amount of information that it has and is familiar with the roles, objectives, mission and activities of museums. Commonly used definition of ICOM (Code of Professional Ethics of the International Council of Museums) says that „*the museum is the permanent institution of non-productive nature, serving to society and its development, it is open to the public and conducts research of the material evidence of man and his environment, gains it, preserves, communicates and above all exhibits it for purposes of study, education and enjoyment.*"[5] In Slovakia, the museum under Act no. 38/2014 Coll., on museums and galleries and on the protection of cultural objects, as amended, pursuant to Section 2 paragraph 5, is defined as „*a specialized legal person or an organizational unit of a legal person on the basis of the survey and scientific research in accordance with its orientation and specialization shall take cultural objects which as collection items are professionally managed, scientifically reviewed and are accessible to the public especially for the purpose of study, cognition, learning and aesthetic experience of the museum specific means of communication.*"[6]

Kesner states that „*specific audiences in relation to the selected type of visited institution can be defined by aspect: demographic, geographic, interest and according to the type of lifestyle, frequency of visits and the use of the offer.*"[7] For the purpose of examining the issue we draw attention to the said first segment, namely demographic. It allows to select the visitors to the monumental objects by age, gender, education, religion, race and other characteristics that a castle or a chateau needs to watch. According to the author Kiráľová „*demographic segmentation is one of the most common criteria of the market segmentation.*"[8] Through such an investigation the cathedrals of the cultural industries can not only understand the needs of visitors better, but also prepare the offer of the basic or extended product or service scope more effectively. On the other hand, the entire results of surveys and studies aimed at the socio-demographic indicators may, according to the foreign expert Mark Davidson Schuster evoking the vicious circle. And because „*potential visitors are hostages of their demographic characteristics, as well as museums are hostages of their potential audience.*"[9] In accordance with this statement, it is also possible to say that between heritage conservation objects there are differences in the consumerist way of culture by population. Other socio-demographic profile of the visitors will have the science and technology museums and completely different castle or chateau museums. A typical visitor of the Slovak castles is in conjunction with the results of marketing

5   *Code of Professional Ethics*. Paris: ICOM, 1990, p. 2.
6   *Law no. 38/2014 Coll., amending and supplementing Law no. 206/2009 Coll., on museums and galleries and on the protection of cultural objects and amending Law of the Slovak National Council. 372/1990 Coll., on misdemeanors, as amended.*
7   KESNER, L.: *Marketing a management muzeí a památek*. Praha : Grada, 2005, p. 147.
8   KIRÁĽOVÁ, A.: *Marketing destinace cestovního ruchu*. Praha : Ekopress, 2003, p. 63.
9   SCHUSTER, M.: The Public Interest in the Art Museum's Public. In GUBBELS, T., VAN HEMEL, A. (eds.): *Art Museum and Price of Success*. Amsterdam : The Boekman Foundation, 1993, p. 39-75.

research, carried out by the author of this text in 2009, a woman aged 31 - 45, the upper secondary level, come from the Košice region and have Slovak nationality.

4 Social-demographic criteria importance within the flexibility of the management on the culture market

The detailed visitor segmentation includes considering the factors that influence their decision to visit the museum. On the one hand there are the marketing initiatives, which include the elements of the marketing mix, namely: product, price, distribution and marketing communication. However, despite the fact that the needs of museum visitors are very similar, each individual reacts to them differently. In addition to these factors, the visitor is also influenced by many other initiatives, which include: culture = C, economic = E, political = P and social = S indicators, so-called CEPS grouping. Additional factors that are based on each person's surroundings and significantly contribute to cultural tourism traffic cathedral include demographic factors. They are like a set of CEPS uncontrollable by the monument objects because their power comes from external environment. However, their effects should not be underestimated. The World Tourism Organization has defined eight categories that have an impact on traffic and demand for the free time products. „*They are the economy, technology, infrastructure, and political aspects of the legislation, environment, defence, international trade and security, demographic characteristics.*"[10] Currently, the most important socio-demographic development patterns that play a key role in deciding on visiting historical monuments include: aging population in Europe, the increasing strike force of the generation 50+, expansion of new trends in experience tourism, DYP generation, stagnant amount of free time, growing economic and decision-making power of the female population, changes in family structures and the existence of minority communities, international migration.

4.1 Strategic management conception of the selected cultural organisation due to the trends and demographic changes

The world and European international tourism organizations in their several analyses and studies reflect the impact of the **new demographic trends in tourism**. One of the major trends affecting the situation in experiential travel is the aging population. The growing population in the oldest age groups indicates that the older generation is becoming an interesting target market, as stated in the previous two analysed sociodemographic samples. However, the other target groups with a strong sign to the demand of leisure activities are young travellers aged 18-25 years. Have a number of characteristics: willingness to travel, the desire for experiences, the travellers without fear of terrorist attacks and lifestyle diseases, they are considerably funding to the visit destinations (combined with internationally recognized ISIC, EURO 26), they are willing to take risks in trying new and unproven product. They consider travelling as a source of personal development, a way of meeting people, and then there is fun and relaxation, the discovery of new places, and finally seeing their relatives and friends.

---

10   UNWTO & ETC: *Demographic Change and Tourism*. [online]. [2017-10-11]. Available at: <http://pub.unwto.org/WebRoot/Store/Shops/Infoshop/4C10/AFC1/0B46/FC46/3883/ C0A8/0164/866C/100610_demogr_change_excerpt.pdf>.

When speaking about the generation of young travellers, we should not forget the fact that their leisure is not homogeneous and, therefore, the possible reasons for traveling can be classified into four different groups.

The first consists of the so-called exotic destinations searchers, the mountain adventurers and the investigators of the culturally distant nations. Part of the second fraction is adherents of consumer lifestyle. They spend their free time by the sea, in European capitals and cities. This segment is characterized by excessive drinking, vandalism and noisy nightlife. The third level includes the so-called gap year students. These are young people who would travel abroad for occasional brigade, language courses, but most often for learning experience. This trend is primarily used by university students, through various grants and Erasmus +. *„In terms of human capital it is investing in wealth of our society.”*[11] Recently, thus concluding the fourth category consists of the volunteer tourists. This kind of tourism can be defined as *„traveling of the persons, who during their holiday for various reasons, are traveling in an organized manner, in order to provide voluntary assistance or mitigate material deprivation of certain social groups, restoration of the environment or of a review of the society or the environment.”*[12] The so-called volunteer tourists are motivated by the voluntary unpaid work cross cutting with the tourist programs, they want to help to a good thing, gain new experience or they want to improve their foreign language communication skills. The last type of youth tourism is very popular in the area of cultural heritage. The listed structures thus gain enthusiasts for the unpaid work, but this is compensated by providing accommodation and meals. Using volunteer tourism the ruins of castles or monasteries are gradually being saved and restored. The first swallow applying volunteering leisure time with extraordinary experiences in practice of the Slovak cultural heritage is the project is non-profit organization Katarínka. Its aim is to save the Church and Convent of St. Catherine of Alexandria between the villages of Dechtice and Naháč (Trnava) from further dilapidation and deterioration, up to a total of preserving the building. So far, over 20 years the project volunteer summer camps were attended by more than 1,500 enthusiasts who helped preserve the Genius loci and revive the interesting history of this unique place surrounded by nature. Other historical monuments and cultural values that are saving in the eleventh hour, largely due to the selfless work of young philanthropists, are the Slovak castles Gýmeš and Hrušov, the Czech castle Cinburk, the French ruins Montciar, the Icelandic lighthouse Grotta in Reykjavik etc.

A group of people 12 to 15 years can be described as a **generation DYP**, i.e. digital young people. Several sociological researches show that the generation born after 2005 is in terms of participation in leisure activities a group, which very difficult to define. In the vast majority of people, this segment is characterized primarily by the low cultural competence, lack of interest in traditional art forms, they contempt museums as boring places and above they spent their free time on the social networks, on the internet or by playing digital games. Since digital media have become part of everyday life of a young person that their potential should definitely be used by the museums in their favour by applying the geolocation services or augmented reality into the

---

11   IMROVIČ, M.: *Mládež a miestna samospráva vo svetle demokracie*. Trnava : Slovenská spoločnosť pre verejnú   správu pre SAV, 2015, p. 54.
12   KOTÍKOVÁ, H.: *Nové trendy v nabídce cestovního ruchu*. Praha : Grada, 2013, p. 116.

activity of the monument buildings. They can be used to highlight the museums as an attractive place and to make the young people to change the virtual world for a physical visit to the institution. One of the most popular geolocation services with elements of social networking for mobile devices is the foursqauare. The essence of this service is „*logging users in specific locations through the app on their smartphone, where they have created the profile, so-called venue.*"[13]

The users can share with their friends the current location (wherever they are) and may also compete with each other. Every logging (i.e. Check-in) collects the points and special badges. Those users, who are registered in some place more often than others are thus gaining the highest functions, i.e they are becoming the so-called the mayors of a location. Foursquare offers very good possibilities of use for museums. It is an excellent alternative to expand the base of the museum audience by the generation DYP, for example: the users, who demonstrate a certain amount of check-ins in the specific listed structures, can be offered a free tour, a discount in the museum shop, café or could be allowed to the normally not inaccessible areas. Another modern technology in digital media is the augmented reality. This is a view of the real world equipped with digital elements and information that are created and generated by a computer. The aim of the augmented reality is computerized widespread of the real world through the layering of information on a realistic view. Unlike the virtual reality, users of the augmented reality can therefore see at the same time the virtual and real objects. Using the cell phone camera, the users scan the image of reality and then using the special applications the additional information obtained mainly from the internet - text, images, audio, video, etc. are placed there.

The real use of augmented reality in the mobile phone requires a specific application. One of them is a browser Layar. With it, the visitor of the listed monuments is able to obtain the interesting facts about the buildings, to see the three-dimensional model of the building few hundreds of years ago or take a walk in the gardens of castles using a mobile travel guide, which is processed as text RPG game. It contains a story that is created according to historical facts or events of the castle or chateau. During the individual stops the visitor reveals a certain part of the story, which can be partially affected and they familiarize themselves effortless and in a playful way with the history of the site. They have the opportunity to take in the atmosphere of ancient times and get an unusual "historical virtual" experience of visiting the museum.

Leisure time is an important part of every individual. At this time, the individuals act according to their own free choice and are more themselves. Leisure activities therefore significantly affect the lifetime of the orientation of a person, in the form of development and restore mental, physical and creative powers of the individual. Today time is characterized by the typical haste and lack of free time. Some authors have shown that the amount of free time has been steadily declining; other studies indicate only a slight decline. In terms of socio-demographic characteristics the stagnant amount of free time is reflected in the higher and the middle class, namely professions such as top managers, renowned experts, workers in science and research, entrepreneurs, programmers etc. These groups with above-average incomes spend

---

13   PIZANO, V., KUSÁ, A.: *Typológia slovenských internetových užívateľov*. Trnava : FMK UCM in Trnava, 2012, p. 51.

most hours of the day at work and the amount of their free time is permanently decreasing. *„Preference of the consumer lifestyle in a significant part of the population and increase their consumer claims that are also in post-communist societies filled by the previous experience of older and middle generation shortage economy, placing increasing pressure on activities to ensure, where possible, increasing income."*[14] The net effect, however, is considerable part of the population with a workload and material security but which is depressed about the lack of free time. It can therefore be said that the time factor definitely plays an important role in affecting public participation in culture. In the present hectic world, where the vast majority of people spend days at work and there is really no time for noting a range of cultural institutions and they prefer spending their free in the entertainment and shopping centres, or they spend their unused moments by personal development or surfing on the internet. *„Every fifth habitant of Slovakia spend their daily free time on the internet, or at the computer."*[15] However, lack of time to visit the museum is in certain cases relative and also works as an explanation that mask other reasons, such as too little motivation to any action.

Aging, delaying of marriage and the declining birth rate have an impact on **changing the structure of the family** which leads to a different segmentation of the target group originally seen as a family. The population segment, the so-called singles has come to the fore. Analysing this word we find out that those are young people who are independent, i.e. financially independent from their parent and living on their own. They do not have their own family, they are voluntarily or involuntarily singles, i.e. they live without permanent relationship. From the perspective of sociology it does not include only the young singles, this category includes the elderly living alone. They spend their free time by the cognitive leisure trip or by long weekends with for a lower price. If, however, we once take a closer look at a group of singles, this group also includes the people with minor sexual orientation, i.e gay, lesbian, bisexual and transgender people. These people are in terms of the leisure part of the so-called LGBT tourism. The author Kotíková defined *„the activities in tourism, which are specially prepared for the LGBT market (lesbian, gay, bisexual and transgender people) or such activities that address the LGBT market."*[16] The LGBT tourism is indeed a new form, but has intensively started to develop after emancipation of sexual minorities after the transformational changes in 1989. Currently, this kind of tourism fills a hole in the market of free time.

According to Koubek, the LGBT tourism is very much on the rise and has a chance to become a gold mine for the operators of the tourist attractions.[17] Kotíková includes among the main reasons for tourism development of minority sexual orientation the following: gay people travel more frequently than heterosexuals, this group of people do not have children and can afford to spend more money on their relax, their most favourite season is summer, spend their leisure time to relax combined with a visit to

---

14   CHORVÁTH, I. et al.: *Voľnočasové aktivity obyvateľov Slovenska: Poznatky z aktuálnych výskumov*. Bratislava : Sociologický ústav SAV, 2011, p. 86.
15   Ibidem, p. 33.
16   KOTÍKOVÁ, H.: *Nové trendy v nabídce cestovního ruchu*. Praha : Grada, 2013, p. 178
17   KOUBEK, J.: *Rekordní LGBT pavilon na berlínském cestovatelském veletrhu*. [online]. [2017-10-11]. Available at: <http://www.colourplanet.cz/rekordni-lgbt-pavilon-na-berlinskem-cestovatelskem-veletrhu/>.

the city centres and entertainment venues, they are educated and demanding clients.[18] The LGBT tourists are thus an important segment of visitors, especially the largest percentage of gay & lesbian tourism is in the United States, where about ten percent of the entire tourism market is made up of these people. According to the survey of the largest travel guide Lonely Planet (2012)[19] and LUI magazine (2013)[20] the following cities were marked as gay and lesbian friendly destinations: San Francisco, Sydney, Australia, Bogota in Colombia, Istanbul in Turkey and Tel Aviv in Israel. If we consider the European cities, the favourite places of the sexual minority segment include: London, Stockholm, Amsterdam, Berlin and Prague. In conclusion of this issue it can be said that the LGBT community is a very fast growing segment of tourism. In Slovak terms, the combination of words gay & lesbian and economy sounds strange at first sight. We should be looking at this group of people practically and without prejudice. It is the pink tourism hat could increase the traffic of the cathedrals of the cultural industry of our country. Openness and tolerance would be enough for the beginning.

4.2 Might the evaluation of the tools and managerial methods used on the basis of appropriate segmentation be effective?

The indicator, which reflects the degree of attractiveness and success of cultural monument and museum in the area known as traffic. In economic terms it is classified according to the number of persons who have visited the specific institutions. In addition to numerical expression, the traffic statistics very important element of the marketing strategy, which is usually proposed for attracting the visitors of the castle or the chateau. Many organizations undertaking the management of cultural heritage now carefully monitor and evaluate data about their traffic. The aim of this tendency is not primarily seeking a certain number of visitors, but especially the main motive is to improve and strengthen the links and relationships between museums and their audiences. In other words, quality is more valuable than quantity. Such a theory is confirmed by the consultant in the museum marketing Kaliopi Chamonikola, who states: *„We should not be pushed to the pressure leading to hypertonia of the importance of a visitor as a major thus only precisely measurable individual."*[21] We are not ashamed to admit also that we are concerned primarily about a sophisticated audience, who knows that they do not find a candy in a museum or a gallery. Sociological surveys in recent years show that traffic of the museums of the Old Continent is subject to a number of socio-demographic changes.

The most sensitive issue is becoming an aging European population and lengthening the life expectancy. From year to year the number of persons over 60 year increases; the after-war-agers are becoming retired, which substantially increases the proportion of pensioners at the expense of other age groups. Especially children and moreover, the fertility does not acquire high numbers. A low birth rate arises from

---

18   KOTÍKOVÁ, H.: *Nové trendy v nabídce cestovního ruchu*. Praha : Grada, 2013, p. 178
19   *Top Gay-friendly Destinations.* [online]. [2017-10-11]. Available at: <http://www.lonelyplanet.com/usa/san-francisco/travel-tips-and- articles/76124>.
20   *Nej gay destinace pro rok 2013.* [online]. [2017-10-11]. Available at: <http://www.lui-magazine.cz/home-new/item/1302-nej-gay- destinace-pro-rok-2013>.
21   CHAMONIKOLA, K.: Mezi svatyní a obchodním domem. K problematice muzeí a galerií 21. století. In *Bulletin Moravské galerie v Brně*, 1998, No. 54, p. 24.

delaying starting a family until later age and the changing structure of families, where the current latest trend is status single. Thanks to new preferences in experience tourism the proportion of representation of young people in the museum traffic has also increased. As part of leisure time activities, we can see other changes. Whether positive or negative. The second group includes stagnant amount of free time, which is manifested especially in the upper and middle class. A positive breakthrough, however, is growing economic and decision power of the female population, which, along with minority communities and solvent segment form a specific segment of clients of the cathedrals of the cultural industry. The international migration is the tip of the bowl of the sociodemographic traffic. It affects tourism in their own way. In some ways positively, in others negatively. Now, since the primary objective of the museum is maintaining or increasing their traffic, these institutions need to intensively examine the sociodemographic factors of the visiting public. In cooperation with them, the audience of the cathedrals of the cultural industries can be classified in the so-called sociodemographic visitor pyramid.
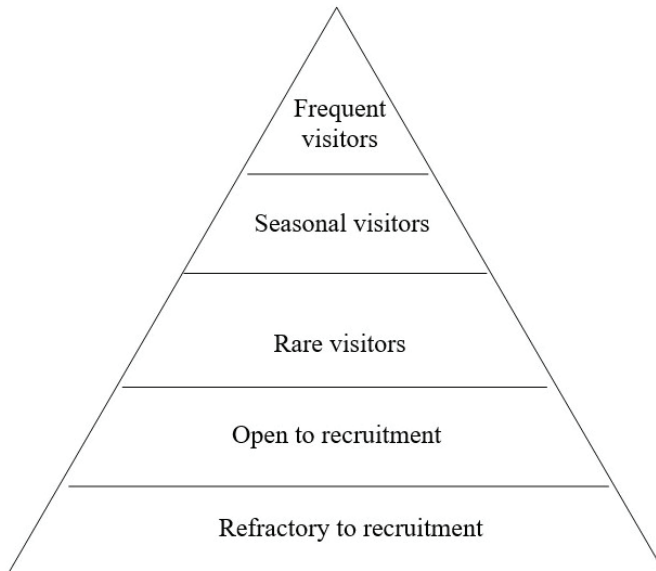
Picture 1: Sociodemographic visitor pyramid
Source: Own processing

The frequent visitors are at the top of the said pyramid as they are the treasure for the museum. This category includes individuals, whom the heritage literally became attached to the heart, they are satisfied with the quality of services provided, they go to the museum at least three times a year, they condition their visit by new experiences and the opportunity to learn. In the sociodemographic terms, the top of the visitor pyramid reflects two factors, namely the increasing strike force of the generation 50+ and the aging population in Europe. The seasonal visitors are placed at the lower

level. They can come to the museum during the tourist season to see a certain event or see whether the exposition of the museum has not changed during the year. As a starting state of development of sociodemographic patterns here we can consider other factors - the growing economic strength of the female population, changes in family structures and the existence of minority communities. In another declining level of the pyramid, on the third floor we can find the rare visitors, namely those who were led by their parents in childhood to active participation, entertainment and social interaction.

As adults they are often involved in diverse types of activities such as hiking, tours, adventure tours and events. It can therefore be no doubt that this visitor segment is clearly from the sociodemographic point of view the reflection of the rapid growth of new trends in experience tourism. The penultimate level of the visitor pyramid belongs to the individuals that are open to recruitment. Such cultural audiences prefer other forms of leisure, but under some circumstances they are willing to visit the museum, but they have to be offered something interesting for example the application of digital media in the cathedral of the cultural industry or free admission to excursion or event. Thus, this category consists of people 12 to 15 years, i.e DYP generation as well as international migrants. At the very bottom there are individuals refractory to recruitment. Their characteristic feature is that while they do not consider museum to be unnecessary institution it is not possible to persuade them to visit the museum. The main reason is the stagnant amount of free time, which also belongs to the current maelstrom of sociodemographic development of traffic patterns. Through the external stimuli, that sociodemographic factors and the already mentioned grouping CEPS the organizations managing the cultural heritage can transform the museum audience in the visitors pyramid in the ascending but also a descending manner. Shifts to the guest pyramids are also directly proportionally impacted by the communication activities of the historical objects. However, an essential condition for functionality and transformation of the pyramid is that man at least once visited the museum.

Conclusion

There is no doubt about the significant impact of sociodemographic factors on leisure. This influence was also noticed by the several international and world tourism organizations such as the Europe Travel Commission European Travel & Tourism Action Group.[22] They point out the development of demographic characteristics and include the effects automatically in the first place severally in the issued and updated document Trends in tourism in Europe. They will have clear impact on tourism and leisure time industry in the medium and long term. The cultural institutions and listed structures have started to fully recognize the value of the demographic trends and therefore they profile a variety of innovative new services. The most recent reactions include: increasing offer of the cultural programs, progress of interactive communication, increasing competitive potential importance of branding in cultural consumption, accreditation for professional workstations. However, the appropriate progress and market targeting is a necessary task of the managerial support for the cultural institutions. Based on the research of target group segmentation, the proper

---

22   *Tourismus Trends für Europa*. [online]. [2017-10-11]. Availabe at: <http://edu.ts-salzburg.at/bibliothek/images/stories/trendseurope.pdf>.

analysis might and should lead to a perspective strategic management vision followed by a clear plan aiming to fulfil the future success goals.

References:

Code of Professional Ethics. Paris : ICOM, 1990.

CHAMONIKOLA, K.: Mezi svatyní a obchodním domem. K problematice muzeí a galerií 21. století. In *Bulletin Moravské galerie v Brně*, 1998, No. 54, p. 23-26. ISSN N/A.

CHORVÁTH, I. et al.: *Voľnočasové aktivity obyvateľov Slovenska: Poznatky z aktuálnych výskumov*. Bratislava : Sociologický ústav SAV, 2011.

IMROVIČ, M.: *Mládež a miestna samospráva vo svetle demokracie*. Trnava : Slovenská spoločnosť pre verejnú správu pre SAV, 2015.

JOHNOVÁ, R.: *Marketing kulturního dědictví a umění*. Praha : Grada, 2008.

KESNER, L.: *Marketing a management múzeí a památek*. Praha : Grada, 2005.

KIRÁĽOVÁ, A.: *Marketing destinace cestovního ruchu*. Praha : Ekopress, 2003.

KOTÍKOVÁ, H.: *Nové trendy v nabídce cestovního ruchu*. Praha : Grada, 2013.

KOUBEK, J.: *Rekordní LGBT pavilon na berlínském cestovatelském veletrhu*. [online]. [2017-10-11]. Available at: <http://www.colourplanet.cz/rekordni-lgbt-pavilon-na-berlinskem-cestovatelskem- veletrhu/>.

Law no. 38/2014 Coll., amending and supplementing Law no. 206/2009 Coll., on museums and galleries and on the protection of cultural objects and amending Law of the Slovak National Council. 372/1990 Coll., on misdemeanors, as amended.

McMANUS, P. M.: Making Sense of Exibitis. In KAVANAGH, G. (ed.): *Museum Languages: Objects and Textes*. London : Leicester University Press, 1991, p. 33-46.

Nej gay destinace pro rok 2013. [online]. [2017-10-11]. Available at: <http://www.lui-magazine.cz/home-new/item/1302-nej-gay- destinace-pro-rok-2013>.

PIZANO, V., KUSÁ, A.: *Typológia slovenských internetových užívateľov*. Trnava : FMK UCM in Trnava, 2012.

SCHOUTEN, F.: Target Groups and Display in Museums. In *Exhibition Design as an Educational Tool*. Amsterdam : Reinwardt Academie, 1983, p. 3-11.

SCHUSTER, M.: The Public Interest in the Art Museum's Public. In GUBBELS, T., VAN HEMEL, A. (eds.): *Art Museum and Price of Success*. Amsterdam : The Boekman Foundation, 1993, p. 39-75.

TEJ, J., MATUŠIKOVÁ, D.: Tourism Product Creation as a Basis of Economic Prosperity of a Destination. In *Ekonomičnyj časopys – XXI = Economic annals*, 2014, Vol. 21, No. 5, p. 45-48. ISSN 1728-6220.

Top Gay-friendly Destinations. [online]. [2017-10-11]. Available at: <http://www.lonelyplanet.com/usa/san-francisco/travel-tips-and- articles/76124>.

Tourismus Trends für Europa. [online]. [2017-10-11]. Availabe at: <http://edu.ts-salzburg.at/bibliothek/images/stories/trendseurope.pdf>.

UNWTO & ETC: *Demographic change and tourism*. [online]. [2017-10-11]. Available at: <http://pub.unwto.org/WebRoot/Store/Shops/Infoshop/4C10/AFC1/0B46/FC46/3883/C0A8/0164/866C/100610_demogr_change_excerpt.pdf>.

Contact data:
assoc. prof. Ing. Ivana Butoracová Šindleryová, PhD.
University of Ss. Cyril and Methodius in Trnava
Faculty of Social Sciences
Bučianska 4/A
917 01 Trnava
SLOVAK REPUBLIC
ivana.butoracova@ucm.sk

PhDr. Michal Lukáč, PhD.
University of Ss. Cyril and Methodius in Trnava
Faculty of Social Sciences
Bučianska 4/A
917 01 Trnava
SLOVAK REPUBLIC
michal.lukac@ucm.sk

DIGITAL PLATFORM IN TOURISM

Tatiana Čorejová – Tatiana Genzorová – Natália Stalmašeková

Abstract
Digital age changes many ways of life. Using of the Internet brings many opportunities in business. Digital age changes life of ordinary people either. People can manage their time by using of digital tools and same situation is for companies. The first part of paper contains description of digital economy which is new phenomenon of our society. Digital economy is brought by using of the Internet in ordinary life. This situation caused fact that traditional business models cannot respond to requests of new market. Next part of paper describes digital business model in digital services. The last part of paper contains research about using of digital platforms in tourism especially mobile applications. The results of questionnaire is focused on customer behaviour which is influenced by using of digital environment in tourism.

Key words:
Accommodation. Business model. Digital economy. Digital platform. Mobile applications. New trends.

Introduction

According to OECD, the digital economy is the overriding name for describing markets that use digital technology to operate. This term means a wide range of economic, social and cultural activities that are carried out via the Internet and information and communication channels. First, this term was defined by Don Tapscott, in his most sold work: "The Digital Economy: Promise and Peril in the Age of Networked Intelligence" in 1995. This first definition has gone on for 20 years, but through this book Don Tapscott has been discussing how the Internet changes the basic principles of the functioning of the economy that apply to all processes from production to sales.[1] In 2001, Thomas Mesenbourg, in the article Measuring the digital economy, described three basic areas of the digital economy:
- Infrastructure,
- Electronic business processes,
- E-business.[2]

We can define the digital economy as a "global network of economic and social activities" that are carried out by platforms such as the Internet, Mobile and Sensor Networks, and online activities can be referred to as virtual or digital work, who is the manufacturer and who the consumer, because both parties can exchange roles, and the manufacturer can be consumer and consumer by the manufacturer. Transactions in the digital economy can be characterized as other electronic services that are delivered over the internet, but it is not the delivery of goods ordered online. Another characteristic feature of the digital economy is the use of extensive data generated in the digital environment at all levels of the international economy. It is a collection of scattered, aggregated, stored and analysed data that creates value by increasing

---

1   JOSE, T.: *What is Digital Economy?* [online]. [2017-07-08]. Available at: <http://www.indianeconomy.net/splclassroom/338/what-is-digitaleconomy/>.
2   MESENBOURG, T. L.: *Measuring the Digital Economy.* [online]. [2017-08-01]. Available at: <https://www.census.gov/content/dam/Census/library/workingpapers/2001/econ/umdigital.pdf/>.

transparency and improving performance and decision-making, and by developing tailor-made products or services or even new business models. The digital economy is more dependent on intellectual property than traditional off-line business.[3]

1 General framework

Digital business model

The digital business model is a combination of three platform-driven tasks. The platform may be an intermediary (marketplace), only service provider, or a knowledge manager (as a Wikipedia community), or they may choose to combine two of them such as eBay, Google or Yahoo!) or three of these tasks (such as online travel agencies or Amazon).[4] The Institution of European union categorize digital business models as follows three models:

- **a subscription model** where users subscribe for access to a service or content on websites such as Amazon or Netflix,
- **an advertising model** in which end-users generate revenue by including advertisements such as Youtube,
- **an access model** in which content and application developers pay for access to end-user data, e.g., App Store, Google Play.[5]

The platform is based on creating value by interacting between manufacturers and consumers. The platform provides open, participatory infrastructure for these interactions and sets out the conditions for their management. The main purpose of the platform is to make trade between users and to facilitate the exchange of goods, services or social exchange, allowing for value creation for all participants. The value of the platforms is created by community, which is using it. Platforms can turn businesses upside down, blur firm business boundaries, and transform the company in many fields. The rise of using platforms has transformed the ways in many industries. Platforms are used for many years, but IT has made their use much easier, cheaper and more customizable for more general use across multiple industries. The difference between platforms and structures, which were used before is interaction between manufacturers and users. Pipeline structures that are replaced by platforms create value by performing ongoing process control, activity optimization, and managers focus only on sales growth. Platforms are pushing pipelines by using customer data to create mechanisms for easier structuring and product value, and services are created by users.[6],[7]

---

3   HADZHIEVA, E.: *Tax Challenges in the Digital Economy*. [online]. [2017-08-01]. Available at: <http://www.europarl.europa.eu/RegData/etudes/STUD/2016/579002/IPOL_STU(2016)5790EN.pdf/>.

4   *Everything You Need to Know About Digital Platforms*. [online]. [2017-08-01]. Available at: <http://stephanecastellani.com/everything-you-need-toknow-about-digital-platforms/>.

5   ROSSIDES, N.: *Digital Business Models*. [online]. [2017-08-01]. Available at: <https://www.digital-mr.com/blog/view/digitalbusiness-models>.

6   For more information, see: ALSTYNE, M. W., PARKER, G. G., CHOUDARY, S. P.: *Platform Revolution: How Networked Markets are Transforming the Economy – And How to Make Them Work for You*. New York : W.W. Norton & Company Ltd., 2016.

7   ALSTYNE, M. W., PARKER, G. G., CHOUDARY, S. P.: *Pipelines, Platforms, and the New Rules of Strategy.* [online]. [2017-08-01]. Available at: <https://hbr.org/2016/04/pipelines-platforms-andthe-new-rules-of-strategy>.

1.1 Components of digital business model

The digital business model has three components:
- content,
- customer experience,
- platform model.

Picture 1: Components of digital business model
Source: *The Three Components of Digital Business Model.* [online]. [2017-08-01]. Available at: <http://sloanreview.mit.edu/article/optimizing-your-digital-business-model/>.

Content
Content of digital business model should answer to the question about what is consumed, which service or product. The content should inform about the prices, product and details of its use.

Customer Experience
Another part of the digital business model is a customer experience. This part of the model describes the answer to the question of how it is packaged. The aim of the experience shows product at the time of sale. Product experience affects the subjective feeling of the customer. Includes digitized business processes during product introduction. Companies during on-line purchasing companies provide to customer interface where they can obtain targeted purchase information, card payment, shopping cart details, delivery, e-mail, and SMS notifications.

Platform
The third part of the digital business model is a platform. The purpose of this last part is find answer to the question of how the product will be delivered. The platform consists of a set of digitized business processes, data, and infrastructure. The platform has two parts - internal and external. The internal part includes customer data, data on all sales and business processes that do not touch the customer, such as human

resources, data analyst, and sales. The external part of the platform contains data from phones, tablets or computers that consumers use to research products and purchase products.[8],[9]

2 Analysis of current situation

Mobile applications make ordinary day activities much easier than before. We can plan our day, shopping list, ordinary day routine and even our holiday, business trips on so on. Mobile applications are our advisor wherever we go. Mobile apps have the advantage of having reviews of customers who have already visited the places, hotels.[10] Unfortunately, Slovakia has not published research about customer behaviour by using mobile applications in tourism. For building of questionnaire, we used results of researches which were conducted by Trivago and touchIT and some blogs about travelling. The most used applications for searching accommodations are:

- Booking,
- Trivago,
- Airbnb,
- Hotels.com,
- TripAdvisor,
- Hostelworld.[11]

Data collection and results

The research was conducted in April 2017 by on-line questionnaire which was extended by emails and social networks. The number of filled questionnaires is 186. The first research assumption was confirmed, 50% of respondents use mobile apps to search for accommodation. Based on the research results, we can confirm that 92.47% of respondents nowadays use mobile applications to search for accommodation for a holiday or short trip. The rest of respondents use mobile apps to find accommodation because of business trip. We suppose that the number of customers which look for accommodation because of business trip will grow. Many employees must find accommodation by themselves and companies pay standard amount of money for expenses during business trip. Using of mobile apps to find place to stay is easier way to find cheaper accommodation.

8   WEILL, P., WOERNER, S.: *Optimizing Your Digital Business Model.* [online]. [2017-07-08]. Available at: <http://sloanreview.mit.edu/article/optimizing-your-digital-business-model/>.

9   ČOREJOVÁ, T. et al.: The Impact of Using the Digital Environment in Transport. In *12ᵗʰ International scientific conference of young scientists on sustainable, modern and safe transport. Conference Proceedings.* High Tatras : TRANSCOM, 2017, p. 231-236.

10   ČOREJOVÁ, T. et al.: Digital Transformation and Its Impact on Brand. In MATÚŠ, J., PETRANOVÁ, D. (eds.): *Marketing Identity 2016: Brands we love. Conference Proceeding*. Trnava : FMK UCM in Trnava, 2016, p. 54-64.

11   *Kam cestujú Slováci najčastejšie na dovolenky?* [online]. [2017-08-01]. Available at: <https://touchit.sk/kam-cestuju-slovaci-najcastejsie-na-dovolenky/113501>.

The purpose of searching of accommodation

■ Business trip ■ trip, vacation
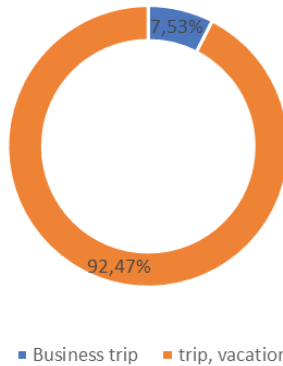
Picture 2: Results of research: % share of purpose of trip
Source: PATERKOVÁ, P.: *Trendy využívania digitálnych platforiem v cestovnom ruchu.* [Bachelor Thesis]. Žilina : Žilinská univerzita v Žiline, 2017.

The research contained question which was targeted to find main reasons to book accommodation. Respondents consider customer reviews at the most. Respondents are interested in locality of accommodation, the type of accommodation. Provided food is consider by 45% of respondents.

Factors which influence decision of customer
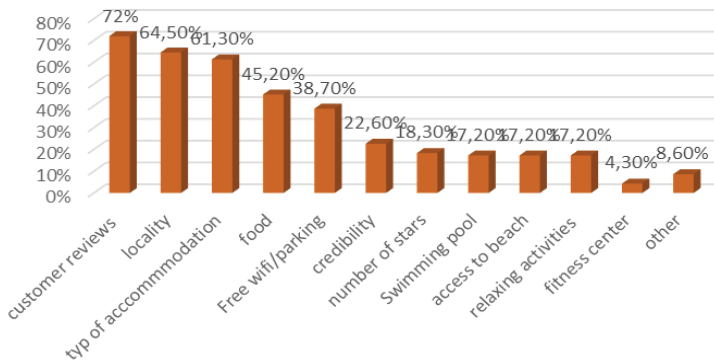
Picture 3: Results of research: % share of factor which influence decision of customer
Source: PATERKOVÁ, P.: *Trendy využívania digitálnych platforiem v cestovnom ruchu.* [Bachelor Thesis]. Žilina : Žilinská univerzita v Žiline, 2017.

The next question of research was find out the most used applications for searching accommodation. We have not found any research about preferences of Slovaks to particular application so we decided to ask which application respondents to use for finding cheaper place to stay. The most used application is Booking.com which use 73,1% of respondents. Trivago is used by 60% of respondents. These two web portals are more common than rest of applications in chart. The third used application is Airbnb which is more popular abroad than in Slovakia. Approximately there are 300 people which offer accommodation in Bratislava by Airbnb. Slovaks knows applications such as Expedia, Hotel Tonight, Agoda and others but they reached less than 5% in chart. Lots of them are used abroad only.[12]
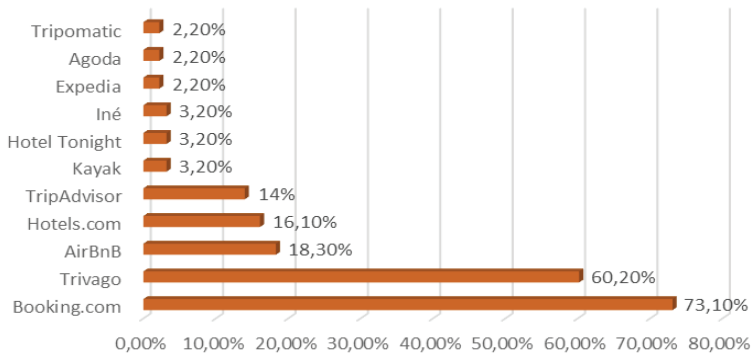
Picture 4: Results of research: % share of using of mobile applications
Source: PATERKOVÁ, P.: *Trendy využívania digitálnych platforiem v cestovnom ruchu.* [Bachelor Thesis]. Žilina : Žilinská univerzita v Žiline, 2017.

The next research assumption found out the most searched destination by using mobile apps. Respondents could choose from options which were given ahead. In April 2017 web portal touchIT published the research where was shown a trend of the most favourite destinations of Slovaks. According to this research the most favourite destination is Czech Republic, Austria, Hungary and Germany. The most favourite destinations during summer are Croatia, Italy and Poland.[13] According to our research the most searched destination by mobile applications is Slovakia. The second place took Czech Republic, later Croatia, Poland and Austria.[14]

---

12 *Poľovačka na Airbnb? Bratislava má byť iná ako svetové metropoly*. [online]. [2017-09-01]. Available at: <https://www.aktuality.sk/clanok/494903/polovacka-na-airbnb-bratislava-ma-byt-ina-ako-svetove-metropoly/>.
13 *6 kľúčových cestovateľských trendov pre rok 2016.* [online]. [2017-09-08]. Available at: <https://www.tripadvisor.sk/TripAdvisorInsights/n2670/6-klucovych-cestovatelskych-trendov-pre-rok-2016>.
14 See: PATERKOVÁ, P.: *Trendy využívania digitálnych platforiem v cestovnom ruchu.* [Bachelor Thesis]. Žilina : Žilinská univerzita v Žiline, 2017.

Most frequently searched destination
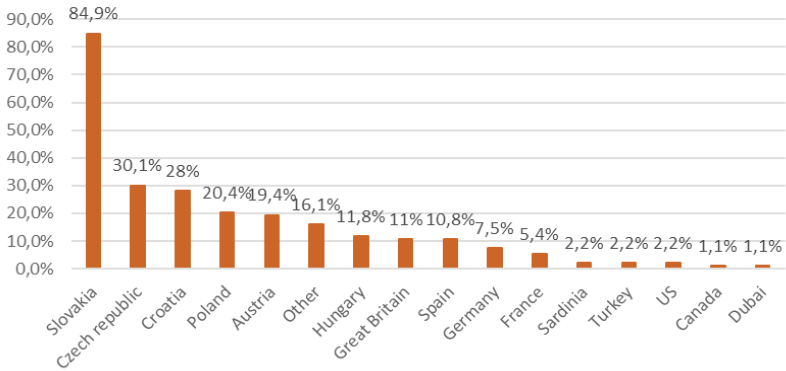
Picture 5: Result of research: the most searched destination by respondents
Source: PATERKOVÁ, P.: *Trendy využívania digitálnych platforiem v cestovnom ruchu.* [Bachelor Thesis]. Žilina : Žilinská univerzita v Žiline, 2017.

According to research of Tripadvisor in 2016 1of 3 travellers plan to spend more money for travelling than last year. 38.7% of respondents answered that they spend 30 € per night on the accommodation. The second big group of respondents can pay approximately 60 up to 90 € per night.

Average price per night
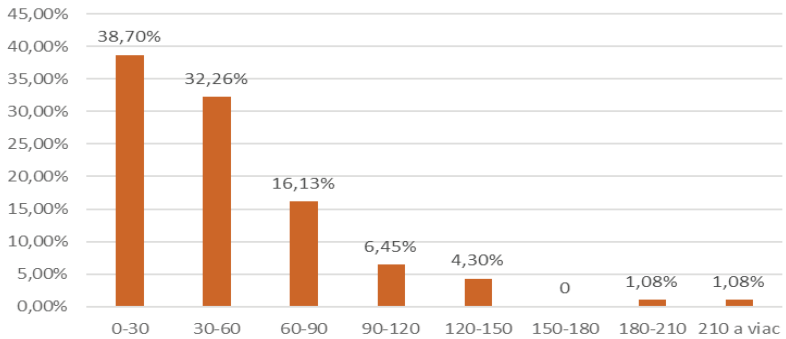
Picture 6: Result of research: the most searched destination by respondents
Source: PATERKOVÁ, P.: *Trendy využívania digitálnych platfoiem v cestovnom ruchu.* [Bachelor Thesis]. Žilina: Žilinská univerzita v Žiline, 2017.

Conclusion

The paper shows importance of building of digital business models, which can exactly describe current situation on the market of digital services. Every part of

life and business must deal with this new situation. The paper describes how digital environment change customer behaviour in tourism. Based on research results, we can say that mobile applications are used more by women (55.91%) than men (44.0%). Mobile applications for searching of accommodation are used by respondent in age 19- 25 at the most. Mostly respondents use mobile apps to find accommodation for a trip or vacation. At least mobile apps for searching accommodation use respondents in age 18 and less and in age 56 and more. For business trips respondents use mobile apps to find place to stay in Slovakia and Austria in age 26-35. Respondents stay 1-2 nights approximately and spend 30-60 euros per night. The most used app are Booking and Trivago. The respondents are influenced by reviews of customers and locality of flat.

References:
ALSTYNE, M. W., PARKER, G. G., CHOUDARY, S. P.: *Platform Revolution: How Networked Markets are Transforming the Economy – And How to Make Them Work for You*. New York : W.W. Norton & Company Ltd., 2016.
ALSTYNE, M. W., PARKER, G. G., CHOUDARY, S. P.: *Pipelines, Platforms, and the New Rule of Strategy.* [online]. [2017-08-01]. Available at: <https://hbr.org/2016/04/pipelines-platforms-and
the-new-rules-of-strategy>.
ČOREJOVÁ, T. et al.: Digital Transformation and Its Impact on Brand. In MATÚŠ, J., PETRANOVÁ, D. (eds.): *Marketing Identity 2016: Brands we Love. Conference Proceedings*. Trnava : FMK UCM in Trnava, 2016, p. 54-64.
ČOREJOVÁ, T. et al.: The Impact of Using the Digital Environment in Transport. In *12th International scientific conference of young scientists on sustainable, modern and safe transport. Conference Proceedings*. High Tatras : TRANSCOM, 2017, p. 231-236
HADZHIEVA, E.: *Tax Challenges in the Digital Economy*. [online]. [2017-08-01]. Available at: <http://www.europarl.europa.eu/RegData/etudes/STUD/2016/579002/IPOL_STU(2016)579002EN.pdf />.
Everything You Need to Know About Digital Platforms. [online]. [2017-08-01]. Available at: <http://stephanecastellani.com/everything-you-need-to-know-about-digital-platforms/>.
JOSE, T.: *What is Digital Economy?* [online]. [2017-07-08]. Available at: <http://www.indianeconomy.net/splclassroom/338/what-is-digitaleconomy/>.
Kam cestujú Slováci najčastejšie na dovolenky? [online]. [2017-08-01]. Available at: <https://touchit.sk/kam-cestuju-slovaci-najcastejsie-na-dovolenky/113501>.
MESENBOURG, T. L.: *Measuring the Digital Economy.* [online]. [2017-08-01]. Available at: <https://www.census.gov/content/dam/Census/library/workingpapers/2001/econ/umdigital.pdf/>.
PATERKOVÁ, P.: *Trendy využívania digitálnych platforiem v cestovnom ruchu.* [Bachelor Thesis]. Žilina : Žilinská univerzita v Žiline, 2017.

Poľovačka na Airbnb? Bratislava má byť iná ako svetové metropoly. [online]. [2017-09-01]. Available at: <https://www.aktuality.sk/clanok/494903/polovacka-na-airbnb-bratislava-ma-byt-ina-ako-svetove-metropoly/>.

ROSSIDES, N.: *Digital Business Models.* [online]. [2017-08-01]. Available at: <https://www.digital-mr.com/blog/view/digitalbusiness-models>.

WEILL, P., WOERNER, S.: *Optimizing Your Digital Business Model.* [online]. [2017-07-08]. Available at: <http://sloanreview.mit.edu/article/optimizing-your-digital-business-model/>.

6 kľúčových cestovateľských trendov pre rok 2016. [online]. [2017-09-08]. Available at: <https://www.tripadvisor.sk/TripAdvisorInsights/n2670/6-klucovych-cestovatels kych-trendov-pre-rok-2016>.

Contact data:
Dr.h.c. prof. Ing. Tatiana Čorejová, PhD.
University of Žilina
Faculty of Operation and Economics of Transport and Communications
Univerzitná 8215/1
010 26 Žilina
SLOVAK REPUBLIC
tatiana.corejova@uniza.sk

Ing. Tatiana Genzorová
University of Žilina
Faculty of Operation and Economics of Transport and Communications
Univerzitná 8215/1
010 26 Žilina
SLOVAK REPUBLIC
tatiana.genzorova@fpedas.uniza.sk

Ing. Natália Stalmašeková
University of Žilina
Faculty of Operation and Economics of Transport and Communications
Univerzitná 8215/1
010 26 Žilina
SLOVAK REPUBLIC
natalia.stalmasekova@fpedas.uniza.sk

DIGITALIZATION AS AN INNOVATIVE APPROACH TO THE SALES OF FOOD

Michal Eichler – Aleš Hes

Abstract
Trading, just like any other human activity, keeps changing and evolving. In this context, what mainly changes are methods and techniques used to transport goods from producers through wholesale and retail all the way to end consumers. In the 21st century, the most significant area of innovation in trading is electronic commerce and trading with the help of information technology, specifically the internet. The internet is used by more and more people and for many companies represents an important distribution channel. The use of the internet to purchase various goods has been very popular among consumers already at the beginning of this century and is becoming ever more widespread. Retailers naturally respond to this and are now trying to offer almost their entire product range online, allowing customers to order the goods and have them delivered right to their doorstep. This paper presents an overview of modern trends in innovative technological approaches to retail, specifically in the online sales of food products. In this paper is also solved research of gluten-free food offered at online shops in Czech Republic. Furthermore this research deals differences in offer and prices of food between general food online shops and specialized gluten free online in Czech Republic.

Key words:
Consumer. Digitalization. E-shop. Food. Internet. Purchase. Retail. Sale.

Introduction

Trading, just like any other human activity, keeps changing and evolving. In this context, what mainly changes are methods and techniques used to transport goods from producers through wholesale and retail all the way to end consumers. The need for the development of new technologies and innovations in sales activities is both a result of the traders' own initiative and, more importantly, a response to dynamic changes in the market environment. Retailers are trying to flexibly respond to the needs and ever-increasing demands of end consumers to make their purchases as convenient as possible. While this applies to food in the same way as to many other types of goods, innovative retail sales of food products must also take into account the specifics of this market segment.

In the 21st century, the most significant area of innovation in trading is electronic commerce and trading with the help of information technology, specifically the internet. The internet is used by more and more people and for many companies represents an important distribution channel. The use of the internet to purchase various goods has been very popular among consumers already at the beginning of this century and is becoming ever more widespread. Retailers naturally respond to this and are now trying to offer almost their entire product range online, allowing customers to order the goods and have them delivered right to their doorstep. This trend has recently also been picked up by food product sellers, from the traditional retail chain Tesco to newly established online grocery stores such as Rohlík.cz, Koloniál.cz or Košík.cz. These companies use their own transport services to distribute products to customers' homes, but so far do not cover the entire Czech Republic; there is however a clear trend of expanding from large cities and their immediate surroundings to smaller towns and municipalities. This is probably in response to

the fact that competition in this industry keeps growing, forcing individual providers to expand their radius. Specific groups of food products that do not have any special requirements for transport and are not too quickly perishable can also be transported by external companies which can deliver them to virtually any home in the Czech Republic. In part of our own research was used method of market research and collected data was processed by Microsoft office 2016 by descriptive statistic.

1 The internet, its use and importance

No other medium has had such an enormous impact and global influence on business, marketing and communication and developed as rapidly as the internet. This worldwide computer network has gradually become an integral part of the activities of companies across many industries as well as state and non-state institutions, interest associations and individuals.[1] Gala, Pour and Toman add that with the development of information technology and the means of using this technology, the individual e-commerce applications started diverging and evolving in various ways, resulting in the rich offer that we have today.[2] Kotler defines the internet or digital era as one that is influenced by four fundamental forces (see Figure 1): digitalization (switching from analogue information to digital information in the form of bit streams) and connectivity (connecting users and making information accessible on a network), the internet boom (rapid increase in the number of internet users), new forms of intermediaries (the rise of internet companies and online stores) and customisation (companies take over the initiative and adapt market offers to the characteristics of target groups of consumers) and customerisation (customers play a more active role in shaping the offer).[3]
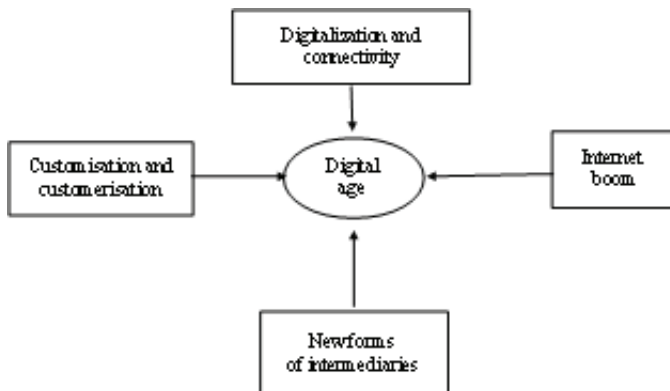
Figure 1: Forces shaping the internet age
Source: KOTLER, P. et al.: *Moderní marketing.* Praha : Grada, 2007, p. 174.

1   PŘIKRYLOVÁ, J., JAHODOVÁ, H.: *Moderní marketingová komunikace.* Praha : Grada, 2010, p. 216.
2   GÁLA, L., POUR, J., TOMAN, P.: *Podniková informatika: Počítačové aplikace v podnikové a mezipodnikové praxi, technologie informačních systémů, řízení a rozvoj podnikové informatiky.* Praha : Grada, 2006, p. 137.
3   KOTLER, P.: *Moderní marketing.* Praha : Grada, 2007, p. 174.

It is fair to say that the most important innovative element used in the commercial sales of goods to end customers in recent years has undoubtedly been selling that involves the internet. Consumers make use of the internet to learn about the various products on offer, to select a product and then to order the product from a website.

1.1 Electronic commerce

As mentioned above, e-commerce is one of the most significant applications of information technologies and specifically the internet. Today, e-commerce is at the same time a common component of the core activities of many companies and a very common way of shopping for many consumers. E-commerce today represents a wide range of products, applications and services which share as their common denominator the use of electronic communication channels. For companies, being open to new ideas both in business and technology is a very important factor that in many cases is the key to their success on the market. On the other hand, customers realise that they are sharing many of their information needs with other customers; companies take advantage of this by providing the option to compare and share experiences with other users on their website, which saves their customer support costs.[4] Kotler describes electronic markets as marketplaces where vendors offer their products online. Buyers here search for information to determine what it is they want.[5]

Kotler uses "e-commerce" as an umbrella term covering both e-marketing and e-purchasing. In his definition, e-marketing is a company's effort to provide information about products and services, to promote them and to sell them over the internet; e-purchasing is described as the purely transactional aspect of e-commerce, i.e. the purchase of goods from online vendors.[6] Shopping over the internet brings many benefits to end consumers. Customers can shop conveniently and in the privacy of their homes, with no transport-related complications; the internet also often gives them more choice and better access to products from all over the world. The internet also gives buyers access to an enormous amount of comparative information about companies, products and competition; well-designed internet shops can offer more information about the products they sell in a more useful format than even the most enthusiastic vendor could. Finally, online shopping is interactive and instant; buyers can often communicate with the vendor's website to specify the exact configuration of their product and then proceed with the order itself.[7] Other benefits of e-commerce for consumers mentioned by Přikrylová and Jahodová include: Building stable relationships with trustworthy sellers, obtaining information relevant to the consumer's individual preferences and ensuring that electronic shopping brings consumers maximum benefit for their money.[8]

---

4   GÁLA, L., POUR, J., TOMAN, P.: *Podniková informatika: Počítačové aplikace v podnikové a mezipodnikové praxi, technologie informačních systémů, řízení a rozvoj podnikové informatiky*. Praha : Grada, 2006, p. 140.
5   KOTLER, P.: *Moderní marketing.* Praha : Grada, 2007, p. 183.
6   Ibidem, p. 182.
7   Ibidem, p. 208.
8   PŘIKRYLOVÁ, J., JAHODOVÁ, H.: *Moderní marketingová komunikace.* Praha : Grada, 2010, p. 239.

The main benefits of e-commerce for sellers are summarised by Gála, Pour and Toman:[9]

- Increased revenue thanks to the offer of new products and services (individualised offers, permanently accessible electronic services);
- Option to use new communication channels and penetrate new markets;
- Better and more efficient contacts with customers and other partners;
- Reduced sales and marketing costs;
- Better use of resources;
- Higher quality of services to customers.

Other benefits to sellers mentioned by Přikrylová and Jahodová include enabling customers to make purchases quickly and more easily, easier gathering of market data, targeting the right customers with the right information at the right time, reducing operating costs and supporting brand policy.[10]

1.2 Development on online commerce in Czech Republic

According to an analysis carried out by Heureka.cz, an online price comparison service, and the Association for Electronic Commerce (APEK), the popularity of online shopping in the Czech Republic keeps growing. The charts below illustrate the steady increase in turnover over the monitored period from 2001 to 2016. The trend is similar for both goods and services, but goods have higher absolute values of turnover, reaching almost CZK 100 billion in 2016; in comparison, the turnover of internet stores selling services in 2016 was just under CZK 45 billion.[11]

Obrat internetových obchodů (v milardách Kč).
(zdroj: Asociace pro elektronickou komerci a Heureka 2017, www.apek.cz, www.heureka.cz)

Zboží
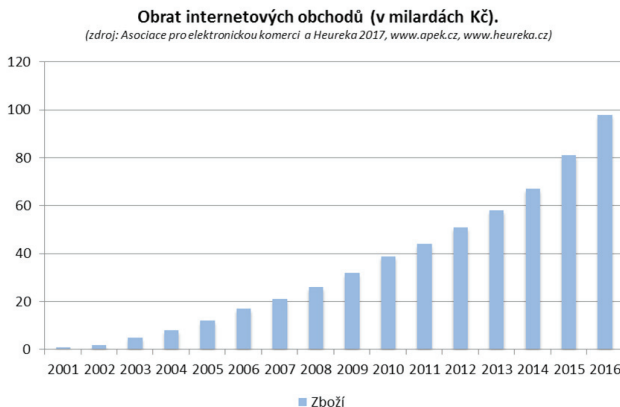
Chart 1: Turnover of online stores – goods
Source: *Asociace pro elektronickou komerci.* [online]. [2017-05-19]. Available at: <https://www.apek.cz/pro-novinare>.

---

9   GÁLA, L., POUR, J., TOMAN, P.: *Podniková informatika: Počítačové aplikace v podnikové a mezipodnikové praxi, technologie informačních systémů, řízení a rozvoj podnikové informatiky.* Praha : Grada, 2006, p. 143.
10   PŘIKRYLOVÁ, J., JAHODOVÁ, H.: *Moderní marketingová komunikace.* Praha : Grada, 2010, p. 218.
11   *Asociace pro elektronickou komerci.* [online]. [2017-05-19]. Available at: <https://www.apek.cz/pro-novinare>.

Obrat internetových obchodů (v milardách Kč).
(zdroj: Asociace pro elektronickou komerci 2017, www.apek.cz)
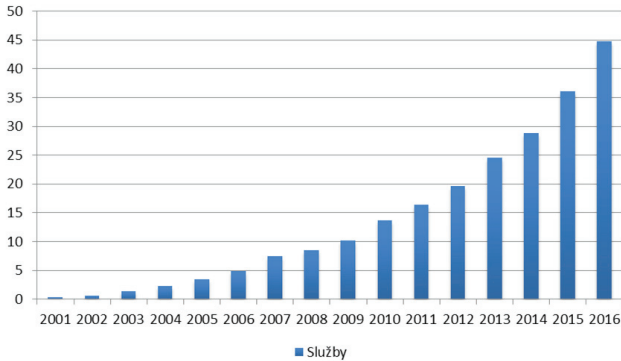
Chart 2: Turnover of online stores
Source: *Asociace pro elektronickou komerci.* [online]. [2017-05-19]. Available at: <https://www.apek.
cz/pro-novinare>.

Seasonal fluctuation in Czech e-shops particularly occurs before Christmas when consumers generally engage in e-commerce more than for the rest of the year. The following table shows the development of the turnover of Czech online stores in the last weeks of 2016.[12]

Vývoj obratů (Vánoční období 2016)
(zdroj: Asociace pro elektronickou komerci 2017, www.apek.cz)
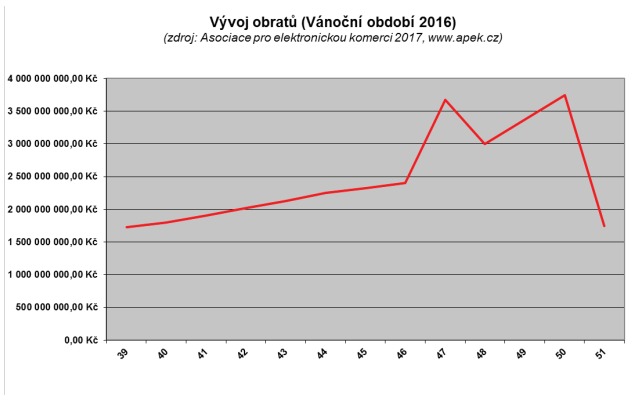
Chart 3: Turnover of online stores
Source: *Asociace pro elektronickou komerci.* [online]. [2017-05-19]. Available at: <https://www.apek.
cz/pro-novinare>.

---

12   *Asociace pro elektronickou komerci.* [online]. [2017-05-19]. Available at: <https://www.apek.cz/
     pro-novinare>.

2 Online sales of food

In his analysis of online sales of food and its logistics in urban areas, Seidel provides various reasons why more and more companies offer the service of buying food online. One of the reasons is that this step in essence means entering a new market and increasing sales by capturing new types of customers. It may also be an effort to maintain a market position or increase their market share. Seidel therefore believes that the reason for the increased offer of online food sales is mainly an effort to acquire customers and secure a market position rather than to achieve purely economic gain.[13] This corroborates the findings of Kervenoael who believes that a consumer's choice of a distribution channel is related to their lifestyle at a particular stage of life. As a consequence, businesses introduce online sales of food in order to accommodate the broadest possible range of consumers.[14] Verhoef in his research concludes that for online vendors, the most interesting market segment are older consumers for whom shopping in traditional stores may be challenging. The limiting factor, however, is precisely their age and with it the willingness and ability to use new technologies. Another group are successful people who are often very busy. The understanding that age and time pressure are significant factors influencing the choice of retail channels allows companies to devise a more accurate marketing strategy and target specific consumer segments with greater precision.[15] Internet shoppers can be divided into several groups based on their purchase behaviour. Harris et al. define four groups of customers: Variety seekers, who are exceptionally likely to shop online. Balanced buyers who tend to shop online. Then there are convenience shoppers who will use whichever option is currently easiest. Finally, there are store-oriented shoppers who have the lowest tendency to shop online. And when they do overcome their objections and shop online, they prefer to pick up the goods in a brick-and-mortar store.[16]

Looking at the consumers' perception of online sales of food, Anesbury claims that customers appreciate seeing their favourite brands on the landing pages of e-shops, meaning it's in the interest of retailers to carefully consider the positioning of the most popular products. Anesbury also mentions that customers who shop online spend more time choosing their goods than customers in brick-and-mortar shops where their buying is often habitual and they are trying to make their purchases as quickly as possible. Buying from home gives them enough time and the convenience to be able to select more carefully.[17] The time spent on shopping online was also

---

13   SASKIA, S., MAREI, N., BLANQUART, C.: Innovations in e-Grocery and Logistics Solutions for Cities. In *Transportation Research Procedia*, 2016, Vol. 12, p. 834. [online]. [2017-10-05]. Available at: <http://www.sciencedirect.com/science/article/pii/S2352146516000363>.

14   KERVENOAEL, R., ELMS, J., HALLSWORTH, A.: Influencing Online Grocery Innovation: Anti-choice as a Trigger for Activity Fragmentation and Multi-tasking. In *Futures*, 2014, Vol. 62, Part B, p. 162. [online]. [2017-10-06]. Available at: <http://www.sciencedirect.com/science/article/pii/S0016328714000664>.

15   VERHOEF, P. C., LANGERAK, F.: Possible Determinants of Consumers' adoption of Electronic Grocery Shopping in the Netherlands. In *Journal of Retailing and Consumer Services*, 2001, Vol. 8, No. 5, p. 284. [online]. [2017-09-30]. Available at: <http://www.sciencedirect.com/science/article/pii/S0969698900000333>.

16   HARRIS, P. et al.: Online and Store Patronage: A Typology of Grocery Shoppers. In *International Journal of Retail & Distribution Management*, 2016, Vol. 45, No. 4, p. 423. [online]. [2017-10-06]. Available at: <http://www.emeraldinsight.com/doi/abs/10.1108/IJRDM-06-2016-0103>.

17   ANESBURY, Z. et al.: How do Shoppers Behave Online? An Observational Study of Online Grocery

studied by Kervenoael who confirms that people spend more time shopping online than in a traditional store.[18] Seidel et al. also examine the journey taken by the goods to the customers and the issues of transportation and logistics which represent the most complicated part of the entire process of online food sales. He mentions two options: either create a special service for the final part of the food distribution chain or utilise existing logistics networks to make delivery to the consumer easier. Because of the requirements of the delivery of fresh and quickly perishable food products, the more suitable yet more expensive solution is a specialised service ran by the vendor and capable of rapid response.[19]

The research done by Richards et al., analyses the impact of the structure of retail food sales on consumer prices. The researchers conclude that the online food market is a significant competitor to traditional sales in brick-and-mortar stores, and as such can influence consumer prices even in those. This research also takes into account the fact that consumers shopping online will search for the same products across various e-shops because prices can vary significantly.[20] The popularity of online shopping in the Czech Republic is rather high and the proportion of online sales as opposed to purchases in traditional brick-and-mortar stores keeps growing. This applies not only to goods and services that have been purchased over the internet for quite some time, such as electronics, vacations and more; there is also an increasing number of vendors who sell food online and the number of their customers is on the rise. This at the same time expands the distribution network which online sellers can utilise to deliver the ordered food products to the end consumers.

While in Western Europe, the first e-shops with food started appearing at the turn of the century, the first company to introduce the concept on the Czech market was Tesco in 2012. The Tesco e-shop remains the undisputed market leader in the Czech Republic. So far, people have purchased goods worth about CZK one billion from this service, which accounts for roughly two percent of the retail chain's revenue in the country. The e-shop launched only in Prague, but currently can serve more than four million people in seven regions; the number of registered users exceeds 200,000.[21] According to the Euro magazine, Czechs spent about CZK two billion on food purchases over the internet in 2015 and the estimated figure for 2016 was roughly twice that amount. The longest-running service on this market is "Potraviny on-line" operated by Tesco; other services include Rohlik.cz, Kolonial.cz, Nakupdomu.

Shopping. In *Journal of Consumer Behaviour*, 2016, Vol. 15, No. 3, p. 278. [online]. [2017-10-05]. Available at: <http://onlinelibrary.wiley.com/doi/10.1002/cb.1566/full>.

18 KERVENOAEL, R., ELMS, J., HALLSWORTH, A.: Influencing Online Grocery Innovation: Anti-choice as a Trigger for Activity Fragmentation and Multi-tasking. In *Futures*, 2014, Vol. 62, Part B, p. 162. [online]. [2017-10-06]. Available at: <http://www.sciencedirect.com/science/article/pii/ S0016328714000664>.

19 SASKIA, S., MAREI, N., BLANQUART, C.: Innovations in e-Grocery and Logistics Solutions for Cities. In *Transportation Research Procedia*, 2016, Vol. 12, p. 834. [online]. [2017-10-05]. Available at: <http://www.sciencedirect.com/science/article/pii/S2352146516000363>.

20 RICHARDS, T. J., HAMILTON, S. F., ALLENDER, W.: Search and Price Dispersion in Online Grocery Markets. In *International Journal of Industrial Organization*, 2016, Vol. 45, No. 4, p. 280. [online]. [2017-10-06]. Available at: <http://www.sciencedirect.com/science/article/pii/ S0167718716300376>.

21 *Logistika, 2016.* [online]. [2017-05-13]. Available at: <http://logistika.ihned.cz/c1-65209820-o-uspechu-e-shopu-s potravinami-rozhoduje-logistika>.

com, Myfoodmarket.cz, Potravinydomu.cz, NakupteSi.cz and others. The Lidl discount chain is also planning to enter the online market.[22] According to a survey by Retail Trek from 2017, Czech consumers still haven't learned to purchase food online to the extent that was expected. According to this research, 8 % of Czech respondents purchase food online, compared to goods used for leisure activities which are bought online by 60 % of the respondents. It seems that the majority of consumers never even tried purchasing food online, and the survey by Retail Trek shows that ¾ of the respondents decide about which food products to buy directly at point of sale while browsing the aisles in a store. An overview of various product groups and their place of purchase is shown below (Chart 4).[23]
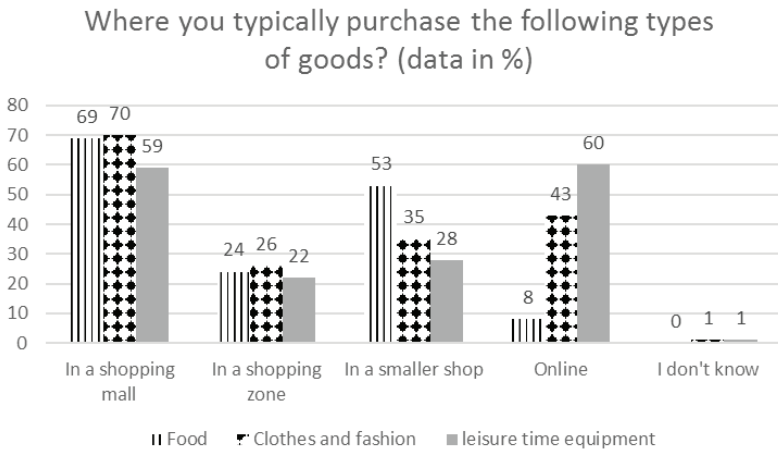
Chart 4: Place of purchase of goods in the Czech Republic
Source: *Mediaguru.cz, 2017.* [online]. [2017-08-24]. Available at: <https: //www.mediaguru. cz/2017/08/na-internetu nejcasteji-nakupuje-generace-y/>.

2.1 Sales of food for consumers with specific needs (gluten-free food)

The number of online shops selling food products in the Czech Republic is steadily increasing, and with it also the number of online shops specialized in selling gluten-free foods. This survey identified 30 online shops that primarily sell food for a gluten-free diet. The table below shows online shops which offer more than 100 products in the sum of the selected product groups.

---

22 *Euro, 2016.* [online]. [2017-05-13]. Available at: <http://www.euro.cz/byznys/potravinovy-e-shop-kosik-cz-ceka-letos-obrat-350-milionu-1312102>.

23 *Mediaguru.cz, 2017.* [online]. [2017-08-24]. Available at: <https://www.mediaguru.cz/2017/08/na-internetu-nejcasteji-nakupuje-generace-y/>.

Table 1: Number of items of gluten-free product groups

Specialized gluten-free online shops	flour	pasta	sweets	porridges	beverages	total number of items
dia-potraviny.cz	111	28	72	52	73	336
spolu-bez-lepku.cz	44	55	103	85	7	294
dibeo.eu	61	20	62	21	53	217
bezlepkova-dieta.eu	26	39	68	15	5	153
celiakshop.cz	50	29	22	49	0	150
celiatica.cz	35	78	9	17	2	141
balviten.cz	32	29	41	20	10	132
bezgluten.cz	25	23	64	12	1	125
bezlepku.net	28	30	50	9	1	118
celidia.cz	22	27	31	11	15	106
probiocelia.cz	26	24	25	24	6	105
bezlepkovaprodejna.cz	22	21	43	12	6	104
havita.cz	53	26	3	16	2	100
Total	535	429	593	343	181	

Source: Own processing

The observed items included flour, pasta, sweets, porridges and beverages. In the overall product range offered by selected sellers, we can see that the most represented group are "sweets" where they offer the largest number of gluten-free variants (593 items); this is followed by the group "flour" (535 items). On the other end, the least-represented product group are "beverages", which is probably caused by the fact that the majority of beverages are gluten-free by nature. The method of distribution, which remains one of the major issues of selling over the internet, is similar for all the examined e-shops. The most common option for transporting goods to consumers is the use of shipping companies (PPL, GLS, DPD, Geis), often combined with the possibility of delivery via the Czech Post. The e-shops also widely use specialised networks of pick-up points that have been specifically set up for e-commerce (Zásilkovna, Uloženka).

Table 2: Price comaparison between specialized, non-specialized and supermarket store

	Bread	Fresh pastry	Biscuits	Flour	Instant products
	Avg.Price (CZK/1 kg)	Avg.Price (CZK/1 kg)	Avg.Price (CZK/1 kg)	Avg.Price (CZK/1 kg)	Avg.Price (CZK/1 kg)
Specialized „gluten-free" e-shop	*210,49 Kč*	**391,65 Kč**	**742,63 Kč**	*96,58 Kč*	*106,50 Kč*
Non-specialized e-grocery	247,40 Kč	*312,37 Kč*	*384,52 Kč*	99,44 Kč	122,24 Kč
Supermarket	**275,99 Kč**	358,36 Kč	442,68 Kč	**101,51 Kč**	**274,06 Kč**

Source: Own processing

In price comparison between specialized gluten-free online shops, non-specialized food online shops and classic "brick and mortar" supermarket we can see some differences. Lowest and highest price are different in connection with individual assortment type. However, in general from table 4 follows that the cheapest gluten free food are offered by "Specialized gluten-free online shops" and the most expensive gluten free food are offered in "classic Supermarkets". Both online possibilities are in all cases are cheapest than classic "brick and mortar" variant.

Conclusion

Innovation in business, like in any other field of human activity, is an integral part of the dynamic development of society. In today's age of information technology and its mass availability to most of the population, use of the internet has become an everyday part of almost everyone's life. That's why the importance of online stores keeps growing, particularly for everyday goods such as food products. This also applies to food products intended for consumers with special requirements; besides specialised healthy living stores, there is also a growing number of online shops that primarily focus on a gluten-free diet and offer a fairly broad range of these specific foods. The consumers' effort to save time and look for more convenient ways how to purchase food puts pressure on retailers who are trying to constantly expand and improve the distribution channels they use to deliver goods to their end consumers. Services selling food online and their constant development represent a way how to reach these customers. Consumers' interest in shopping online keeps growing in the Czech Republic, even though the share of food products purchased this way represents a much lower figure than in the case of other categories of goods. It is, however, only a matter of time before Czech consumers adopt this method of purchasing food products on a larger scale. In price comparison between specialized gluten-free online shops, non-specialized food online shops and classic "brick and mortar" supermarket we can see some differences. Lowest and highest price are different in connection with individual assortment type. However, in general from table 4 follows that the cheapest gluten free food are offered by "Specialized gluten-free online shops" and the most expensive gluten free food are offered in "classic Supermarkets". Both online possibilities are in all cases are cheapest than classic "brick and mortar" variant.

References:
ANESBURY, Z. et al.: How do Shoppers Behave Online? An Observational Study of Online Grocery Shopping. In *Journal of Consumer Behaviour*, 2016, Vol. 15, No. 3, p. 261-270. ISSN 1479-1838. [online]. [2017-10-05]. Available at: <http://onlinelibrary.wiley.com/doi/10.1002/cb.1566/full>.
Asociace pro elektronickou komerci. [online]. [2017-05-19]. Available at: <https://www.apek.cz/pro-novinare>.

Euro, 2016. [online]. [2017-05-13]. Available at: <http://www.euro.cz/byznys/potravinovy-e-shop-kosik-cz-ceka-letos-obrat-350-milionu-1312102>.

HARRIS, P. et al.: Online and Store Patronage: A Typology of Grocery Shoppers. In *International Journal of Retail & Distribution Management*, 2016, Vol. 45, No. 4, p. 419-445. ISSN 0959-0552. [online]. [2017-10-06]. Available at: <http://www.emeraldinsight.com/doi/abs/10.1108/IJRDM-06-2016-0103>.

KERVENOAEL, R., ELMS, J., HALLSWORTH, A.: Influencing Online Grocery Innovation: Anti-choice as a Trigger for Activity Fragmentation and Multi-tasking. In *Futures*, 2014, Vol. 62, Part B, p. 155-163. ISSN 0016-3287. [online]. [2017-10-06]. Available at: <http://www.sciencedirect.com/science/article/pii/S0016328714000664>.

KOTLER, P.: *Moderní marketing.* Praha : Grada, 2007.

Logistika, 2016. [online]. [2017-05-13]. Available at: <http://logistika.ihned.cz/c1-65209820-o-uspechu-e-shopu-s-potravinami-rozhoduje-logistika>.

Mediaguru.cz, 2017. [online]. [2017-08-24]. Available at: <https://www.mediaguru.cz/2017/08/na-internetu-nejcasteji-nakupuje-generace-y/>.

PŘIKRYLOVÁ, J., JAHODOVÁ, H.: *Moderní marketingová komunikace.* Praha : Grada, 2010.

GÁLA, L., POUR, J., TOMAN, P.: *Podniková informatika: Počítačové aplikace v podnikové a mezipodnikové praxi, technologie informačních systémů, řízení a rozvoj podnikové informatiky*. Praha : Grada, 2006.

RICHARDS, T. J., HAMILTON, S. F., ALLENDER, W.: Search and Price Dispersion in Online Grocery Markets. In *International Journal of Industrial Organization*, 2016, Vol. 45, No. 4, p. 255-281. ISSN 0167-7187. [online]. [2017-10-06]. Available at: <http://www.sciencedirect.com/science/article/pii/S0167718716300376>.

SASKIA, S., MAREI, N., BLANQUART, C.: Innovations in e-Grocery and Logistics Solutions for Cities. In *Transportation Research Procedia*, 2016, Vol. 12, p. 825-835. ISSN 2352-1465. [online]. [2017-10-05]. Available at:
<http://www.sciencedirect.com/science/article/pii/S2352146516000363>.

VERHOEF, P. C., LANGERAK, F.: Possible Determinants of Consumers' Adoption of Electronic Grocery Shopping in the Netherlands. In *Journal of Retailing and Consumer Services*, 2001, Vol. 8, No. 5, p. 275-285. ISSN 0969-6989. [online]. [2017-09-30]. Available at: <http://www.sciencedirect.com/science/article/pii/S0969698900000333>.

Contact data:
Ing. Michal Eichler
Czech University of Life Sciences in Prague
Faculty of Economics and Management
Kamýcká 129
165 21 Prague 6 – Suchdol
CZECH REPUBLIC
eichlerm@pef.czu.cz

assoc. prof. Ing. Aleš Hes, CSc.
Czech University of Life Sciences in Prague
Faculty of Economics and Management
Kamýcká 129
165 21 Praha 6 – Suchdol
CZECH REPUBLIC
ales.hes@mail.vsfs.cz

INCREASING BRAND EQUITY THROUGH INNOVATIVE MARKETING COMMUNICATION TOOLS IN SEGMENT OF THE GENERATION Y

Petra Grešková – Igor Piatrov

Abstract
A generational approach to consumer segmentation has become something like mantra in modern marketing. There are several traditionally defined generations, however we can also observe the constant emergence of new generational consumer segments. In addition to generations of Baby Boomers, X, Y, and Z, we currently meet with generations called, for example, generation I as Internet or C in the sense of the connected generation. One of the newcomers generation is also the Alpha generation, which is defined as born after 2010. The theme of generations is very extensive in modern marketing, and with dynamically changing consumer behavior across all segments, it provides scope for constantly exploring and discovering new insights. This presented article will provide an insight into the characteristics of Y generation in relation to brand requirements and increasing brand value. Besides analysis, the article will offer survey results that are useful in increasing brand value in segment of the Y generation through innovative marketing communication tools.

Key words:
Authenticity. Brand. Brand value. Generation Y. Innovation. Marketing communication.

1 Definition of Generation Y

The term Generation Y was used for the first time in 1993 in an article of a magazine Ad Age.[1] Very frequently, maybe more often than the term Generation Y, we can meet with this generation being labeled as generation of millennials. This title was brought in 1989 by American sociologists Neil Howe and William Strauss.[2] However, it is important to mention that these term are synonyms, thus identical from the aspect of meaning. The term millennials is also being applied to this generation by an author Kotler,[3] but depending on an author we can meet with other terms, like for example "digital generation".[4] Age range definition of Generation Y also differs in dependence of authors. While authors Kotler and Keller define Generation Y as a generational cohort born between 1977 and 2000,[5] Armutat defines it as a cohort with years of birth of 1980-2000.[6] Another definition is brought by an author Parment who regards the Generation Y as individuals born between 1984 and 1994.[7] Furthermore, a clear definition is complicated by the fact that if a consumer does not fall within the birth years of Generation Y, they can still behave as a member of Generation Y, can share the same values, have equal technical abilities, and therefore companies

1   AD AGE: *Generation Y.* [online]. [2017-02-18]. Available at: <http://adage.com/article/news/generation/55731/>.
2   HOROVITZ, B.: *After Gen X, Millennials, What Should Next Generation Be?* [online]. [2017-02-18]. Available at: <http://usatoday30.usatoday.com/money/advertising/story/2012-05-03/naming-the-next-generation/54737518/1/>.
3   KOTLER, P., ARMSTRONG, G.: *Principles of Marketing.* Essex : Pearson Education Limited, 2014, p. 97.
4   KOPECKÝ, L.: *Public relations*. Praha : Grada Publishing, 2013, p. 240.
5   KOTLER, P., ARMSTRONG, G.: *Principles of Marketing.* Essex : Pearson Education Limited, 2014, p. 96-100.
6   ARMUTAT, S.: *Deutsche Gesellschaft für Personalführung.* [online]. [2017-02-18]. Available at: <https://static.dgfp.de/assets/publikationen/2011/GenerationY- finden-foerdern-binden.pdf/>.
7   PARMENT, A.: *Die Generation Y.* Wiesbaden : Springer Fachmedien, 2013, p. 3.

must communicate with them as with a member of Generation Y despite the fact that according to a year of birth they belong to Generation X.[8] The aforementioned complexity of age definition of Generation Y and all other generational cohorts leads more and more to segmentation of consumers not on the basis of age but similar psychological characteristics. The proof of this could be for example a genesis of a term Generation C as a group of consumers consisting of members of all generational cohorts with a similar psychographic behavior – they are always connected, meaning connected to the Internet.[9] For a better orientation in the issue, based on the aforementioned, we can state that Generation Y comprises of consumers born approximately between 1980 and 1995. As Richterová asserts, the following *"Generation Z consists of children of the end of a previous and a beginning of a new millennium and Generation Alpha – children born after 2009".*[10]

1.1 Characteristics of Generation Y

There were technologies in the background of Generation Y development. Technologies play a priority role in their lives. In fact, they do not remember life without technologies, they are technological natives and technologies are a part of their everyday life. Authors Windisch and Medman underline a close connection of Generation Y with technologies by a statement that members of Generation Y in their 20s have already sent and received on average 250 000 e-mails, text messages and messages in an environment of mobile applications, have spent 10 000 hours on their mobile phones, have played computer games for 5 000 hours and have spent 3 500 hours on social networks.[11] There is no doubt that the close link with technologies is a common denominator of this generation, this fact being confirmed by characteristics of Generation Y by several authors like Kotler (2014), Vysekalová (2011), Van der Bergh and Behrer (2012). Besides technologies, this generation is also strongly influenced by globalisation. Internet as a global network of billions of interconnected digital devices has brought this generation a possibility to obtain information from almost everywhere in the world immediately from one spot. They have virtually encountered war conflicts in distant countries, natural disasters, have watched significant events taking place anywhere in the world on the Internet. Many time they have come across false information, a so-called hoax, every such encounter leaving a crack in their confidence in online information which has also reflected in their consumer behaviour. Their approach to technologies results in their other characteristics, like for example the maturity of the generation, members of which at an early age show signs of being more mature than members of previous generations of the same age. Due to social networks they establish contacts easily, know their way around online world in such way that this knowledge has an impact on their real lives outside the Internet. They share their experiences with communities they create around themselves, leading to their team-oriented attitude as another characteristic traits of this generation. They are self-confident, they express their opinions publicly,

---

8   Ibidem, p. 5.
9   PIATROV, I., KUSÁ, A.: Who Is Generation C And The Way Banks Communicate With It. In PETRANOVÁ, D., ČÁBYOVÁ, Ľ. (eds.): *Marketing Identity: Brands We Love – part II. Conference Proceedings.* Trnava : FMK UCM in Trnava, 2016, p. 234-236.
10   RICHTEROVÁ, K.: *Spotrebiteľské správanie.* Bratislava : Sprint, 2015, p. 338.
11   WINDISCH, E., MEDMAN, N.: Understanding the Digital Natives. In *Ericsson Business Review*, 2008, 1/2008, p. 36-39.

share them and are able to work on several assignments at the same time, a so-called multitasking causes no problems to them. Apart from these qualities, we can find also negative personality traits of this generation within their characteristics, oftentimes outmatching the positive ones, like e.g. that they are lazy, narcissistic and frequently switch jobs.

As Heraclitus of Ephesus said, the only thing that is constant is change and, therefore, it is vital to look at changing characteristics of Generation Y. The characteristics of Generation Y changes mainly for two reasons. The first one is that this generation, due to its importance within current population, is a frequent subject of research bringing more detailed results; the second reason being the fact that this generation itself is changing as fast as the dynamically growing technologies used by it, therefore constant monitoring of its consumer behaviour and mapping trends created by this cohort are a necessity.

1.2 Consumer behaviour of Generation Y in relation to brands

Generation Y approaches brands specifically and selectively. It prefers those that are authentic, build relationships with customers and are willing to listen to their opinions. From a brand, it also requires the possibility to join the process of its creation so it would express their individuality and life style. They enjoy having their brands customized. Generation Y likes brands that do what they promise and are of an emotional character. They build trust in a brand primarily through their own opinion leaders, specifically friends and WOM marketing.[12] Digitisation of media has brought yet another realization about virtuality of brands that are being voluntarily sought out by the consumers. A one-way story of brands is ceasing to apply, on the contrary, the brands have to offer a valuable content as an equivalent of attention paid by their customer. They seek after participation of a consumer on designing the content that can be added to and shared. The principle "I talk, you listen" has been changed to "let's discuss this together". The result of this is a content created by people which often has a potential to go viral. The brands are therefore searching for a new approach to reaching out to a consumer of Generation Y and to attract them in innovative ways.[13]

1.2.1 Current trends in demands of Generation Y on brands and their communication
Up-to-date findings about a millennial consumer are brought by a study of an online magazine Elite Daily, conducted in cooperation with an author and researcher Dan Schwabel, called Elite Daily Millennial Consumer Study 2015. The study, carried out at the end of 2014, was built on a sample of 1300 respondents who were surveyed on a wide spectrum of questions. From the results we can select 8 new key findings about consumers belonging to the cohort of Generation Y:[14]
  • They are not influenced by advertisement. Only 1 % of respondents said that a compelling advertisement could increase their trust in an advertised brand. They are convinced that advertisement lacks authenticity and for this reason they

12   VYSEKALOVÁ, J., MIKEŠ, J.: *Image a firemní identita*. Praha : Grada Publishing, 2009, p. 114.
13   GREŠKOVÁ, P.: Brand and Consumer of Generation Y. In PETRANOVÁ, D., ČÁBYOVÁ, Ľ. (eds.): *Marketing Identity: Brands We Love – part II. Conference Proceedings*. Trnava : FMK UCM in Trnava, 2016, p. 95- 96.
14   ELITE DAILY: *Elite Daily Millennial Consumer Study 2015*. [online]. [2015-01-15]. Available at: <http://elitedaily.com/news/business/elite-daily-millennial-consumer-survey-2015/>.

use various tools to avoid advertisement, such as AdBlock in an environment of social network YouTube and online videos.

- They collect a large amount of information before making a purchase decision. 33 % of the respondents seek out authentic photos of a product on social networks, blogs or generally on the Internet before the purchase, while only 3 % search for information in traditional media like TV, magazines or books. The older generation relied more on information from these traditional media. According to the study of an author Ordun, the determining factors of purchase decision for millennials are price, stylishness, affection for the brand, prestige and the brand itself. From 13 factors, advertisement appeared to be the least decisive factor.[15]
- They appreciate authenticity that is more important to them than the content. 43 % of the millennials asses authenticity of information, they do not believe something they do not have full confidence in. They rather associate with people than with brand logos.
- They want to be in an interactive relationship with brands on social networks. 62 % of them state that if a brand interactively engages with them in this environment they are likely to become its loyal customers. They expect brands not to exist only on social networks but to create relationship and involvement with them.
- Cooperation with the brands on developing products appeals to them. 42 % of the respondents express their interest in participating on designing and development of products and services of the brand they like.
- They use several different devices. 87 % of millennials daily use two to three technical devices. 39% say that they are likely to purchase a tablet computer and 30% state that they are going to buy a certain portable technology (e.g. iWatch).
- They are loyal to brands. 60 % say that they are often or always loyal to a brand they are currently purchasing.
- They expect brands to return something to the society. As many as 75 % of the respondents expressed an opinion that it is fair and of great importance that the brands not only make a profit but give some of it back to society in a form of e.g. supporting local community.

2 Methodology and objectives of the survey

For the purpose of verification of statements expressed so far, the proposed article provides a view on behaviour and preferences of consumers belonging to the generational cohort of Generation Y regarding their choice of brands. Aiming for verification, we conducted a primary survey distributed in an electronic form, its respondents being 160 students of university, or a faculty, their field of study being marketing communication. We take the liberty to claim that the sample is representative on the basis of a demographic criterion – age, that in this case determines belonging to the mentioned generational cohort. The objective of the survey is to gain an overview of key factors regarding the choice and decision-making of Generation Y about brands in their home environment. We asked the respondents

---

15   ORDUN, G.: Millennial (Gen Y) Consumer Behavior, Their Shopping Preference and Perceptual Maps Associated With Brand Loyalty. In *Canadian Social Science*, 2015, Vol. 11, No. 4, p. 53.

seven questions about their preferences in an area of deciding on the choice of a brand, together with questions aimed at their consumer behaviour concerning their approach to technologies. The survey was done in the period of October – November 2017. The data obtained have been evaluated by one-dimensional statistical analysis and the results are interpreted below through bar charts. The values shown in charts are presented in percentage.

3 Results of the questionnaire survey

At the beginning we have questioned the respondents on the most important factors influencing their brand choice. From the overall amount of sixteen factors, the respondents have chosen five that affect them the most. We have found out that almost half of the respondents are strongly influenced by the price. It is understandable that the price is a significant factor of a decision-making process in this segment, as the majority of participants in our survey do not have their own income. The further most significant factors have been chosen in approximately equal frequencies. These factors are: visual design, image and stylishness of the brand, its fashionableness, trendiness and authenticity, uniqueness of the brand. It is interesting that these factors have been rated more relevant than factors like functionality of the brand, information availability or sympathy for the brand.

Chart 1: Factors influencing brand choice
Source: Own processing, 2017

The goal of the following question is to find out the three most important criteria creating a precondition of a possibility to build a brand that would become popular among members of Generation Y. Interestingly, contrary to the first question, the factor of price has not ranked first, but more than three quarters of the respondents have named quality of the brand's product the most important factor, followed by a factor of modern design with a result of almost 60 %. The aforementioned factor of the price has been rated as third most important. Compared to the other factors, a factor of brand uniqueness has been selected in a significant amount. It is remarkable that the above mentioned criteria have ranked way ahead of criteria like availability of a product, after-sales service, possibility of trying a product out, warranty, loyalty scheme et al.
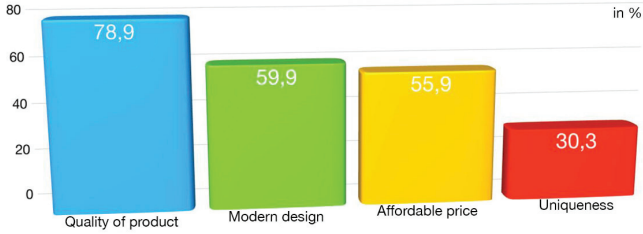
Chart 2: Criteria creating popularity of a brand
Source: Own processing, 2017

Further, we have been investigating areas of consumption that Generation Y invests the biggest volume of financial resources in. Clear areas of investment for Generation Y are fashion brands and clothing, along with electronics and communication devices. Other significant areas of investment are sports and leisure time. Almost half of the respondents have picked an area of food as significant. The last places have been taken by traveling (17,1 %) and alcoholic and non-alcoholic beverages (11,8 %).
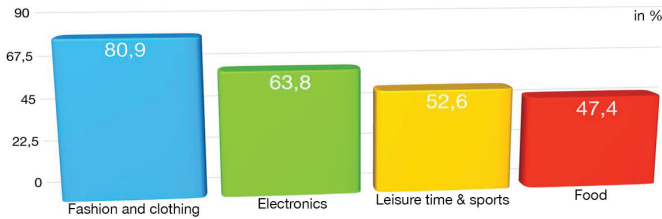
Chart 3: Areas of consumption according to biggest investment
Source: Own processing, 2017

Another series of questions has been aimed at communication of the brands. In the opening question we asked about all devices the respondents use to access the Internet. In this question already, a smartphone is being profiled as the main device of access to the Internet, as it is preferred over a laptop. It is interesting, that the respondents have marked a tablet and smart television equally as a device used for Internet connection. Desktop computer has ranked last, with a rate of 10,5 %, while none of the respondent have chosen the option of using Internet only rarely.
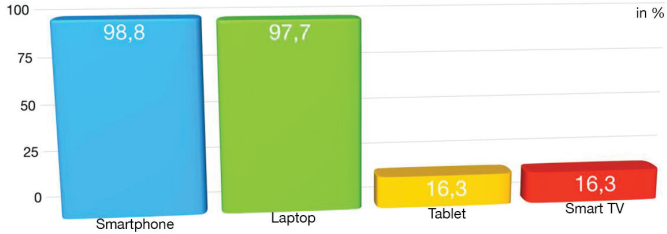
Chart 4: Devices used to access the Internet
Source: Own processing, 2017

The following question has been supposed to select one key device that the generation uses the most frequently to connect to the Internet. Smartphone has been selected as the most used device by a huge margin. Laptop has ranked second.
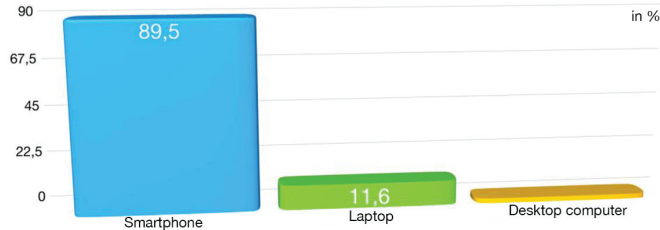
Chart 5: Key devices used most frequently to connect to the Internet
Source: Own processing, 2017

The subject of our interest has also been to determine where specifically the surveyed consumer segment looks for information about their favourite brand. As we can see in the graph, the most represented source of information is a social network Facebook (78,9 %), followed by social networks Instagram and YouTube. Interestingly, an actual website of a brand has finished only in the fifth place, because the respondents also prefer blogs and forums over it.
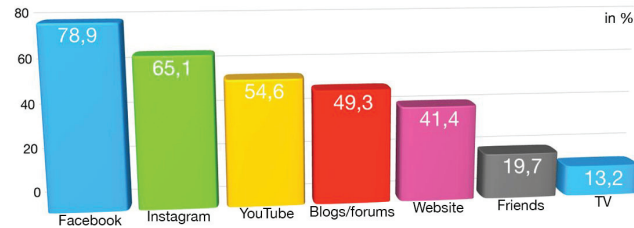
Chart 6: Place of searching for information about favourite brand
Source: Own processing, 2017

The last question of the survey maps the communication preferences of the brands. We asked the respondents what is the thing that attracts their interest the most in communication of the brands. In the first place, the respondents have been most impressed if a brand uses modern and actual means of communication, as for example hashtags, live videos, stories on social networks. The second most selected option is a brand using the social networks themselves. The third most frequently chosen factor is an interactive communication by the brands. Another important factor for the respondents is a cooperation with the brand in the area of content development, or consumers being involved in the brand's content creation.
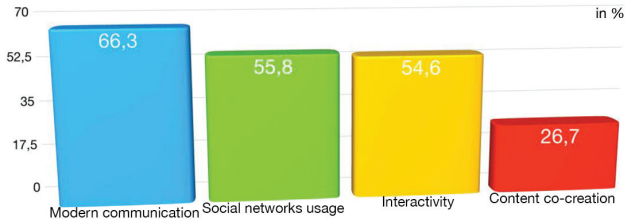
Chart 7: Preferences of brands' communication
Source: Own processing, 2017

3.1 Key findings of the questionnaire survey

The results of the survey mentioned above indicate some facts, based on which we are able to formulate actual four key findings determining current direction of an innovative marketing communication targeting a consumer segment of Generation Y. These are:

Smartphone in the first place
If it ever was true that a website should be optimized also for mobile devices, today we can forget this long established paradigm, especially in the segment of Generation Y. Current communication of a brand should, as a priority, focus on appearance and functionality of a website on mobile devices, only after that should it solve these issues for a computer version. Naturally, we are not talking only about appearance and functionality of communication designed for mobile devices, but also about using all possibilities allowed by these devices.

Precise following of the trends
The first question of the survey has already suggested what is important for the brands of Generation Y, as the options image and stylishness and fashionableness have registered a significant frequency of being selected. This segment is willing to invest the most of its resources in fashion which could as well be considered a picture of trendiness. Ultimately, these assumptions are verified by the answer of respondents to the last question, where they state that modern marketing communication is a factor that attracts their interest in the brand the most. Therefore, we can assert that if a brand wants to successfully communicate with Generation Y, it is essential for it to

follow and implement current trends in its fundamental essence, from product design to its communication.

Interactivity and a user-generated content
The brands have been trying to adjust to a two-way communication with consumers for a long time. However, this communication is becoming more and more important. Contrary to the beginnings of the two-way communication, when it was sufficient to communicate with a wider group of a target audience, nowadays, this audience demands a unique interactivity in a sense that it is not enough for the consumers that the brand communicates with some bigger group, they expect it to communicate with them and others personally. Social networks offer many ways to build relationships with consumers based on mutual interaction. From all the possible means we would accentuate the need for a fastest possible implementation of a user-generated content. This approach has gained a high proportion of respondents' votes in our survey and it is also very beneficial to the brands from other points of view, e.g. it simplifies creation of communicated content of the brand, but mainly it considerably contributes to building authenticity as a value of the brand.

Authenticity
All activities of brands are worthless if Generation Y evaluates them as inauthentic. If a brand communicates with its consumers but communicates with the same phrases, similar responses to their questions, consumers will sooner or later sense insincerity of this communication. If brands decide to implement interactive approach in their communication with the target audience, they must really mean it. Simply put, all actions of a brand must be believable and it cannot afford any discrepancy between what it says on the outside and what it really does. It does not concern only activities performed on the outside but must also be directed inwards. As soon as the consumers get a feeling that a brand is not authentic there are many other brands on the market that the consumers of Generation Y can substitute it with.

Summary and conclusion

This survey has confirmed that Generation Y has specific demands on brands which have also been confirmed by studies from abroad. If brands are interested in increasing their value in the eyes of this generation, they have to realize various facts, like: this generation chooses brands on grounds of a combination of a favourable price, high-quality visual design, image, but they also find fashionableness and authenticity of a brand relevant. In creating a popular brand it is advisable to focus on quality of the product, modern design and affordable price and especially uniqueness which millennials place great emphasis on. Strategy of brand building and its value for Generation Y should be based on combination of proper communication devices (smartphone, laptop), appropriate tools of marketing communication (Facebook, Instagram, YouTube, blogs, forums, website, friends) and also innovative elements in brand communication (videos, stories, hashtags, liking, reposting, direct communication, content co-creation). The overall marketing communication of brands towards Generation Y should meet the criteria of authenticity, interactivity, trendiness and functionality on communication devices, concretely smartphones.
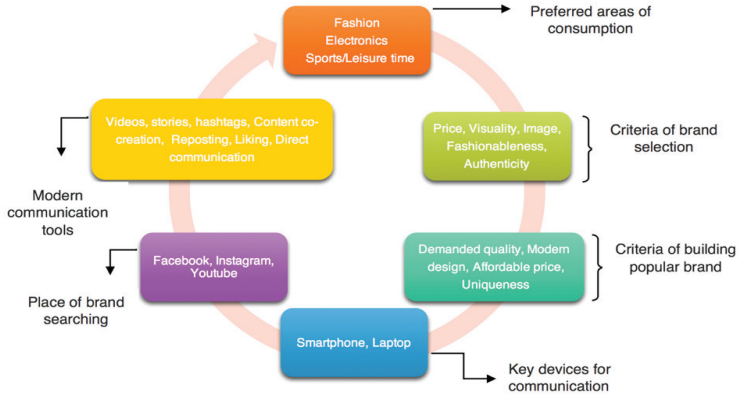
Chart 8: Increasing brand value within Generation Y through innovative tools of marketing communication and attributes connected to brand choice
Source: Own processing, 2017

References:

AD AGE: *Generation Y.* [online]. [2017-02-18]. Available at: <http://adage.com/article/news/generation/55731/>.

ARMUTAT, S.: *Deutsche Gesellschaft für Personalführung.* [online]. [2017-02-18]. Available at: <https://static.dgfp.de/assets/publikationen/2011/GenerationY-finden-foerdern-binden.pdf/>.

BERGH, J., BEHRER, M.: *Jak cool znacky ostávají hot.* Praha : Albatros media, 2012.

ELITE DAILY: *Elite Daily Millennial Consumer Study 2015.* [online]. [2017-01-15]. Available at: <http://elitedaily.com/news/business/elite-daily-millennial-consumer-survey-2015/>.

GREŠKOVÁ, P.: Brand and Consumer of Generation Y. In PETRANOVÁ, D., ČÁBYOVÁ, Ľ. (eds.): *Marketing Identity: Brands We Love – part II. Conference Proceedings.* Trnava : FMK UCM in Trnava, 2016, p. 95-96.

HOROVITZ B.: *After Gen X, Millennials, What Should Next Generation Be?* [online]. [2017-02-18]. Available at: <http://usatoday30.usatoday.com/money/advertising/story/2012-05-03/naming-the-next-generation/54737518/1/>.

KOPECKÝ, L.: *Public relations.* Praha : Grada Publishing, 2013.

KOTLER, P., ARMSTRONG, G.: *Principles of Marketing.* Essex : Pearson Education Limited, 2014.

KOTLER, P., KELLER, K. L.: *Marketing Management.* 14th Edition. Praha : Grada Publishing, 2013.

ORDUN, G.: Millennial (Gen Y) Consumer Behavior, Their Shopping Preference and Perceptual Maps Associated With Brand Loyalty. In *Canadian Social Science*, 2015, Vol. 11, No. 4, p. 40-55. ISSN 1712-8056.

PARMET, A.: *Die Generation Y.* Wiesbaden : Springer Fachmedien, 2013.

PIATROV, I., KUSÁ, A.: Who Is Generation C And The Way Banks Communicate With It. In PETRANOVÁ, D., ČÁBYOVÁ, Ľ. (eds.): *Marketing Identity: Brands We Love – part II. Conference Proceedings*. Trnava : FMK UCM in Trnava, 2016, p. 231-243.

RICHTEROVÁ, K.: *Spotrebiteľské správanie.* Bratislava : Sprint, 2015.

VYSEKALOVÁ, J. et al.: *Chování zákazníka. Jak odkrýt tajemství „černé skrinky".* Praha : Grada Publishing, 2011.

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

WINDISCH, E., MEDMAN, N.: Understanding the Digital Natives. In *Ericsson Business Review*, 2008, 1/2008, p. 36-39. ISSN N/A.

Contact data:
PhDr. Petra Grešková, PhD.
University of Ss. Cyril and Methodius in Trnava
Faculty of Mass Media Communication
Námestie J. Herdu 2
917 01 Trnava
SLOVAK REPUBLIC
petra.gresko@gmail.com

Mgr. Igor Piatrov
University of Ss. Cyril and Methodius in Trnava
Faculty of Mass Media Communication
Námestie J. Herdu 2
917 01 Trnava
SLOVAK REPUBLIC
ipiatrov@gmail.com

TREND IN ELECTRICITY CONSUMPTION
AND ITS IMPACT ON LIFE COSTS

Robert Halenár

Abstract
Electricity consumption in the company, whether it's households, businesses, or the total consumption of the company is growing. This increase has a major impact on living standards. In general, the higher the relative price of energy increases (relative to income), the fewer resources remain for consumption and investment. This impact is essential because each household is both directly energy consumers and, on the other hand, everyone pays for the increased energy price projected into everyday consumer purchases. Electricity is an essential part of the total energy requirements. But its price is made up of its supply and its distribution. The difference in the trend of the prices of these two components is a source of rising costs and at a time when the price for electricity supply decreases. This article explains the influence of the trend of individual components on its overall cost and at the end offers a reflection on where our payments end.

Key words:
Consumption. Costs. Delivery. Distribution. Electricity. Living standards.

Introduction

Electricity prices are often a topic to be discussed. They have a direct and indirect impact on our standard of living. The direct impact is evident in every-year payments for the supply and distribution of electricity consumed at the collection points, indirectly electricity prices are projected into other commodities and daily consumption items we buy. It is therefore clear that the lower is the total cost of electricity compared to our income, the higher could be the standard of living we can maintain at relatively constant consumption. A lower electricity price can therefore mean more savings to be used to buy other goods and services. Customers' shopping habits, however, sometimes contradict logic and are based on a purely emotional basis.[1]

1 Electricity price

Energy costs are on a continuous upward trend in Europe. In 2015 the average residential consumer's electricity price was 20.8 cents per kilowatt hour (cents/kWh), a 24% increase from the average price of 16.7 cents/kWh in 2010. These average values vary significantly across the European Union, ranging from 9.4 cents/kWh in Bulgaria to 30.7 cents in Denmark in 2015. In the past decade residential electricity prices increased by the average of 56%. The highest rise in cost was found in Greece (157%), the United Kingdom (142%) und Spain (110%). A very slight increase (0,1%) was recorded in the Netherlands. Between 2014 and 2015 the highest increase in private household electricity prices was recorded in Latvia (+20%), followed by Bulgaria (+13%) and the United Kingdom (+11%). The highest decrease was observed in Malta and Cyprus (-15%). In Europe, residential consumer

---

1   For more information, see: TRNKA, A.: Statistical Analysis of Online Shopping Behavior of Students. In MATÚŠ, J., PETRANOVÁ, D. (eds.): *Marketing Identity: Digital Life – part II. Conference Proceedings.* Trnava : FMK UCM in Trnava, 2015.

prices for electricity have long exceeded the industrial prices, and the gap has even become bigger in recent years. The highest residential electricity prices are paid in Denmark (30.7 cents) and Germany (29.5 cents) for many years in a row now. The price per kilowatt hour is more than three times higher than in Bulgaria (9.6 cents). Italy (24.5 cents) and Ireland (24.3 cents) are competing for the 3rd and 4th place, while the prices in Spain (23.1 cents) went somewhat down in 2014. The energy prices in the EU depend on a range of factors, including taxation, network charges or environmental protection costs. Taxes and levies make the biggest difference. Residential electricity rates are taxed at an average of 32%. These values vary greatly from one country to another, with rates as high as 57% in Denmark and 52% in Germany (including a renewable energy tax 22%).[2]

The European Commission hopes that its Energy Union strategy will make the EU's energy supply more secure, affordable and climate-friendly. But the energy market is highly fragmented, and focused on national interests. The price that the average European household pays per kWh of electricity has risen from 12 cents in 2005 to 18 cents in 2014. However, the prices in individual countries varies significantly. In Bulgaria and Hungary, households currently pay around 10 cents per kWh. In Germany and Denmark, energy is three times more expensive. Factors that influence cost include a country's geographical location, energy resources, and world market prices. But energy policies are increasingly a significant factor. Energy subsidies are growing across the majority of countries in the European Union. Only Austria and Sweden decreased their subsidies from 2008 to 2012. The rest of the EU increased by 57%. Leading the way? Denmark and Greece, which increased subsidies by over 1000%, and Germany, which accounts for roughly 25% of all energy subsidies in the EU. But despite more subsidies, electricity prices are still increasing. While household electricity prices have risen by 50% from 2005 to 2014, the average price for industrial consumers has increased by 66%. These prices also vary significantly across the EU. In Germany and the Netherlands, prices for medium-sized industries have remained fairly stable, increasing by approximately 25%. In the United Kingdom and Poland, however, prices have gone up by as much as 100%. To build a successful Energy Union, the Commission has a tough job ahead of itself: harmonizing the different national policies, building a transnational infrastructure, and getting member states to work together, towards a common goal.[3] Other countries have been successful in garnering electrical power via renewable options, allowing prices that are more budget-friendly than those seen in Italy and Germany. Electricity rates across 18 developed country can be seen illustrated within the table below. Note that electricity rates in our cheapest country, Sweden, are only 37% of those seen in Italy at the other far end of the spectrum.[4]

---

2   *Electicity Prices in Europe – Who Pays the Most?* [online]. [2017-09-26]. Available at: <https://1-stromvergleich.com/electricity-prices-europe/>.

3   LAMOS, E.: *Electicity Prices in Europe*. [online]. [2017-09-26]. Available at: <https://www.euractiv.com/section/electricity/video/electricity-prices-in-europe/>.

4   DILLINGER, J.: *Cost of Electricity by Country*. [online]. [2017-09-26]. Available at: <http://www.worldatlas.com/articles/electricity-rates-around-the-world.html>.
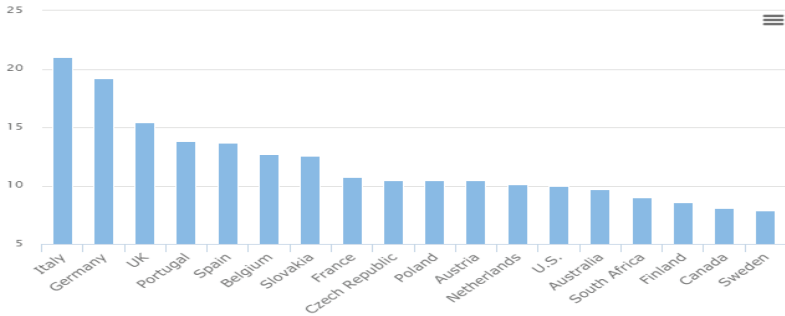
Chart 1: Cost of electricity by country cents/kWh
Source: *Cost of Electricity by Country.* [online]. [2017-09-26]. Available at: <http://www.worldatlas.com/articles/electricity-rates-around-the-world.html>.

In different countries, however, there are also different habits that affect the overall consumption of electricity. Dependence may be individual at the level of technological, cultural or economic maturity, climate and climatic conditions. Due to this fact, the measurement is carried out under different conditions, which affects the total electricity consumption, the time it is consumed, the method of production and hence the price. For standard deviations, it would be more necessary to identify globalization or segregation impacts. Some aspects are dealt with by the literature.[5]

2 Components of electricity price

According to the Slovakia Energy portal, the price of electricity is made up of the following components:
- Distribution including transmission (fee for "transport" of electricity to the end customer);
- Price for power electricity (manufacturer's price + dealer's margin);
- Distribution including transmission (fee for "transport" of electricity to the end customer);
- Tariff for system operation;
- Tariff for losses;
- System services;
- Withdrawal into the National Nuclear Fund.[6]

---

5 For more information, see: PRAVDOVÁ, H.: Discrepancies of Globalization Processes and Multiculturalism in Media Culture. In KLUS, M., ROUET, G. (eds.): *Médias et sociétés interculturelles: Société et médias dans le dialogue interculturel.* Paris : L'Harmattan, 2013.
6 *Z čoho sa skladá cena elektriny*. [online]. [2017-09-26]. Available at: <https://www.slovakiaenergy.sk/co-robit-ked/technicke-informacie/z-coho-sa-skladaju-ceny/#z-coho-sa-sklada-cena-elektriny>.
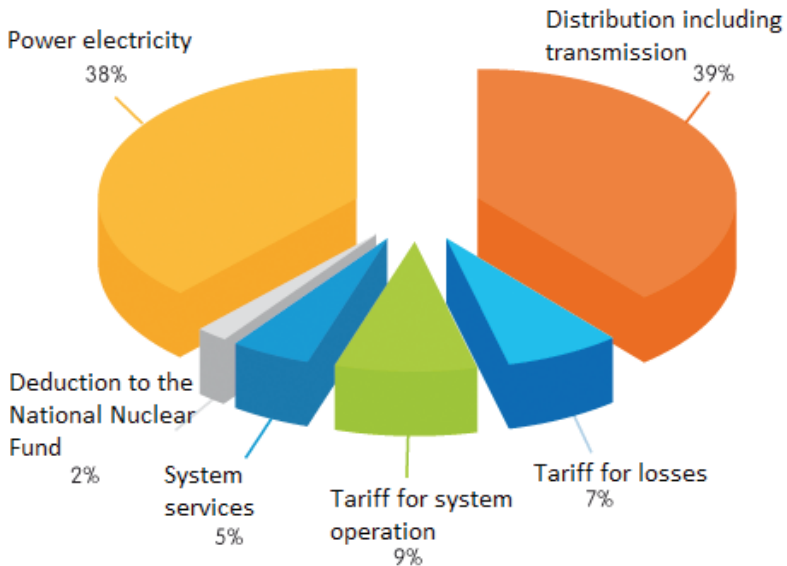
Picture 1: Components constituting the cost of electricity
Source: *Z čoho sa skladá cena elektriny.* [online]. [2017-09-26]. Available at: <https://www.slovakiaenergy.sk/co-robit-ked/technicke-informacie/z-coho-sa-skladaju-ceny/#z-coho-sa-sklada-cena-elektriny>.

3 Measurement of consumption and cost of electricity

The following tables show the consumption of electricity in the household of a specific three-member family of a regional city in Slovakia, which is a 3-room flat (65m2) in a panel house in which there is central heating, without natural gas supply and electricity is supplied in 3 phases. Consumption and cost of electricity are collected from invoices from the supplier during the years 2007 to 2016. During this period, the method of conversion of consumption was changed in 2011. By 2011, two components were counted (Tab 1):
  • The fixed component - Payment for take-off point
  • Variable component: Price of electricity consumed

Since 2011, the electricity supply is billed and calculated in a way that is obvious from the following section (Tab 2 and 3): It is divided into two basic parts, namely the supply and distribution of electricity.

Table 1: Electricity consumption in the ordinary household 2007 – 2010

	Billing period		Consumption	Invoiced Amount	Fixed monthly charge for one take – off point	Price of electricity
	From	To	kWh	EUR	EUR	EUR
1	5.4.2007	10.4.2008	1178	224,26 €	73,39 €	150,86 €
2	11.4.2008	10.4.2009	1294	233,68 €	73,78 €	159,90 €
3	11.4.2009	9.4.2010	1756	283,43 €	41,19 €	202,92 €
4	10.4.2010	18.8.2010	574	95,53 €	48,86 €	46,67 €

Source: Own processing

Table 2: Electricity consumption in the ordinary household 2011 – 2016 – supply

					Power supply	
	Billing period		Consumption	Invoiced Amount	Fixed monthly charge for one take – off point	Price of electricity
	From	To	kWh	EUR	EUR	EUR
5	19.8.10	28.3.11	1079	182,51 €	6,14 €	81,29 €
6	29.3.11	23.3.12	1690	303,24 €	9,96 €	129,94 €
7	24.3.12	21.3.13	1496	279,72 €	9,88 €	116,88 €
8	22.3.13	21.3.14	1461	264,54 €	9,37 €	102,56 €
9	22.3.14	27.3.15	1358	240,16 €	9,53 €	80,90 €
10	28.3.15	23.3.16	1301	226,18 €	9,28 €	71,15 €

Source: Own processing

Table 3: Electricity consumption in the ordinary household 2011 – 2016 – distribution

			Distribution of electricity					
	Billing period		Fixed monthly charge for one take – off point	Transfer to the Nuclear Fund	Payment for system services	Variable component of the tariffs for distri-bution	Payment for electricity losses during electricity distribution	Payment for system operation
	From	To	EUR	EUR	EUR	EUR	EUR	EUR
5	19.8.10	28.3.11	37,06 €	1,52 €	12,05 €	16,46 €	14,64 €	12,39 €
6	29.3.11	23.3.12	60,41 €	6,08 €	17,40 €	25,69 €	23,24 €	30,52 €
7	24.3.12	21.3.13	60,84 €	5,48 €	11,52 €	23,34 €	20,65 €	30,14 €
8	22.3.13	21.3.14	61,15 €	5,50 €	13,93 €	24,32 €	17,62 €	30,11 €
9	22.3.14	27.3.15	62,14 €	5,20 €	12,82 €	22,25 €	13,58 €	34,28 €
10	28.3.15	23.3.16	60,49 €	5,00 €	11,76 €	21,25 €	12,76 €	34,49 €

Source: Own processing

The following are charts graphically expressing the reported data. Chart 2 reflects that vary the average monthly consumption (calculated as the average of the amount billed for the period) over the said period 2007-2016. The price is an aliquot part

of that month, calculated from the total invoiced price. Charts was made in table calculator from tables reported higher and to achieve longer time may by archived as images, described in literature.[7]
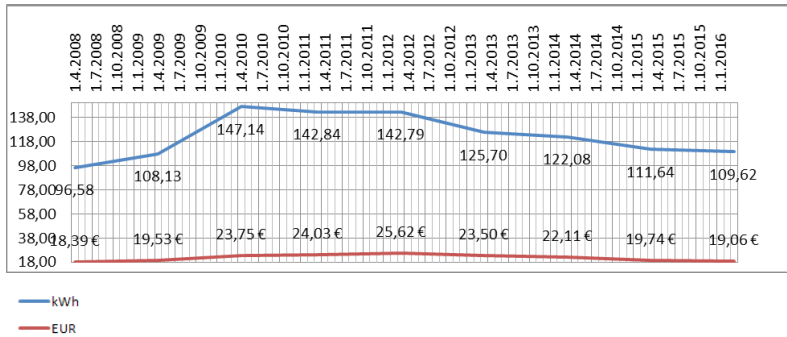
Chart 2: Average monthly electricity consumption in ordinary household 2007 – 2016
Source: Own processing

It follows that the total average monthly price changes relatively little with respect to consumption in kWh. This is a consequence of the ratio of each variable and fixed component. Graph 3 shows the distribution and distribution costs.
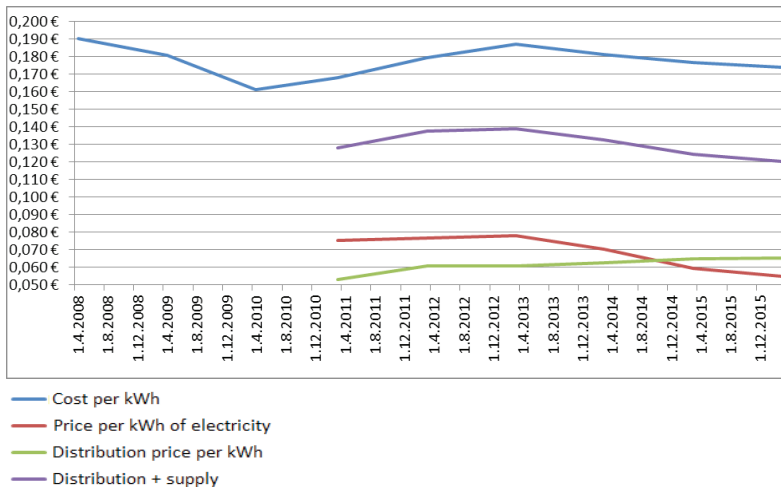
Chart 3: Average cost of electricity consumption in the ordinary household 2007 – 2016
Source: Own processing

---

7   See also: HALENÁR, R.: Archiving Documents in Form of Image Using Matlab and Photoshop. In MATÚŠ, J., PETRANOVÁ, D. (eds.): *Marketing Identity: Digital Life – part II. Conference Proceedings.* Trnava : FMK UCM in Trnava, 2015.

Conclusion

It follows from the above that although the electricity price is continually decreasing since 2013, it has only a minimal impact on the total amount. The main reason is that the price for distribution is growing at least from 2011 onwards. It is necessary to be aware of the profits of the individual components, the owners of the companies operating the sector, the state or the private ownership. It is also clear that, although the market has experienced a recession since 2007, the profits of private owners have continued to rise irrespective of market developments, in line with the opinion of the Regulatory Office. In 2013, this was an increase of 2.77% and in 2014 by 3.65%. And between 2011 and in 2012 there was an increase of more than 15%, but we cannot accurately measure how the calculation methodology changed. It should also be pointed out that electricity prices for distribution did not fall in any of the years under review. Overall, we can say that, although electricity prices are falling, distribution costs are rising.

References:

DILLINGER, J.: *Cost of Electricity by Country*. [online]. [2017-09-26]. Available at: <http://www.worldatlas.com/articles/electricity-rates-around-the-world.html>.
Electicity Prices in Europe – Who Pays the Most? [online]. [2017-09-26]. Available at: <https://1-stromvergleich.com/electricity-prices-europe/>.
HALENÁR, R.: Archiving Documents in Form of Image Using Matlab and Photoshop**.** In MATÚŠ, J., PETRANOVÁ, D. (eds.): *Marketing Identity: Digital Life – part II. Conference Proceedings*. Trnava : FMK UCM in Trnava, 2015, p. 348-354.
LAMOS, E.: *Electicity Prices in Europe*. [online]. [2017-09-26]. Available at: <https://www.euractiv.com/section/electricity/video/electricity-prices-in-europe/>.
PRAVDOVÁ, H.: Discrepancies of Globalization Processes and Multiculturalism in Media Culture. In KLUS, M., ROUET, G. (eds.): *Médias et sociétés interculturelles: Société et médias dans le dialogue interculturel*. Paris : L'Harmattan, 2013, p. 119-128.
TRNKA, A.: Statistical Analysis of Online Shopping Behavior of Students. In MATÚŠ, J., PETRANOVÁ, D. (eds.): *Marketing Identity: Digital Life – part II. Conference Proceedings*. Trnava : FMK UCM in Trnava, 2015, p. 283-292.
Z čoho sa skladá cena elektriny. [online]. [2017-09-26]. Available at: <https://www.slovakiaenergy.sk/co-robit-ked/technicke-informacie/z-coho-sa-skladaju-ceny/#z-coho-sa-sklada-cena-elektriny>.

Contact data:
Ing. Robert Halenár, PhD.
University of SS. Cyril and Methodius in Trnava
Faculty of Mass Media Communication
Námestie J. Herdu 2
917 01 Trnava
SLOVAK REPUBLIC
robert.halenar@ucm.sk

GENERATIONAL COMPARISON OF ATTITUDES TOWARDS HEALTH AND SENESCENCE

Mária Hasprová – Dana Vokounová – Štefan Žák –
Tomáš Ružička

Abstract
An indispensable part of recent years is the demographic ageing of the population, not only in Slovakia but also on a European scale. People live longer, and only few children are born. Seniors are becoming an increasingly stronger group and will continue to grow in the future. The high proportion of this generation brings with it many consequences and challenges that need to be adapted. An important challenge is the health and health care that affects each of us. Health is becoming a matter of interest not only for older generations but also for the younger generation. The present paper aims to compare survey utilising realised the older generation with a generation of young people and find out what their attitudes, opinions and behaviours about health, health care and senescence. The presented findings can help marketers to address this marginal segment.

Key words:
Aging. Generations. Health. Health care. Senescence. Seniors.

Introduction

Aging is a dominant phenomenon. It has become the fact that life is increasing and the number of seniors growing at a rapid pace. In the coming decades, Slovak demographers expect population depopulation and its ageing. In practice, the forecasts as mentioned above could be reflected in the fact that in 2055 only two working-age population will be retired, while in 2002 they were six. According to Páleník[1], these demographic changes are the result of three main trends:

- Continually increasing life expectancy as a result of progress in health care and quality of life in Europe: the average life expectancy is steadily rising. This trend should continue, assuming a difference between the average life expectancy of women and men.
- The constant increase in the number of workers over 60, which will stop until about 2030, when the so called "Baby-boom" generation will grow old.
- Low birth rate. The "baby boom" generation had fewer children than previous generations, due to many factors: job hardship, housing costs, the senior age for the birth of their first child, a different work and family life.

The age structure of the Slovak population currently characterises two phenomena: inequality and ageing: every 6th person in Slovakia is in pre-productive age; the share of people in working age is 72% of the total population, and the age of 65 and over is 8th each. The ageing of the population does not lead to an economic downturn. On the contrary, reducing mortality is accompanied by economic growth. It is a phenomenon that can be observed everywhere in the world. The oldest is on average the richest. For ten years, seniors had a 7% lower consumption than the rest of the population, taking into account the demographic situation. At present, the situation is the opposite, and the consumption of seniors is 7% higher than the rest of the population. These

---

1   PÁLENÍK, V. et al.: *Strieborná ekonomika v slovenskom, európskom a svetovom kontexte*. Bratislava : EÚ SAV, 2012, p. 26-27.

expected demographic changes, which will result in a strengthening of the "third age", have already occurred. With the population ageing, it can be expected that spending will occupy a significant share of the health sphere. Significant changes also occur in the area of consumption. As Ordun[2] states, "Extending the age of survival, the vitality of seniors, their ability to cope with new means of communication, and the adoption of much more information now lead to the generation of seniors being able to use new technologies." Several studies highlight the challenges that these phenomena pose in the development and product innovation of the older generation. According to Kohlbacher, F., Herstatt, C., & Schweisfurth, T.[3] „the accelerated aging of many populations and the demographic shift are expected to have major implications for innovation management and new product development across all industries and the major challenge lies in the assessment and understanding of the needs of the silver market, since chronological age by itself is not a sufficient segmentation criterion". Interesting view of the binding of the product and the user's age has Walker[4], according which "nobody wants to feel old as a result of choosing or using a particular product or service. For this reason, age-based products and positionings will have limited appeal for mature consumers, particularly the aging baby boomer generation."

Not only seniors but also the younger generation are becoming more and more aware of the importance of health and will gradually take responsibility for their health. Health is becoming a lifestyle, supported by new information and communication technologies, a healthy diet, and so on. Based on these facts, we used the target groups, whose opinions, attitudes and behaviours were compared in the survey.

1 Methodology

In April and May 2017, we conducted a quantitative survey to compare two generations concerning opinions, attitudes and health behaviours. One generation was young people under the age of 30 and other seniors aged 50 and over. The survey is in the form of semi-structured interviews, part of the questions were standardised (the same issue and answer options), and other matters were formulated freely, according to the situation. When creating questions we were inspired by the surveys Flash EB404 European citizens´ digital health literacy[5], Special EB378 Active Ageing[6] and Special EB345 Mental health[7]. We received 203 responses from young people and

2   ORDUN, G.: Millennial (Gen Y) Consumer Behavior. Their Shopping Preferences and Perceptual Maps Associated With Brand Loyalty. In *Canadian Social Science*, 2015, Vol. 11, No. 4, p. 40-55.
3   KOHLBACHER, F., HERSTATT C., SCHWEISFURTH, T.: Product Development for the Silver Market. In KOHLBACHER, F., HERSTATT, C. (eds.): *Silver Market Phenomenon: Marketing and Innovation in the Aging Society*. New York : Springer, 2011, p. 3-13.
4   WALKER, K.: The Age-Neutral Customer Journey Removing the Barriers Between Brands and Silver Customers. In KOHLBACHER F., HERSTATT, C. (eds.): *Silver Market Phenomenon: Marketing and Innovation in the Aging Society*. New York : Springer, 2011, p. 295-308.
5   EUROPEAN COMMISSION: *Flash Eurobarometer 404 European Citizens´Digital Health Literacy.* [online]. [2017-08-20]. Available at: <http://ec.europa.eu/commfrontoffice/publicopinion/flash/fl_404_en.pdf>.
6   EUROPEAN COMMISSION: *Special Eurobarometer 378 Active Ageing.* [online]. [2017-08-21]. Available at: <http://ec.europa.eu/commfrontoffice/publicopinion/archives/ebs/ebs_378_en.pdf>.
7   EUROPEAN COMMISSION: *Special Eurobarometer 345 Mental Health.* [online]. [2017-08-21].

205 from seniors. The proportion of men was 49.3% for the younger generation and 48.3% for the elderly. The data were analysed using contingency tables, and we used the c^2 test to detect statistically significant differences between the generations we investigated. Differential analysis was also used on some issues.

2 Results

For better clarity, we divided the interpretation of the results into three areas:
    A) Health information.
    B) Health and health care.
    C) Senescence.

A) Health information
In the beginning, we focused on the interest in health information where respondents are searching for reasons that they are concerned.

RQ1: Have you been looking for health-related information in the last 12 months?
We assumed that the older generation would be more interested in health-related information, but the findings from our survey say it's just a young generation that searches for more details.

Table 1: Search for health information

Have you been looking for health-related information in the last 12 months?	young	senior	sig. level
Yes	77,3%	63,9%	0,002

Source: Own processing

The following three questions were answered only by those respondents who were looking for health information in the last 12 months, j. 157 young and 131 seniors.

RQ2: What did this information concern?
The most sought-after information was on health in general. Such general information is searched mainly by younger people rather than older people. This results to the current trend of the increased interest of young people in healthy lifestyles. To a lesser extent, the information sought was about a treatment or a specific disease, with information about a particular treatment being searched for by seniors.

Table 2: Information areas

What did this information concern?	young	Senior	sig. level
Basic health	60,4%	45,0%	0,010
Cure	13,6%	28,2%	0,002
Particular ilness	8,9%	12,2%	0,445

Source: Own processing

Available at: <https://ec.europa.eu/health/sites/health/files/mental_health/docs/ebs_345_en.pdf>.

RQ3: Where did you find this information?

The young generation is uniquely searching for health information on the Internet and, at the same time, it is the only source that uses it more than seniors. On the other hand, seniors are more likely to turn to a doctor, pharmacist or print than the young, but the Internet is also an important source of information for them.

We asked those respondents who did not use the internet for their reasons. A part of the younger generation did not use it because it does not trust information of this type on the Internet and there is often contradictory information there. The main reasons for the seniors were that they did not have access to the Internet or could not work with it.

Table 3: Information sources

Where did you find this information?	young	senior	sig. level
Internet	92,3%	41,2%	0,000
GP	26,6%	63,4%	0,000
Friends	16,6%	19,8%	0,545
Media (prints)	5,3%	19,8%	0,000
Pharmacy	7,1%	22,9%	0,000
Other patients	2,4%	1,5%	0,699

Source: Own processing

B) Health and health care

In the next section, we focused on the habit of using health care services, using medicines, and preparations, mental health and feelings.

RQ4: What kind of bad habits do you have?

The biggest is the consumption of sweets, while the younger generation is more pronounced. Other bad habits , such as nervousness, smoking, drinking or alcohol, are more present in young people than in seniors. Both generations have little movement and to a small extent consume fatty meals.

Table 4: Bad habits

What kind of bad habits do you have?	young	senior	sig. level
Sweets	42,9%	32,2%	0,032
Lack of movement	18,7%	22,0%	0,461
Tension/ stress	26,1%	11,7%	0,000
Smoking	21,7%	15,1%	0,097
Overeating	22,2%	11,7%	0,005
Alcohol	18,2%	10,2%	0,023
Fat food	12,3%	10,7%	0,644

Source: Own processing

RQ5: Have you had any health check in the last 12 months?

Both generations have taken advantage of the preventive inspection. Further, there is an investigation that has been used to a greater extent by seniors, which is related to the fact that increasing age may increase the number of health problems.

Table 5: Healthcare usage

Have you had any health check in the last 12 months?	young	senior	sig. level
Preventive visits	63,5%	66,3%	0,604
GP visits	27,6%	45,9%	0,000
Cure	19,2%	22,9%	0,396
None	13,8%	10,2%	0,290

Source: Own processing

The following three questions covered the period of the last 12 months focused on whether respondents were hospitalised during this period or whether they were looking for mental health assistance or taking antidepressants. Only a small proportion of members of both generations have searched mental health assistance or taken antidepressants. A significant difference between them is in hospitalisation, as patients were mainly seniors (as expected).

Table 6: Period of last 12 months

Period of last 12 months:	young	Senior	sig. level
Hospital care	7,4%	19,0%	0,001
Menthal health	2,0%	3,9%	0,362
Antidepresesion	2,5%	2,4%	0,570

Source: Own processing

RQ6: How often do you take any of the following treatments?

Regarding the use of drugs, respectively. Non-Prescription preparations are not significant differences between young people and the seniors. They get used to taking them occasionally, and about a quarter of them do not use them at all. Significant differences are with prescription drugs. Most seniors use them regularly, and more than half of them take on the other hand the non-prescription ones.

Table 7: Frequency of use of the formulations

How often do you take any of the following treatments?	young	Senior	sig. level
Prescription medicine			
regular	25,6%	29,3%	
occational	45,3%	45,9%	
None	28,1%	23,9%	
			0,756
Non prescriptions			
Regular	18,2%	63,9%	

occasional	26,6%	15,6%	
None	52,2%	18,0%	
			0,000

Source: Own processing

Sometimes we may as well consider young people are carefree, they feel energy, enjoy life, and on the contrary, on the other hand, seniors are dwindling, increasing disease, having less income, and losing a taste for life. We have also considered our feelings, both positive and negative, in our survey.

RQ7: How do you feel in the last four weeks ... ?

Respondents felt mostly happy. Significant differences between the two generations are that young people feel happier than seniors. Seniors were feeling happy only occasionally.

Table 8: How often have you felt in the last four weeks...?

FEELING	young (%)					senior (%)					Sig. level
	Always	Most of the time	Sometimes	Occasionaly	Never	Always	Most of the time	Sometimes	Occasionaly	Never	
Happy	13,30	60,10	18,20	5,90	0,50	13,70	41,00	35,10	5,40	1,50	0,001
Calm	17,70	44,30	27,10	6,90	3,00	20,00	45,40	24,90	4,90	1,50	0,421
Full of life energy	12,80	39,90	30,00	10,80	2,00	9,80	25,90	35,10	19,50	6,80	0,002
Depressed	1,00	3,90	28,60	36,00	27,10	1,50	6,30	22,00	33,70	31,70	0,48
Tention	2,00	8,90	34,00	34,50	17,20	1,50	4,40	20,00	38,50	32,20	0,001
Disorder/ Fickleness	1,50	6,40	30,00	27,60	31,00	5,40	13,20	34,60	25,40	19,50	0,006
Desperately	0,50	2,50	19,70	26,60	47,30	1,50	3,90	23,40	22,90	44,90	0,703

Source: Own processing

If we have to summarise which feelings are more typical, for which generation and in Tab. 15 we can see those negative feelings such as disorder or fickleness are not significant in any of the generations, nor is tension or weariness dominant, but young people tend to feel more nervous than seniors who feel rather destroyed and disordered.

Table 9: Summary of feelings

FEELING	young	senior
Happy	xx	X
Calm	x	X
Full of life energy	xx	X
Depressed	0	0
Tension	xx	0
Used, destroyed	0	Xx
Despondently	0	0

* x = Generation characterizes this feeling; xx = this feeling is significantly more common in this generation than in the other; 0 = this feeling is not characteristic
Source: Own processing

C) Senescence

Here we have focused on how senior respondents perceive themselves. We have noticed the age at which the interrogation ceases to consider a person as young and, on the other hand, the age at which they begin to regard themselves as old. Young people stop to consider a young person after reaching the age of 41 and senior after reaching the age of 51. For very old, the young people consider a person over 60 years old but seniors since after 70 years. Based on the analysis of variance, we can claim that the perception of the end of youth or the beginning of the senescence is significantly different and shifted by ten years.

RQ8: Where do you consider seniors to be beneficial?

We wanted to find out what role the older people in our society play/should play. Both generations see similar areas where older people can benefit. It is the care of grandchildren. To a certain extent, but not negligible, older people can benefit from financial support for their children (slightly more seniors), but also as workers, guardian or consumers.

Table 10: Benefits of older people

Where do you consider seniors to be beneficial?	young	Senior	sig. level
Care for grandchildren	84,7%	89,3%	0,187
Financial support	25,6%	34,1%	0,066
Workers	26,1%	28,3%	0,657
Guardian	24,6%	26,8%	0,651
Consumers	25,1%	22,4%	0,562

Source: Own processing

RQ9: How to solve the situation of an older person who can not take care of himself?

We know that there is a shortage of vacancies in seniors in Slovakia. Many families face the problem of what to do with an older family member who is no longer able to take care of himself. Opinions on how to deal with such a situation do not differ between the two generations, and more or less all solutions are equally represented. However,

they tend to be more situated arround living in one of their childrenś household. The smallest share (about a fifth) identified the social or health workers should regularly visit a household where a senior who cannot care about himself lives.

Table 11: Solving the situation

How to solve the situation of an older person who can not take care of himself?	young	senior	sig. level
Living with children	50,7%	45,9%	0,373
Regular visits (to children)	42,4%	40,5%	0,763
In care home	37,9%	42,9%	0,315
Social care workers regular visits	22,2%	20,0%	1,000

Source: Own processing

RQ10: To what extent do you agree with the following statements concerning older people reliant on others?

The two generations have decided that the state has to take care of people dependent on the help of others.

Table 12: Who should care?

Who should take care ?	young (%)					senior (%)					Sig. level
	Agree	Rather agree	Rather disagree	Disagree	Don´t know	Agree	Rather agree	Rather disagree	Disagree	Don´t know	
The state duty	70,00	23,60	2,00	2,00	1,50	74,10	18,00	2,40	1,50	2,00	0,728
Everyone	28,60	34,50	8,90	16,20	7,90	35,60	29,30	6,30	17,10	9,30	0,411
Their children	50,70	34,00	7,40	4,90	2,50	46,80	24,40	5,40	16,10	4,40	0,001
The state duty to those who take care	73,40	16,30	2,50	1,50	5,40	81,50	12,70	0,50	0,50	2,40	0,107

Source: Own processing

Although the opinions that everyone should contribute to care, do not differ between generations. They are slightly opposed. While there is a predominance of consent to such an opinion, a significant part of the respondents does not agree with it. Young people considerably agree that children should contribute to their parents if they are dependent on others. Seniors' disapproval of such a solution may also lie in the fact that a third of them see the well-being of older people in financially supporting their children. Both generations agreed that the state should contribute to those who take care of a person who is dependent on others. It can be said that both generations have decided that it is the role of the state to take care of an individual who is dependent on

others. The only disproportion in their view is the disagreement among seniors that their children should contribute financially to their care.

RQ11: Do you think you will ever want to help others? Are you afraid of that?
Most respondents fear that they will sometimes rely on the help of the others. Seniors are afraid more significantly said they already depend on others.

Table 13: Dependency on others

Do you think you will ever want to help others?	young	senior	sig. level
Dependancy	63,5%	77,6%	0,003

Source: Own processing

RQ12: Are you afraid of that?
Of course, the young respondents fear that they will depend on the help of others, but there is a significantly greater proportion of those who have no fear of such a perspective.

Table 14: Concerns over-reliance on others

Are you afraid of that?	young	Senior	sig. level
Very affraid	18,7%	24,4%	
Rather affraid	38,9%	44,4%	
Not affraid	39,9%	28,3%	
			0,095

Source: Own processing

RQ13: Do you think you will receive adequate care?
The answers show that older seniors are sure that they will receive appropriate care if they depend on others. On the other hand, significantly more young people than seniors do not know whether or not will they get such care in the future.

Table 15: Excessive care in case of dependence

Do you think you will receive adequate care?	young	senior	sig. level
Yes	19,2%	34,1%	
Rather yes	33,0%	35,6%	
Rather no	14,8%	9,3%	
Definitelly not	5,40	4,4%	
I don´t know	26,6%	15,6%	
			0,004

Source: Own processing

3 Discussion and conclusion

From the survey results, the following conclusions can be drawn:

What they have in common?

In search of health information, they are less focused on a particular disease. Their friends are the equal source used, just like the other patients, but this resource is used to a minimum. There is little movement in bad habits, and fatty meals consume minor fatalities. Regarding health care in the last 12 months, they also used prescription drugs, went to preventive examinations, treat themselves, or did not take any care at all. A small proportion used mental health assistance or took antidepressants. Over the last four weeks, they have felt calm, not depressed or narrow and tersely. Both generations perceive similarly how older people can benefit and deal with the situation when they rely on the help of others. The advantage of seniors is mainly the care of grandchildren, but also financial support, or they can contribute as workers, carers or consumers. If they are dependent on others, they should take care of their children by either living and visit their children or their children, or they will have to be placed in a health or social facility (care home). They agree that the state must take care of such people, should also contribute to those who take care of, but also the whole society should contribute to such care.

What is the difference?

Even though the two generations get used to looking for health information, the young generation is more active in this direction. Young people are more interested in general information and less on treatment. The Internet is the primary resource for young people, in contrast to seniors who are more likely to turn to a doctor, pharmacist or press. Regarding bad habits, a greater proportion of youth tends to be nervous, eat sweets, get drunk, drink alcohol, and smoke. Regarding health care in the last 12 months, seniors were more likely to undergo screening or hospitalisation, they regularly buy free drugs/preparations. Young people have been happy in the last four weeks, they have been enjoying life and energy, but they have felt very tense. Seniors are again burned out. The young man ends to be a young for the young generation from the age of 51 and for the seniors from the age of 61. The same difference is when one considers the old one. Young people believe old people are already those with the age of 60 and the elderly up to 70 years old. Young people are convinced that if an older person is no longer able to take care of himself, his children should contribute. Although most respondents fear that they will sometimes rely on help from others, the fears are more frequent in seniors, but on the other hand, they are more convinced that they will be given an adequate care in if needed. Until recently, the seniors were considered by the marketing experts to be a marginal segment and devoted little attention to them. However, demographic trends suggest that this segment will grow shortly not only regarding number but also in importance. The survey conducted by us found that when examining the behaviour of seniors, it is necessary to take into account the fact that age is not the only determinant characteristic. Values, attitudes and behaviours are important.

References:
EUROPEAN COMMISSION: *Flash Eurobarometer 404 European Citizens´ Digital Health Literacy.* [online]. [2017-08-20]. Available at: <http://ec.europa.eu/commfrontoffice/ publicopinion /flash/fl_404_en.pdf>.
EUROPEAN COMMISSION: *Special Eurobarometer 378 Active Ageing.* [online]. [2017-08-21]. Available at: <http://ec.europa.eu/commfrontoffice/publicopinion/ archives/ebs/ ebs_378_en. pdf>.
EUROPEAN COMMISSION: *Special Eurobarometer 345 Mental Health.* [online]. [2017-08-21]. Available at: <https://ec.europa.eu/health/sites/health/files/mental_ health/docs /ebs_345_en. pdf>.
KOHLBACHER, F., HERSTATT C., SCHWEISFURTH, T.: Product Development for the Silver Market. In KOHLBACHER, F., HERSTATT, C. (eds.): *Silver Market Phenomenon: Marketing and Innovation in the Aging Society*. New York : Springer, 2011, p. 3-13.
ORDUN, G.: Millennial (Gen Y) Consumer Behavior. Their Shopping Preferences and Perceptual Maps Associated With Brand Loyalty. In *Canadian Social Science*, 2015, Vol. 11, No. 4, p. 40-55. ISSN 1923-6697.
PÁLENÍK, V. et al.: *Strieborná ekonomika v slovenskom, európskom a svetovom kontexte*. Bratislava : EÚ SAV, 2012.
WALKER, K.: The Age-Neutral Customer Journey Removing the Barriers Between Brands and Silver Customers. In KOHLBACHER, F., HERSTATT, C. (eds.): *Silver Market Phenomenon: Marketing and Innovation in the Aging Society*. New York : Springer, 2011, p. 295-308.

Contact data:
Ing. Mária Hasprová, PhD.
University of Economics in Bratislava
Faculty of Commerce
Dolnozemská cesta 1
852 35 Bratislava
SLOVAK REPUBLIC
maria.hasprova@euba.sk

Ing. Dana Vokounová, PhD.
University of Economics in Bratislava
Faculty of Commerce
Dolnozemská cesta 1
852 35 Bratislava
SLOVAK REPUBLIC
vokoun@euba.sk

Ing. Tomáš Ružička
University of Economics in Bratislava
Faculty of Commerce
Dolnozemská cesta 1
852 35 Bratislava
SLOVAK REPUBLIC
tomas.ruzicka@euba.sk

assoc. prof. Ing. Štefan Žák, PhD.
University of Economics in Bratislava
Faculty of Commerce
Dolnozemská cesta 1
852 35 Bratislava
SLOVAK REPUBLIC
stefan.zak@euba.sk

DETERMINANTS OF THE BUYING BEHAVIOR OF GENERATION Y

Aleš Hes

Abstract
Generation Y (born between 1980-1995) represents a generation of questions and questioning. It has some common features such as sharing life values, listening to the same music, being familiar with the same cultural programs and sharing a common language – despite of being born in different continents and countries with different traditional cultures. From the point of view of marketing communication, this generation represent both the target group and an important challenge. Buying behavior and decision making is not transparent and buying behavior determinants have to be explored. The paper therefore deals with the formulation and identification of factors that influence substantially the buying behavior od Generation Y with the aim to identify the effective and efficient method of marketing communication.

Key words:
Buying behavior. Communication. Digital environment. Generation Y. Marketing.

Introduction

Internet and new digital media represent a key communication environment in today's post-modern society. Being applied within nearly all industrial segments, internet and new digital media have become part of our lifestyle, too. Their influence on the mental sphere of people, however, calls for attention. In neurobiology, the use of smart media is reflected in certain changes in behavior and thinking of people. Perception, thinking, experiencing, feeling and acting leave traces (engrams) in the brain that can be photographed or filmed these days. These synapses with electrical signals between neurons started to change at the turn of millennium (when captured for the first time). Human brain develops through constant learning. However, when using digital media our brain stagnates. Mental sphere of a society thus starts to manifest itself by different mechanisms and processes that affect cognitive performance of humans such as the attention, development of speech or intelligence. Media have a proven significant impact also on emotional and social-psychological processes, including moral and ethical attitudes and personal identity. Some scientists even claim that an overuse of digital technology may result in breakdown of cognitive abilities and call this state „a digital dementia".

The problem of young generation lies in a fact that this generation does not learn new things, i t works with available information, which need not be true or verified. The perception is narrowed down to the information and passed on without being retained in memory.[1] But dementia is not only forgetfulness (though it has been proven in 2007 that young people are more forgetful - study of Korean scientists), it is a complex of preconditions of a mental decline of people. It has been proven that pupils who use the computer several times a week perform much worse when reading or dealing with figures.[2] For example, if a cashier makes a gross mistake when

---

1   SPITZER, M.: *Digital Demenz, Wie wir uns und unsere Kinder um den Verstand bringen*. Munchen : Droemersche Verlagsanstalt, Th. Knaur Nacht, GmbH&Co KG, 2012, p. 52-54.
2   CACIOPPO, J. T. et al.: Alone in the Crowd: The Structure and Spread of Loneliness in a Large Social Network. In *Journal of Personality and Sosial Psychology*, 2009, Vol. 97, No. 6, p. 977-991.

counting or when the banker's miscalculation results in a difference of € 55 bln, the common denominator may be the same – both the cashier and the banker relied on the technology and did not use their brain at all. They just relied on their „digital helpers".

Opponents may rightly argue that control systems and centers, for example, in healthcare or transport are much more reliable than humans. But these systems and centers are only flawless programs made by people to work in lieu of them. It also confirms the fact that the commercial sphere digitalization has been resulting in a new modern society work-force model within which humans have been being replaced by automated (robotic) technologies. Similarities with commercial penetration and development of computers into the education are striking. Computers have become just as necessary as a bicycle for swimming or an x-ray to test shoes.[3] Even the education system of the younger generation, in particular the generation Y conformed to the external factors of the digitized society and became a very superficial. These facts lead – among others – to different level of knowledge of the school graduates. Many current reforms of the educational system of the European countries lead to low-quality knowledge forms, based only on superficial and short-term utilizable competences grown away from the traditional education ideas.[4] As proved by the previous statements, the educational systems have been increasingly using technologies instead of developing proper thinking. The use of computers in early childhood can lead to attention disorders[5] and later, during pre-school age, to reading disorders.[6] So, what can be expected from Generation Y (hereinafter GY) in a digital communication environment?

1 Results and discussions

GY is exposed to strong global influence, especially to digitalization in communications, which have a significant impact on this generation in certain life stages. Using the shared values, the young generation learns about the world around and how to live in it. Behaviorists and anthropologists talk about the so-called „imprints," the key moments when our human brain hardware creates its own software. In case of animal, these imprints can have a form of fixation on mother. GY (born from 1980 to 1995) is a generation of questions and challenges, contrary to the Generation X (born from 1965 to 1980) sometimes called „undefined generation" and characterized by new approaches to a rapidly changing world and the general independence of young people. Existing approaches to work and politics are challenged by GX that also requires more power and freedom. When in a productive age, they work more and for less money, and the lack of long-term security is replaced by increased personal freedom. GY is different. Still in doubt as to why they are here, where they are going,

---

3   SPITZER, M.: *Digital Demenz, Wie wir uns und unsere Kinder um den Verstand bringen*. Munchen : Droemersche   Verlagsanstalt, Th. Knaur Nacht, GmbH&Co KG, 2012, p. 58-60.

4   ROUBAL, O.: Poznání sociálního profilů studentů a jeho role v marketingové praxi VŠ ve „společnosti vědění". In *Communication Today*, 2013, Vol. 4, No. 1, p. 62.

5   CHRISTAKIS, D. A. et al.: Viewing Television Before Age 3 is not the Same as Viewing Television at Age 5. In *Pediatrics*, 2004, Vol. 118, No. 1, p. 435.

6   ENNEMOSER, M., SCHNEIDER, W.: Relations of Television Viewing and Reading: Findings from 4-year Longitudinal Study. In *Journal of Educational Psychology*, 2007, Vol. 99, No. 2, p. 349-368.

where is their cellphone and a PC... This generation originated from generation X that solved the middle-age crisis by conceiving babies and starting new families at the last moment. Therefore, GY is characterized by certain common (global) characteristics such as sharing life values, listening to the same music, being familiar with the same shows and broadcasts, sharing a common language though born on different continents and in countries with diverse cultures.

The total freedom and the long absence of a global conflict made the GY an „civilian generation" that has united against the backdrop of digitalization in communication, does not believe either in the family, career or the education, nor in country they grew up. They are able to change opinion, if it is convenient for them, and they prefer striking a deal to having the last word. In general, the previous generation considers them undecisive and unscrupulous. Interestingly, also the basic needs (such as sex) are not interesting for them very much, they prefer working from home and they use social networks and mobile applications for communicating. This is the first generation where the brain and its activity is shaped by information technologies and the vision of real globalization change. GY asks for change, but does not know of what, asks for more power but without taking on responsibility, engages in international activities, is cosmopolitan, and nobody knows what to expect from it in the future.

The value structure of GY, called by some authors „ an internet generation" differs from the value structure of previous generations. They do not share the Spranger's dimensions of values (such as truth, beauty, profit, love for people, power and god (wisdom). Free time is what they value most. They work just to earn their living, growth and tradition of companies is not appealing and important for them. They are even willing to sell a family business that the older generation built and developed for decades. Their industriousness is not ethical - they are able to assert themselves at the expense of others and those who have helped them in their career growth. However, they require proper financial evaluation. Sociological research by leading scientific institutions has proven and confirmed findings similar to the ones of the Association of Graduate Recruiters, according to which school graduates expect that everything will fall into their lap like a ripe plum. It is proved also by the fact that many current reforms of the educational system of the European countries lead to low-quality knowledge forms, based only on superficial and short-term utilizable competences grown away from the traditional education ideas.[7] The GY members consider themselves to be highly desirable within the labor market, employers however consider them to be out of reality, self-centered, volatile and insatiable.
This generation is the first one that is fully affected by digitization in communication represented by latest information technologies and media. In particular, social media enable GY members to create communities within which people of the same interests can meet, share photos, videos or hyperlinks. One of the most popular is Facebook – an extensive social web system for social networking, communication between users, multimedia data sharing, maintaining relationships and entertainment.[8] The overview of the digital communication environment is summarized in the table below:

---

7   ROUBAL, O.: Poznání sociálního profilů studentů a jeho role v marketingové praxi VŠ ve „společnosti vědění". In *Communication Today*, 2013, Vol. 4, No. 1, p. 62.

8   FREY, P.: *Marketingová komunikace: Nové trendy 3.0.* 3rd Edition. Praha : Management Press, 2011, p. 63.

Table 1: Characteristics of the most commonly used digital generation systems Y generation

Facebook	*„Facebook's mission is to give people the power to share and make the world more open and connected. [...] Millions of people use Facebook every day to keep up with friends, upload an unlimited number of photos, share links and videos, and learn more about the people they meet.[9]*
MySpace	*Social Network uses an interface that allows its users, for example, through status updates, to quickly create their own unique footprint on the Internet.[10]*
Twitter	*Provides its users with the free option to send and read posts posted by other users, and these are collectively referred to as tweets. These tweets, unlike other community networks, are limited in text format to a maximum of 140 characters and are displayed on the user's personal profile page and the so-called „subscribers" pages. The Twitter social network is often referred to as the „SMS Internet."*
YouTube	*Social entertainment medium YouTube with the subtitle „Broadcast Yourself" can be defined as a specific free web platform, the largest community for sharing video files between Internet users, the world's second-largest search engine (the first is Google).[11]*
LinkedIn	*Business-oriented social network is primarily used for professional networking (networking), registered membership is free, and the network is available in all major world languages.*
Weblogs	*Weblogs are a digital communication tool based on user-friendly software, with authors of such blogs can be individuals, groups of users or the whole of society.[12]*

Source: Own processing

GY members however are not so much dependent on "new media" as the ensuing generation. It also recognizes traditional means of communication. It is however the first generation that has embraced digital technology as natural communication environment and this is a factor that differs GY from previous generations (and also from generation X). From the point of view of marketing activities, sms messages, messages from social networks and instant messaging are very important for them. An example may be the fact that 36% of young people between 18 and 35 years of age increase activity and hence the value of the brand of the company by promoting it on social networks. At the same time, however, when shopping, they pay less attention to quality and more attention to price than others due to their high indebtedness resulting from the mass offering of diverse types of loans and mortgages. Also, the GY approach to parenting is very interesting and different from previous generations.

---

9 *How Facebook Has Developed over the Last Three Years. Socialbakers.* [online]. [2017-09-15]. Available at: <https://www.socialbakers.com/blog/1184-how-facebook-has-developed-over-the-last-three-years>.

10 For more information, see: TREADAWAY, CH., SMITH, M.: *Marketing na Facebooku: Výukový kurz.* Brno : Computer Press, 2011.

11 JANOUCH, V.: *Internetový marketing: Prosaďte se na webu a sociálních sítích.* Brno : Computer Press, 2010, p. 253.

12 See: SCOTT, D. M.: Nová pravidla marketingu a PR *Naučte se využívat vydávání zpráv, blogy, podcasty, virální marketing a online média pro přímé oslovení zákazníků.* Praha : Zoner press, 2008.

While in 1968, 56% of the 18 to 31-year-old USA citizens lived in marriage and in their own household, in 2012 it was only 20%. Nearly one-third of young people aged between 18 and 34 live with their parents. On the other hand, 93% of those living in the rented flat plan to buy their own homes in the future. GY members also enter marriages later and postpone parenthood. At the same time, however, 70% say they will marry one day and almost three-quarters plan to have children.[13] Goldman Sachs Global Investment Research (2015) shows that due to lower income and higher indebtedness the GY approach to ownership has been is changing – increasingly people prefer renting and buying goods as a service (especially music, luxury goods or cars). American economist Jeremy Rifkin claims that car sharing will be a commonplace within a quarter of a century while individual ownership will be exceptional. GY avoids stereotypes, which can be proved by massive growth of interest in a healthy lifestyle and higher spending on sportswear.

1.1 Determinants of Generation Y Buying Behavior

Digital Technology Dependence
The GY dependence on digital technologies is really high. They cannot imagine these technologies, such as social networks or mobile applications, to be unavailable to them. A brief college students study showed that nearly 85% of them suffered mentally or physically experiencing panic, anxiety, confusion, uncertainty, nervousness, depression, extreme isolation and loneliness in such situations. Research has also shown that 83% of young people aged 18-29 sleep having their mobile phones within easy reach, 60% check emails, sms messages and new posts on social networks regularly during a day, 30% use their mobile phone while using toilet and 20% confessed to sending text messages while driving.[14] When targeting marketing activities at this generation, the companies have to be aware of this determinant and work with it accordingly. When building a brand, the CRUSH (coolness, realness, uniqueness, happiness) model can be used as these factors have positive impact on buying behavior of GY.[15] In practice, this means that GY requires attractive product (service), the exclusive way of selling, small-scale production, innovation, upgrades, and enhancements.

Association and Authenticity
Association and authenticity represent others factor influencing the GY buying behavior where association is the way GY have retained the product or company in their memory. Authenticity is on the other hand a factor (or a set of factors) that distinguishes one product/service/company from others. This is the reason why advertisements highlighting traditions or history are not attractive for GY and do not lead to conversion.

Motivation
GY buying behavior is motivated more by internal goals than social ones. GY member does not want to be perceived as one of the group but as a unique personality. Some

---

13 SUBOTIČ, S., GALLO, J.: *Generace Millennials přichází a změní svět*. [online]. [2017-10-11]. Available at: <http://investportal.cz>.
14 CARUSO, CH.: *Understanding Y*. Melbourne : Wrightbooks, 2014, p. 34-35.
15 BERGH, J., BEHRER, M.: *Jak cool značky zůstávají hot: Marketing zaměřený na mladou generaci Y*. Brno : Bizbooks, 2012, p. 58-59.

authors call this type of behavior "self-branding". GY appreciate the cause related marketing (social responsibility of the brand) and fair trade production.

Emotions

Emotions play a key role in how GY perceive and understand the brand. Emotion based decisions are in their case much faster than rational ones. Virals that trigger the emotional response (such as happiness, sadness, anger, fear, disgust and surprise) are of a major influence. For the marketers to be successful they have to be well acquainted with the above mentioned GY buying behavior determinants plus they have to share the GY's interest (or even passion) for digital communication – this will enable the marketers to prepare precisely targeted offer. This is proven also by the comparison of GY and younger generations and their use of digital technologies.

Table 2: Use of internet by individuals, Czech Republic, 2016

in %	At least once in a life time	Within last 12 months	Within last 3 months
Total 16+	81,3	77,6	76,5
Total 16-74	86,7	83,4	82,2
Male 16+	83,1	79,4	78,2
Female 16+	79,5	75,9	74,8
16-24 years	98,2	97,0	96,3
25-34 years	**96,3**	**95,0**	**94,5**
Primary education	39,1	32,9	30,9
Secondary education (without school leaving certificate)	72,5	67,7	65,9
Secondary education (with school leaving certificate)	90,8	87,4	86,7
University education	**96,4**	**94,6**	**94,1**
Students 16+	98,8	98,6	98,6

Source: Processed based on CZSO CR, 2016 (n= 10 000 person aged 16+)

As proved by the statistical research in 2016, over 90 % of GY members use internet – majority of them has university education.

Table 3: Use of internet broken down by device, Czech Republic, 2016

in %	PC	notebook	tablet	mobile	sociální sítě
Total 16+	39,0	49,8	14,0	41,2	41,4
Total 16-74	41,7	53,9	15,3	44,8	45,1
Male 16+	40,2	51,5	14,4	45,0	40,7
Female 16+	37,7	48,2	13,6	37,5	42,1
16-24 years	34,2	78,7	27,5	81,1	91,4
25-34 years	**37,2**	**69,8**	**20,4**	**73,6**	**77,8**
Primary education	17,2	12,6	2,7	12,1	13,2

Secondary education (without school leaving certificate)	32,5	35,8	8,1	24,8	26,8
Secondary education (with school leaving certificate)	46,7	55,1	16,5	43,8	44,1
University education	**55,0**	**73,6**	**20,1**	**63,2**	**51,3**
Students 16+	37,7	82,2	28,3	82,2	94,0

Source: Processed based on CZSO CR, 2016 (n= 10 000 person aged 16+)

Table 4: On-line shopping in the Czech Republic, 2016

in %	At least once in a life time	Within last 12 months	Within last 3 months
Total 16+	58,6	43,6	26,7
Total 16-74	63,4	47,4	29,0
Male 16+	58,8	42,3	25,8
Female 16+	58,4	44,9	27,5
16-24 years	71,4	58,7	39,3
25-34 years	**85,2**	**72,0**	**44,0**
Primary education	16,3	8,3	3,5
Secondary education (without school leaving certificate)	45,1	30,5	15,7
Secondary education (with school leaving certificate)	72,2	55,2	34,1
University education	**79,3**	**61,5**	**42,3**
Students 16+	69,2	58,3	37,0

Source: Processed based on CZSO CR, 2016 (n= 10 000 person aged 16+)

Based on the tables 2- 4 above, the GY is really an "internet generation" and really uses the digital environment for communication. Social networks (Facebook, Instagram, Linked-In) are considered the most effective and efficient for presenting the offer (using the marketing communication tools) as they have enormous impact on GY buying behavior. Mobile marketing using special mobile applications is also very effective and efficient. Digital environment is most used by university and college students, on-line shopping is done prevailingly by women.

Conclusion

Generation Y is a generation full of question marks. It cannot be condemned just because of its sociological characteristics. Its position is not easy, it was brought up by the Generation X that experienced the consequences of goods and service shortages under a communist regime and that tried to ensure the highest possible comfort for their children under the new regime, even at the cost of high indebtedness. The result of this upbringing is the undecipherable behavior of GY that rejects tradition, admires self-esteem and creates its own lifestyle. For marketing communication purposes, it is therefore very important to know and formulate the determinants of their buying

behavior and decisions. Marketing communication with the GY must be authentic, emphatic and must tell a story. To ensure authenticity, GY has to be drawn into direct interaction with brand building, corporate values, and marketing mix. GY uses social networks to communicate and to find reasons to buy. They like exclusivity and open communication. Story telling communication involves emotions that are required for the successful marketing activities targeted at GY. GY members like identify themselves with a well-prepared story. GY communicates with empathy, expresses its opinions and attitudes.[16] The result of successful marketing communication with the GY is dialogue and a space for responses to their comments and suggestions. GY loves to shop, is not influenced by the advice of friends but by their purchases. Charity cannot be expected from GY, on the other hand GY does not prefer ostentatious consumption – it prefers brands that do justice to their inner identity and can be influenced by inner motives.

Identifying the determinants of purchasing decision generation Y has shown that the most influential environment for communication is the digital environment of the Internet, especially social networks. The communication symbol of this generation is a mobile phone in hand or within easy reach. Despite the GY characteristics, is plays an irreplaceable role in the development of the whole society. It is not possible to denounce everything. Other generations, too, undergone a specific development. Generation Y has been living in a new environment where information technologies and digital communication prevail. The fact that they depend on them does not mean any social apocalypse for the other generations. In the light of the future development of communication technologies, this generation can be well informed and do many good deeds for other generations.

References:
BERGH, J., BEHRER, M.: *Jak cool značky zůstávají hot: Marketing zaměřený na mladou generaci Y*. Brno : Bizbooks, 2012.
CHRISTAKIS, D. A. et al.: Viewing Television Before Age 3 is not the Same as Viewing Television at Age 5. In *Pediatrics*, 2004, Vol. 118, No. 1, p. 435. ISSN 0031-4005.
CIBULKA, R.: *Motivace nákupního chování generace Y*. Zlín : UTB, 2015.
ENNEMOSER, M., SCHNEIDER, W.: Relations of Television Viewig and Reading: Findings from 4-year Longitudinal Study. In *Journal of Educational Psychology*, 2007, Vol. 99, No. 2, p. 349-368. ISSN 2044-8279.
FREY, P.: *Marketingová komunikace: Nové trendy 3.0.* 3rd Edition. Praha : Management Press, 2011.
JANOUCH, V.: *Internetový marketing: Prosaďte se na webu a sociálních sítích*. Brno : Computer Press, 2010.

---

16   CIBULKA, R.: *Motivace nákupního chování generace Y.* Zlín : UTB, 2015, p. 83-86.

ROUBAL, O.: Poznání sociálního profilů studentů a jeho role v marketingové praxi VŠ ve „společnosti vědění". In *Communication Today*, 2013, Vol. 4, No. 1, p. 60-75. ISSN 1338-130X.

SCOTT, D. M.: *Nová pravidla marketingu a PR: Naučte se využívat vydávání zpráv, blogy, podcasty, virální marketing a online média pro přímé oslovení zákazníků.* Praha : Zoner press, 2008.

SPITZER, M.: *Digital Demenz, Wie wir uns und unsere Kinder um den Verstand bringen*. Munchen : Droemersche Verlagsanstalt, Th. Knaur Nacht, GmbH&Co KG, 2014.

TREADAWAY, CH., SMITH, M.: *Marketing na Facebooku: Výukový kurz*. Brno : Computer Press, 2011.

How Facebook Has Developed over the Last Three Years. Socialbakers. [online]. [2013-04-15]. Available at: <http://www.socialbakers.com/blog/1184-how-has-developed-over-the-last-three-years>.

SUBOTIČ, S., GALLO, J.: *Generace Millennials přichází a změní svět*, [online]. [2017-10-01]. Available at: <http://investportal.cz>.

CARUSO, CH.: *Understanding Y.* Melbourne : Wrightbooks, 2014.

Contact data:
assoc. prof. Ing. Aleš Hes, CSc.
University of Finance and Administration in Prague
Faculty of Economic Studies
Estonská 500
101 00 Prague 10
CZECH REPUBLIC
ales.hes@mail.vsfs.cz

PERCEPTION OF GREEN SOLUTIONS BY GENERATION Y

Eva Jaderná – Jana Přikrylová – Denisa Apková

Abstract

The paper presents results obtained from research done in SGS (Scientific Students Grant) on the topic of „Perception of the green solutions by Generation Y ". The project is focused on the perception of the green behavior of companies and green products in the Czech Republic. Green positions of customers, members of generation Y, were observed and compared with their recent behavior. Research results show that environmental protection is very important for 75 % of respondents. On the other hand, only 30 % of them are to be considered as green consumers; and 8 % of them buy environmentally friendly products.

Key words:

Environmental protection. Generation Y. Green consumer. Green product. Green solutions.

Introduction

Green solutions have become a more and more important issue thanks to intensive environmental education and communications. They are also an imperative part of corporate social responsibility programs of almost all industrial producers, focused not only on social development as support of non-for-profit organization and/or the responsibility towards stakeholders, but in the economic domain as well. This section of CSR plans is usually devoted to clear opposition against corruption and support of the economic development of a region. The companies pay more and more attention to the environmental area in many ways, forms and purposes. They practice green production and sophisticated waste management, they also tend to use and re-use all resources in the most effective way. Some of them, because of the strong pressure imposed by state regulations and some do it voluntarily with the support of employees. The paper deals with the problem of green solutions, which should be of consumer interest and would be a crucial imperative in the purchasing decisions. The young generation grew up with environmental education at schools and it is expected to perceive the future and condition of Earth as a part of its life. Generation Y is described as the green generation in foreign literature, therefore managers and marketers in positions of company strategists have to pay extraordinary attention to this fact. To be able to do so, they have to understand the expectations and specific features of this market segment, because it represents potential customers in the long term perspective, therefore generation Y is to be in productive age for many years and it will constitute a substantial part of consumer basis.

Following this assumption, the question of how green is generation Y, was of our interest. Therefore, the research is focused on its consumer perception and behavior. The questionnaire asked whether representatives of the generation are really interested in green products, whether they are active in protecting the environment and are interested in companies' green behavior, especially those whose product they consume. The second chapter describes generation Y with emphasis on green consumer features. The results of the research itself are to be interpreted in the third chapter.

1 Generation Y

The young generation indicated as generation Y is defined by different authors in different ways, for instance, as Millennials. Millennials are by definition people born between 1977 and 1990.[1] The literature states English terms naming the generation as „Net Generation",[2] "New Boomers"[3] and many others. Generation Y grew up in the relaxed times of the nineties and the transition period around year 2000.[4] Millennials as a generation, globally, are larger by 46 million than generation X and they can be described as the generation of communication technologies. The need of this generation to find the meaning of their work and interconnections is important. They are flexible, able to cooperate, but they require consideration, respect, and appreciation. They believe in being an important part of a workforce that has great influence and importance. To them it is important that the society they are tied to plays an active role in the development of society.[5] Since the generation also grew up in a celebration of the Day of the Earth, McKay calls it "Green Generation". Their 3 R's are not reading, writing, arithmetic, but reduce, reuse and recycle. One could say they are more environmentally educated, and as 69 percent of them report, they recycle paper, plastics and glass. They take responsibilities onto themselves and others and are interested in green products. In most cases they do not earn sufficient income to decide always on green products.[6]

2 Green Consumers

Generation Y, called the green generation, has many common characteristics with green consumers. Those are perceived as a new consumer segment that is characterized by ignoring non environmentally friendly products that pose a threat to health or a source of surplus waste.[7] Green consumers usually declare the following attitudes:[8]
- I make a special effort to buy green products;
- I support financially environmentally active groups;
- I know the meaning of global warming;
- I am afraid of air pollution and ozone hole;
- Sorting waste for recycling;
- When I contaminate the water it cleans itself therefore I am not worried;

1   TAPSCOTT, D.: *Managing the Millennials: Discover the Core Competencies for Managing Today's Workforce.* New Jersey : John Wiley & Sons, 2010, p. 5.
2   SHAPIRA, I.: *What Comes Next After Generation X?* [online]. [2017-10-10]. Available at: <http://www.washingtonpost.com/wp-dyn/content/article/2008/07/05/AR2008070501599.html>.
3   CARLSON, E. D.: *The Lucky Few: Between the Greatest Generation and the Baby Boom.* New York : Springer, 2008, p. 29.
4   CRISA, L. C.: Generation Y – The Management Conversion Paradigm. In *Review of International Comparative Management*, 2016, Vol. 17, No. 1, p. 77.
5   KUMAR, S.: Aligning Gen-Y with CSR. In *Human Capital*, 2015, Vol. 9, No. 1, p. 37.
6   McKAY, L.: Generation Green Why Gen Y and the Millennials are Greener than You'll Ever Be. In *CRM Magazine*, 2010, Vol. 34, No. 6, p. 3-10.
7   PACO, A. M. F., RAPASO, M. L. B.: Determining the Characteristics to Profile the „Green Consumer": An Exploratory Approach. In *International Review on Public and Nonprofit Marketing*, 2008, Vol. 5, No. 2, p. 132.
8   Ibidem.

- I am trying to reduce the water consumption;
- I am willing to pay environmental taxes;
- Most of the statements on product packaging and advertisement labeling are false and misleading.

Some authors attempted to divide consumers into several segments just with respect to their environmental sensitivity and education in order to improve strategic management. Those segments are defined as "True Blues Greens" or "Blue Blues" who are avoiding environmentally friendly products, have high environmental awareness and are trying to provide real changes. The „Greenback Greens" are another segment buying more green products than ordinary consumers. They differ on blue by not being activists. "Sprouts" rarely buy green products if it means a higher price. Anyway only theoretically they believe in ecological consequences. "Grousers" or "fools" are living in the belief that green products are expensive and less efficient. They do not believe in the possibility of influencing the current to change and are not very well educated in environmental issues. The segment Brown or "Basic Browns" is not concerned about social and environmental issues at all.[9]

Ottman provides further breakdown.[10] "Lifestyles of Health and Sustainability" or LOHAS are perceived as the most active group of green consumers - they save water, use their own packaging materials, shopping bags, and also support organizations active in the field of ecology, they committed themselves to protect the environment. The advantage of this group is their ability to adapt quickly to new green technologies and products. Typical representative of this segment is middle-aged married and educated women. As next, we can also appoint "Naturalities". This group is characterized by a personal approach to environmental issues. Their focus is on protecting the health of both themselves and their loved ones. Therefore, they respond very well to the words "not chemically treated", "antibacterial" or "natural". Most of the group members do not handle waste and are less educated in the field of ecology than LOHAS. A typical representative of this segment is a low-income high school student. "Drifters" is a group of consumers who find it important to follow trends. If green is "in", they will try to be like that. They primarily gain information about ecology from the media and believe more in it than in their own experience. They will become a very interesting segment if marketers can support their feel of the "green" lifestyle giving them more satisfaction in their lives. "Conventionalists" are consumers who are more likely to use environmental principles in practice. The reason for buying an energy-efficient refrigerator is for example to cut down monthly expenses. Typical representatives of this group are people over the age of sixty. "Unconcerned" are quite the opposite of the previous segments. They are not interested in environmental problems and are not educated in this area. Men with low education and under-average earnings are typically found to predominate in this group.

---

9   Ibidem.
10   OTTMAN, J. A.: *The New Rules of Green Marketing. Strategies, Tolls and Inspiration for Sustainable Branding.* Sheffield : Greenleaf Publishing Limited, 2011, p. 252.

3 Methodology

As part of the student grant SIGA / 2016/01 at the Department of Marketing and Management at ŠKODA AUTO University, a questionnaire survey was conducted to outline the perception of green solutions by Y generations, their attitudes and environmental activities. In the first wave 1068 questionnaires were completed, out of which 841 were usable. The second wave added the number of correctly filled in questionnaires to exactly 1000. The research was carried out throughout the whole Czech Republic maintaining gender balance as shown in Table 1.

Table 1: Respondents by region and gender

Region	Number of people	Sample	Men	Women
Czech Republic	10 578 820	1000	0,49	0,51
Prague	1280508	121	59	62
Middle Bohemia	1338982	127	62	65
Southwest	1217411	115	56	59
Northwest	1118126	106	52	54
Northeast	1508527	143	70	73
Southeast	1687764	160	78	81
Central Moravia	1217623	115	56	59
Moravian-Silesian region	1209879	114	56	58

Source: Own Processing – Data on regions CZSO, percentage of own processing

The research survey was created online at www.survio.cz. The survey questionnaire was conducted in three stages. In the first stage a test survey was provided to examine mainly the clarity of the individual questions and the difficulty of the questionnaire. Approximately 70 Y-generation respondents were interviewed in person, using printed questionnaires. The reason was the possibility of getting feedback from the respondents. Online research started in the second stage with 2 months' duration of the interviews. The questionnaire distribution was provided via social network - Facebook. The main reason for this distribution were the characteristics of generation Y, and because of targeting the entire Czech Republic. The questionnaire was placed on the social sites of the largest cities in individual regions and public groups of these regions. In the third stage, the questionnaire was re-launched and responses were collected to supplement the sample of respondents. In this stage the questionnaire was focused only on regions with insufficient representation.

4 The perception of green solutions by generation Y

The results of the questionnaire survey should show to what extent is the issue of environmental protection and the introduction of green solutions crucial in companies from which the representatives of the Y generation are buying. The questions are focused on examining their attitudes and common environmental

activities. Respondents also thought about green products, what they prefer when making a purchase and what are their reasons to do so. As showed, the issue of environmental protection is important for 75% of respondents as the research illustrates. Such outcome was likely to be expected with regard to their environmental education and awareness. However, the outcome that only 30% of respondents would consider themselves green consumers was surprising. Based on the above-mentioned theoretical knowledge, we could say that generation Y is a green generation and has a lot in common with the so-called green consumer. However, 69% representatives of this generation in the Czech Republic would not consider themselves as green consumers. Table 2 presents the activities commonly carried out by generation representatives Y and respondents consider them to be their characteristics. The table shows that 77% of them classify waste and for 69% of them environmental concerns are typical. However, only 8% of respondents buy environmentally friendly products. This confirms their statement that they do not feel like being in the category of green consumers.

Table 2: Personal Characteristics of Representatives Generation Y

Personal Characteristics	Number of persons	Percentage expression
I recycle and sort waste	769	77 %
I save natural resources	385	39 %
I buy products that are environmentally friendly	77	8 %
I am actively interested in environmental matters	77	8 %
I am afraid of environmental pollution	692	69 %
I am willing to pay for environmentally friendly products	308	31 %
I am skeptical about environmental claims on some products	308	31 %
I know that one individual will not change anything, but I believe my behavior affects the solution of environmental problems	538	54 %

Source: Own processing

These activities are justified by the respondents as 77% environmental protection while possible savings or other economic reasons motivate others. To green business activities another round of questions was related. Whether the respondents are following environmental business activities, 23% of them are watching at times, but the vast majority does not follow them, either because of lack of interest in this area (30%). Some of them would like to know something about it in the future (46%). Only 1% of candidates said they are following these activities. Nevertheless, 69% of respondents think it is important to ensure that companies behave responsibly towards the environment and 30% of respondents said that businesses should deal with it as shown in Table 3.

Table 3: Importance of company activities to protect the environment.

Answer	Number of responses	Percentage expression
Yes, I think it is important	692	69 %
Yes	301	30 %

No, it is useless	7	1 %
No, there is enough	0	0 %

Source: Own processing

Although the vast majority of respondents consider important the companies' activities to protect the environment, they are not much interested in information about the companies' activities in this area and they do not follow them. Their interest in green products is similar. Only 31% of respondents in the generation Y buy green products, 54% do not follow it and 15% has negative attitude towards green products. The reason for not buying green products is for 39% respondents its higher price and the same percentage of respondents stated mistrust that they are truly green. Among other reasons that respondents had the opportunity to mention, allergies were the most common, or that they are not gentle, or did not care.

Conclusion

Based on the detailed analyses of secondary dates (mostly of the foreign origin) prior to the beginning of primary data collection it was probable that the representatives of generation Y are deeply interested in environmental protection. Generation Y is usually referred as a green generation; therefore, it could be expected that the green products as well as the companies following green solutions and responsible behavior are to be attractive for them. The results of our primary research did not confirm the validity of this premise in case of generation Y of the Czech Republic. Nevertheless, ¾ of respondents declared interest in the environment, but only 30 % of them consider themselves as green consumers. This is testified by the fact that 8 % of respondents is interested in green products buying. Sorting and recycling of the waste is declared as the most habitual activity in environmental protection by the majority of respondents. But most do not care if the companies producing their favorite brands are environmentally responsible or not. They do agree that it is important that all firms have to be environmentally responsible. Czech representatives could be compared to "Sprouts". As said above, they are consumers buying green products seldom and only if the products are not priced above the average. These consumers realize ecological impacts but they are aware only theoretically.

The majority of Czech generation Y grew up in 90's and earlier. Environmental education was not popular at that time. The topic became to be of broader interest and it became a subject of discussions later. Parents raising this generation led them to save resources but motivation was purely economic. Children were impersonating the principles they have followed up to now. But those principles differ from those applied now with the youngest generation. It is obvious that generation Y has changed their positions thanks to globalization and information technologies. Social networks have enabled to share cautionary documents showing impact of ecological devastation ad to share similar values. More and deeper information about green products and/ or green production processes would help to reinforce attitudes of Y generation to different issues on environmental protection and green products. Socially responsible companies ought to present their green solutions with the focus on elimination of dangerous impacts on the environment.

References:

CARLSON, E. D.: *The Lucky Few: Between the Greatest Generation and the Baby Boom*. New York : Springer, 2008.

CRISA, L. C.: Generation Y – The Management Conversion Paradigm. In *Review of International Comparative Management*, 2016, Vol. 17, No. 1, p. 76-86. ISSN 1582-3458.

KUMAR, S.: Aligning Gen-Y with CSR. In *Human Capital*, 2015, Vol. 9, No. 1, p. 36-38. ISSN 1932-8575.

McKAY, L.: Generation Green Why Gen Y and the Millennials are Greener than You'll Ever Be. In *CRM Magazine*, 2010, Vol. 34, No. 6, p. 3-10. ISSN 1529-8728.

OTTMAN, J. A.: *The New Rules of Green Marketing. Strategies, Tolls and Inspiration for Sustainable Branding.* Sheffield : Greenleaf Publishing Limited, 2011.

PACO, A. M. F., RAPASO, M. L. B.: Determining the Characteristics to Profile the „Green Consumer": An Exploratory Approach. In *International Review on Public and Nonprofit Marketing*, 2008, Vol. 5, No. 2, p. 129-140. ISSN 1865-1984.

SHAPIRA, I.: *What Comes Next After Generation X?* [online]. [2017-10-10]. Available at: <http://www.washingtonpost.com/wp-dyn/content/article/2008/07/05/AR2008070501599.html>.

TAPSCOTT, D.: *Managing the Millennials: Discover the Core Competencies for Managing Today's Workforce*. New Jersey : John Wiley & Sons, 2010.

Contact data:
Ing. Eva Jaderná, Ph.D.
Škoda Auto University in Mladá Boleslav
Na Karmeli 1457
293 01 Mladá Boleslav
CZECH REPUBLIC
eva.jaderna@savs.cz

assoc. prof. Ing. Jana Přikrylová, PhD.
Škoda Auto University in Mladá Boleslav
Na Karmeli 1457
293 01 Mladá Boleslav
CZECH REPUBLIC
jana.prikrylova@savs.cz

Bc. Denisa Apková
Škoda Auto University in Mladá Boleslav
Na Karmeli 1457
293 01 Mladá Boleslav
CZECH REPUBLIC
edu.denisa.apkova@savs.cz

IS PAPER STILL ATTRACTIVE FOR GENERATION Y?

Vladislav Kaputa – Miroslava Triznová – Hana Maťová

Abstract
The paper deals with the preferences of the Slovak university students either for digital or print medium while reading for school work. Respondents of our sample belong to generation Y who grow up and still live in the digital environment. In spite of this fact we supposed some share of them tends to utilise hard copy or combines it with digital platforms. Findings showed that printed text is widely preferred among our sample of respondents. Majority of university students use paper as a medium for school work. Important factors influencing a choice of medium are length of text, ability to concentrate on reading text, overall time spent by reading, and attitudes of individuals.

Key words:
Digital medium. Paper. Print medium. User preferences. Y generation.

Introduction

Generation Y also called Net generation, Millennials or Generation What? is the consumer segment born after 1980.[1] According to Buchtík[2] it is the generation what create people born between 1983 – 1999. Gen Y grew up in a digital world. This generation is connected to internet and they are multitasking. '*The usage of e-textbooks would seem to be a likely fit for this Internet generation*'.[3] Vincent[4] deals in her study with the particular aspect of the student's experiences of paper and pen versus digital media. Her study is based on 10 qualitative surveys of 10 countries among university students (sample of Generation Y). The aim was to investigate the impact of digital media on writing and reading. Main results are:

- '*Reading and writing competencies are changing with the use of digital technologies but students still see benefits of reading and writing with paper which they continue to use, especially to convey private emotions and intimate feelings.*'
- '*The respondents in this study are extensive users of digital technologies but using pen and paper for writing and reading as well as, and combined with, digital technologies remains part of their normative practices.*'
- '*Motivations for using paper and pen are influenced by the haptic qualities of reading and writing – the feel and the smell of the paper and the grasp of the pen, the turn of the page, and extend also to the practical usefulness of note-taking and writing in margins while reading. Conversely, the use of hypertext and automatic*

1   MURALIDHARAN, S., XUE, F.: Personal Networks as a Precursor to a Green Future: A Study of "Green" Consumer Socialization among Young Millennials from India and China. In *Young Consumers*, 2016, Vol. 17, No. 3, p. 226-242.
2   BUCHTÍK, M.: *Archív – Studio Leonardo. Český rozhlas Plus*. [online]. [2017-02-23]. Available at: <http://prehravac.rozhlas.cz/audio/3605897>.
3   NICHOLAS, A. J., LEWIS, J. K.: *The Net Generation and E-textbooks*. [online]. [2017-02-23]. Available at: <http://digitalcommons.salve.edu/cgi/viewcontent.cgi?article=1016&context=fac_staff_pub>.
4   VINCENT, J.: Students' Use of Paper and Pen Versus Digital Media in University Environments for Writing and Reading – A Cross-cultural Exploration. In *Journal of Print Media and Media Technology Research*, 2016, Vol. 5, No. 2, p. 97-106.

error correction in online writing are making the use of keyboard and screen more compelling.'

- *'The normative practices of students show that there is still a demand for pen and paper as well as keyboard and screen and that in some instances the use of paper is preferred.'*

Vincent identified following issues: multitasking, chirographic skills, the intimacy of paper versus digital, interleaving of using digital and printed text, problems of eye strain and posture. Baron et al.[5] conducted study about reading practice among 5 different countries using survey among 429 university students (average age 20,9) during the year 2013.They highlight in their study that: Nearly 92% of all respondents mentioned that they concentrated best when reading in print. Authors of the study were not surprise as for this result, but they mentioned that the magnitude of this choice was unexpected, because respondents belong to generation Y – digital generation. Another finding from their study indicates that cost is one of the primary drivers of digital reading (more than four-fifth of respondents prefer print for academic and also pleasure reading). Mizrachi et al.[6] in their paper present results from the Academic Reading Format International Study – the investigation of university students' behaviours and attitudes towards reading their academic texts on electronic screens and print. More than 9,270 students in 19 countries were responded and final results indicate a general preference for print among them.

1 Methodology

The main aim of the study was to find out how popular is use of digital form comparing to print form among young people, when reading. This paper presents selected results of the wider research based on the questionnaire developed by members of the working team (WG1) in the framework of the COST Action project FP 1104: New possibilities for print media and packaging. Concretely, investigated were following areas:

- Time spent by reading for school work (duties) using different platforms (print or digital)
- Ratio between use of paper and digital medium, generation Y is using
- Influence of the text length on a choice of medium
- Concentration in both forms of reading

The survey was conducted in the Slovak Republic, among university students. Using the findings from the Total Design Method,[7] after 4 days a reminder asking for a questionnaire to be completed was sent. Afterwards, we selected the sample of generation Y respondents among students. The results were analysed using frequency analysis and contingency tables.

5   BARON, N. S., CALIXTE, R. M., HAVEWALA, M.: The Persistence of Print among University Students: An Exploratory Study. In *Telematics and Informatics*, 2017, Vol. 34, No. 5, p. 590-604.
6   MIZRACHI, D. et al.: The Academic Reading Format International Study (ARFIS): Investigating Students Around the World. In *European Conference on Information Literacy*. London, New York : Springer, Cham, 2016, p. 215-227.
7   For more information, see: DILLMAN, D. A.: *Mail and Telephone Surveys – The Total Design Method*. New York : John Wiley and Sons, 1978.

2 Results

Totally, 506 respondents of generation Y filled in and submitted the questionnaire. All of them were university students either on bachelor, master or doctoral study level.

2.1 Time spent by reading for school work

Graph 1 presents hours per week which respondents tend to spend, when reading for the school work. Over the quarter of respondents (28%) is spending from three to four hours reading for school work. It is followed by group who spent from one to two hours reading for school work (24%). There are 48 % of respondents spending more than five hours per week by reading for school work.
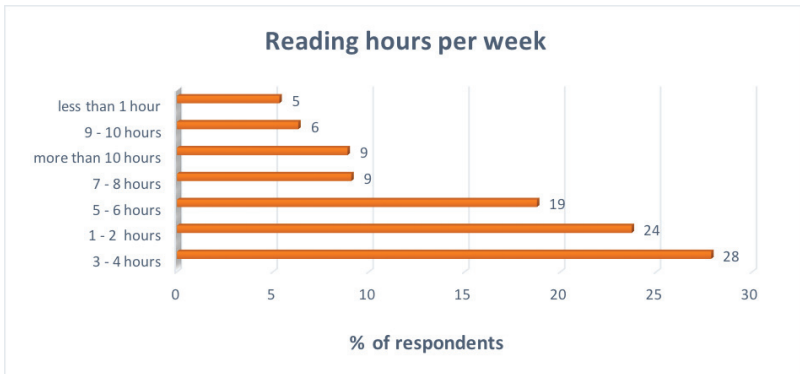
Graph 1: Average time spend reading for school work
Source: Own processing

2.2 Ratio between use of paper and digital form

Looking for information and getting ready for school seminars require combination of use of print and digital mediums. We have been searching what is the ratio between use of printed form and digital form for school work reading. According to findings (Graph 2) the wide portfolio of combinations is utilised by students. Total share of students who predominantly read from a hard copy for school work (58%) is considerably higher comparing to those who predominantly use a digital form (27%). There are 15% of respondents using both forms equally. As Graph 2 shows, the most often used ratios where respondents favoured use of paper are: 70% (resp. 80%) reading in a paper form to 30% (resp. 20%) in digital form.
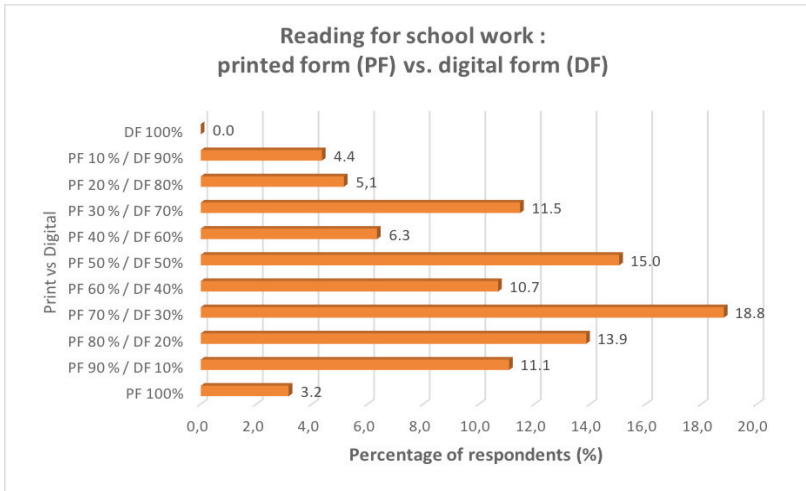
Graph 2: Paper vs Digital form
Source: Own processing

2.3 Paper vs. digital form and attitudes of individuals

Further, preferences for either print or digital medium were investigated under condition that the costs of both mediums were identical (e.g. purchase of study literature). As Table 1 shows majority of respondents (87%) prefer a paper form when reading for school work.

Table 1: Choice of print or digital form

Choice of print form vs. digital form (if the costs are identical)		
	No. of respondents	Percentage of respondents (%)
Paper form	440	87
Digital form	66	13
Total	506	100

Source: Own processing

Respondents were also asked to reason their answers why would they prefer paper form. The most frequent reasons they expressed were: "*better concentration*", "*better understanding of text*", "*possibility to mark, underline, "highlight and write notes*", "*faster memorization*", "*contact with the book, palpability*" and "*custom, reading comfort*".

2.4 The length of the text and medium of choice

In spite of fact we have described above (about a medium of choice) we have to consider other factor yet. Length of reading text considerably influences a medium of choice. Graph 3 presents respondents' preferences in case of long text (more than 3 pages) and short text (up to 3 pages) reading. Majority of respondents (81%) prefer to use paper form while reading a long text for school work. Up to 30% of respondents prefer to use digital medium in case of short text reading and there is a higher share (24%) of those with indifferent attitudes.
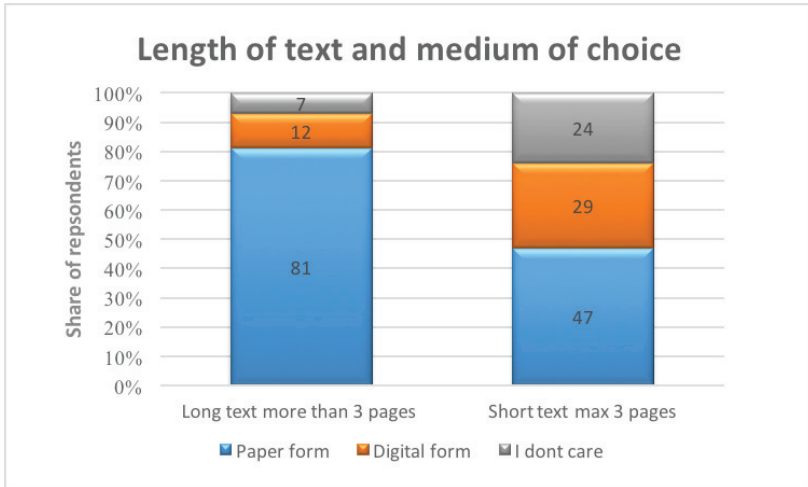
Graph 3: Length of the text and preferences of respondents
Source: Own processing

2.5 Reading and concentration on the different platforms

Different platform influence respondents' ability to concentrate on the text they reading. Only a very small share of respondents (up to 7%) declared better ability to concentrate on some of digital platforms while reading. All others (93.1%) preferred hard copy/paper as a platform where it is easiest to concentrate on their reading. Vice versa, questioning regarding platform on which it is hardiest to concentrate shows that over 94% of respondents consider digital mediums for such platforms. Here, over half of respondents (54.7%) have problems to concentrate while reading on PC (desktop or laptop computer). This fact relates to the presence of parallel active programmes reducing concentration (as it was expressed within open questions of the questionnaire).
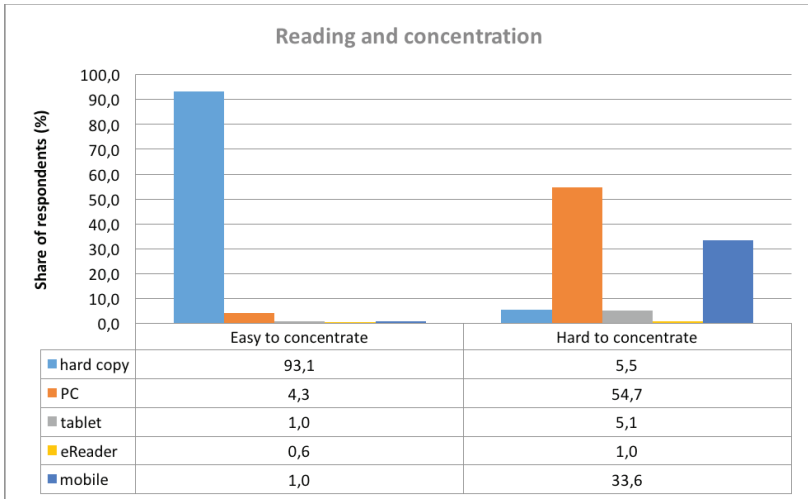
Graph 4: Ability to concentrate on text reading regarding form of medium used
Source: Own processing

3 Conclusions

- In spite of fact of massive digital mediums usage a paper form (print mediums) still plays a significant role among university students of Y generation. Surprisingly dominant share of respondents prefer paper as a medium of choice. They advocated their vote for print medium by expressions as: better concentration, better understanding of text, possibility to highlight and write notes, faster memorization, physical contact with the book, and reading comfort.
- Up to half of respondents spent more than five hours per week by reading for school work. It is considerable amount of a time. Consequences with length of text, ability to concentrate and choice of medium would play a role and are a matter for further research.
- The length of the text defines respondents' decision whether they will use a digital or a paper form for reading. Over 80% of respondents were more likely to use paper form when reading for school work more than 3 pages of the text.
- A choice of the different platforms influences respondents' ability to concentrate on the text. The easiest to concentrate is while reading on hard copy/paper. Problems with concentration come with digital mediums. Here, more than half of our sample stated that PC is a device where it is hardiest to concentrate followed by mobile phone (over one-third of respondents) and tablet.
- Phenomenon marked as the digital age massively influences life people, especially those of youngest generations. Based on our study findings it could be stated that preferences for medium used for reading are still shaped by the more classic platform – a hard copy (paper) – even between the generation Y,

who have spent their entire lives in the digital environment and were heavily involved in digital mediums usage.

References:

BARON, N. S., CALIXTE, R. M., HAVEWALA, M.: The Persistence of Print among University Students: An Exploratory Study. In *Telematics and Informatics*, 2017, Vol. 34, No. 5, p. 590-604. ISSN 0736-5853.

BUCHTÍK, M.: *Archív – Studio Leonardo. Český rozhlas Plus*. [online]. [2017-02-23]. Available at: <http://prehravac.rozhlas.cz/audio/3605897>.

DILLMAN, D. A.: *Mail and Telephone Surveys – The Total Design Method*. New York : John Wiley & Sons, 1978.

MURALIDHARAN, S., XUE, F.: Personal Networks as a Precursor to a Green Future: A study of "Green" Consumer Socialization among Young Millennials from India and China. In *Young Consumers*, 2016, Vol. 17, No. 3, p. 226-242. ISSN 1747-3616.

MIZRACHI, D., et al.: The Academic Reading Format International Study (ARFIS): Investigating Students Around the World. In *European Conference on Information Literacy*. London, New York : Springer, Cham, 2016, p. 215-227.

NICHOLAS, A., J., LEWIS, J., K.: *The Net Generation and E-textbooks*. [online]. [2017-02-23]. Available at: <http://digitalcommons.salve.edu/cgi/viewcontent.cgi?article=1016&context=fac_staff_pub>.

TAIPALE, S.: Bodily Dimensions of Reading and Writing Practices on Paper and Digitally. In *Telematics and Informatics*, 2015, Vol. 32, No. 4, p. 766-775. ISSN 0736-5853.

VINCENT, J.: Students' Use of Paper and Pen Versus Digital Media in University Environments for Writing and Reading – A Cross-cultural Exploration. In *Journal of Print Media and Media Technology Research*, 2016, Vol. 5, No. 2, p. 97-106. ISSN 2223-8905.

Contact data:
Ing. Vladislav Kaputa, PhD.
Technical University in Zvolen
Faculty of Wood Sciences and Technology
T. G. Masaryka 24
960 53 Zvolen
SLOVAK REPUBLIC
kaputa@tuzvo.sk

Ing. Miroslava Triznová, PhD.
Technical University in Zvolen
Faculty of Wood Sciences and Technology
T. G. Masaryka 24
960 53 Zvolen
SLOVAK REPUBLIC
triznova@tuzvo.sk

Ing. Hana Maťová, PhD.
Technical University in Zvolen
Faculty of Wood Sciences and Technology
T. G. Masaryka 24
960 53 Zvolen
SLOVAK REPUBLIC
matova@tuzvo.sk

THE IMPACT OF ONLINE MARKETING OF SELECTED RETAIL STORES ON CONSUMER´S BEHAVIOUR OF THE YOUNG GENERATION

Andrea Kubelaková – Andrej Géci – Alexandra Andocsová

Abstract

The current sale of goods and services is distinctly different from the past and it is largely influenced by the use of online marketing as a powerful tool for building a competitive advantage. The difference is that consumers are more sophisticated, and they are better oriented on the Internet where they search for product information and references from other consumers. The overall product sales cycle is prolonged significantly. Traditional sales techniques have no longer such an impact on the consumer as they did in the past. Sales companies in Slovakia have started using social networks because more than 50% of Slovaks use the Internet every day. Social networks, especially Facebook, are a significant phenomenon that affects the whole society. In Slovakia, social networks are used by seven out of ten adults at least once a month and daily usage is on 45% level. This fact is also acknowledged by retailing, which communicates with its potential clients through social networks. According to statistics, young people are the most frequent users, although up to 36% of seniors declare that they use social networks at least once a month. Therefore, it is necessary for retailing to use this form of marketing to influence consumers' behavior. Based on the primary results, we can claim that social networking sites are being liked more by women than men. This can also be due to the fact that in most cases women are the ones who make purchases.

Key words:
Consumer's behavior. Facebook. Online marketing. Retailing. Social networking. Young generation.

1 Social Media Marketing

The internet and new technologies make what we know today as social media possible and prevalent. Every day more people join online communities, so the influence of social media expands.[1] Social network is a platform through which individual users associate. Therefore, its main aim is to group people from the offline environment based on common activities.[2] Web and social sites are designed for a certain community of people who are focused on distributing information.[3] The social media represents an excellent opportunity for pull marketing strategy, which is generated by consumers who are actively looking for information about products, services and brands. The social media offers business a pull marketing opportunity because consumer users actively engage businesses and "pull" more information from them, which ultimately leads to sales, brand building and word-of-mouth buzz.[4] Social media creates a space where marketers and consumers coexist. It allows marketers to focus their attention on customers who are already interested in their behavior and would be more impacted by media messages that are consistent with their

1   For more information, see: TULEN, T., SOLOMON, M.: *Social Media Marketing*. Thousand Oaks : SAGE, 2014.

2   LI, F., DU, T.: *The Effectiveness of Word of Mouth in Offline and Online Social Networks.* [online]. [2017-10-04]. Available at: <https://doi.org/10.1016/j.eswa.2017.07.004>.

3   WATERS, R. et al.: *Engaging Stakeholders through Social Networking: How Nonprofit Organizations are Using Facebook.* [online]. [2017-10-04]. Available at: <https://doi.org/10.1016/j.pubrev.2009.01.006>.

4   GUNELIUS, S.: *30-Minute Social Media Marketing: Step-by-step Techniques to Spread the Word About Your Business: Social Media Marketing in 30 Minutes a Day.* New York : McGraw Hill Professional, 2010, p. 3-4.

current cognitions.[5] The online environment is becoming increasingly prominent and therefore it becomes a strong communication medium on the Internet for businesses. The advantage of online marketing is not only contacting many consumers with a relatively low cost, but also almost instantaneous consumers´ feedback through their responses, opinions and ideas.[6]

The business benefits of social media aren´t limited to the realms of marketing and brand equity. Major efficiencies and productivity gains are achieved by faster and more interactive communication- between companies and consumers, among consumers and in social media driven collaborations within a company.[7] Facebook is one of the most popular social networks. This modern communication platform is designed to allow users to contact within each other in a variety of ways. The most popular is a user-to-usercommunication, commenting posts, daily status updates, but recently, this social network is overwhelmed by various promotions and adverts too.[8] The fact that Facebook every day connects more and more people is confirmed by the current official statistics of the company for the year 2017. The network itself is used by 1.86 billion people. 1.23 billion are using it on a daily basis and up to 1.76 billion are accessing it from mobile devices. It is also used by 2.5 million Slovaks in the category from 13 to 65. When it comes to gender, women predominate with 1.3 million.[9]

Facebook has gone from a novelty to a place where many brands treat the page much like they´d treat a website. They are trying to make a good impression on people who are there to make a snap decision, to like a brand or establish an ongoing relationship through the News Feed. Relatively small advertising budgets can create a lot of impression and buy many clicks.[10] Under the term consumer behavior, we understand the condition when consumer begins to feel the difference between his real and ideal state.[11] Retail is one of the best forms for selling products. It is considered to be the most popular not only by customers but also by sellers themselves because it understandsthe needs of end consumers the best.[12] Consumer is each person who is interested in products of everyday use which help him make his everyday life simpler

5   MAHONEY, L., TANG, T.: *Strategic Social Media: From Marketing to Social Change*. Chichester : John Wiley & Sons, 2016, p. 17.
6   FAGERSTRØM, A., GHINEA, G.: *On the Motivating Impact of Price and Online Recommendations at the Point of Online Purchase*. [online]. [2017-10-04]. Available at: <https://doi.org/10.1016/j.ijinfomgt.2010.10.013>.
7   FUNK, T.: *Advanced Social Media Marketing: How to Lead, Launch, and Manage a Successful Social Media Program*. New York : Apress, 2014, p. 2.
8   YOUNG, N. et al.: *Passive Facebook Use, Facebook Addiction, and Associations with Escapism: An Experimental Vignette Study*. [online]. [2017-10-04]. Available at: <https://doi.org/10.1016/j.chb.2017.01.039>.
9   HODÁS, M.: *Facebook oslávil 13 rokov. Vieme, koľko Slovákov ho používa*. [online]. [2017-10-04]. Available at: <https://www.zive.sk/clanok/122933/facebook-oslavil-13-rokov-vieme-kolko-slovakov-ho-pouziva/>.
10   TREADAWAY, C., SMITH, M.: *Facebook Marketing: An Hour a Day*. Indianapolis : John Wiley & Sons, 2012, p. 21.
11   MANDEL, N. et al.: *The Compensatory Consumer Behavior Model: How Self-discrepancies Drive Consumer Behavior*. [online]. [2017-10-04]. Available at: <https://doi.org/10.1016/j.jcps.2016.05.003>.
12   VICEN, M., KUBICOVÁ, Ľ., MINÁROVÁ, M.: *Strategický marketing*. Nitra : Slovenský poľnohospodárska univerzita v Nitre, 2009, p. 85.

and more pleasant.[13] Consumer behavior reflects the totality of consumers´ decision with respect to the acquisition, consumption and disposition of goods, services, activities, experiences, people and ideas by (human) decision-making units (over time). This definition has some very important elements summarized in the Picture 1.[14]

Consumer behavior reflects:				
The totality of decisions	**About the consumption**	**Of an offering**	**By decision-making units**	**Over time**
Whether	Acquisition	Products	Information gatherer	Hours
What	Usage	Services	Influencer	Days
Why	Disposition	Activities	Purchaser	Weeks
How		Experiences	User	Months
When		People		Years
Where		Ideas		
How much/ How often/ How long				

Marketing Strategies and Tactics

Picture 1: Elements which consumer behavior reflects
Source: HOYER, W., MACLNNIS, D., PIETERS, R.: *Consumer Behavior*. Boston : Cengage Learning, 2016, p. 5.

2 Data and Methods

The main aim of this paper is to find out if consumers are involved in social networks and how the promotion of food retailers on the Facebook social network influences the consumer behavior of the young generation in Slovakia. Domestic and foreign literature, internet resources and publicly available information were the basis for writing the theoretical part of this paper. In addition to the secondary information sources, we also used the primary information resources, which were obtained by the conducted survey. Its aim was to compare the theoretical knowledge gained on this issue with information obtained from consumers. The questionnaire survey was attended by 666 respondents, of whom 512 were women and 154 were men (Chart 1).

---

13   HORSKÁ, E., UBREŽIOVÁ, I.: *Manažment marketing v medzinárodnom prostredí*. Nitra : Slovenská poľnohospodárska univerzita v Nitre, 2001, p. 418.
14   HOYER, W., MACLNNIS, D., PIETERS, R.: *Consumer Behavior*. Boston : Cengage Learning, 2016, p. 5.
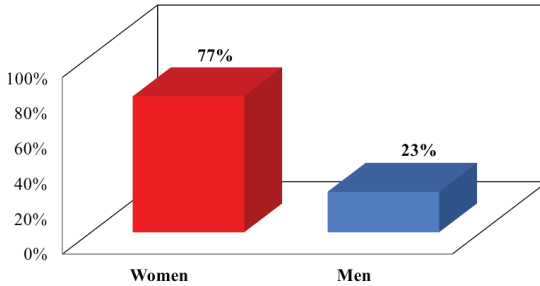
Chart 1: Gender of respondents
Source: Own processing

The questions of the questionnaire have been divided into two main parts. In the first part, there were 5 classificatory questions aimed at the detailed characteristics of a respondent. The second part consisted of 19 substantive close-ended questions regarding the time user spends online, what social networking sites are mostly used, if he/she follows any Facebook profiles of selected grocery retail stores in Slovakia and how marketing activities of selected retailers influence him/her. The target group of the questionnaire was young generation aged from 18 to 35 which use social media on a daily basis. The questionnaire was distributed among the potential respondents during the months of September and October 2017 via the online survey tool, Google Forms. It enabled rapid dissemination on the internet, filling in the questionnaire also on mobile devices (as the forms are responsive) and faster processing thanks to the layout of the outcome data in an Excel sheet.

Firstly, questionnaires with the wrong replies were filtered out. Then the questions were evaluated graphically in the form of chartsand consequently described based on deduction. In addition, qualitative statistical method- Chí-square test for independencewas used to evaluate the data. By methods of the qualitative statistics we have tested following assumptions:

  H1: We assume that social networking sites are visited by young women more than by young men.
  H2: We assume that social networking sites will be installed more in the mobile phones of people aged from 18 to 25.
  H3: We assume that people with higher education use Facebook more than people without higher education.
  H4: We assume that people from cities follow retail sites on social media more than people from rural areas.
  H5: We assume sites of retailers on social media are liked more by women than men.

3 Results and Discussion

The social networking website Facebook is the most popular application intended for communication among young people. Therefore, the objective of the first

question was to determine the age of respondents. Based on the primary results of the questionnaire, we can note that up to 90% of respondents belong within the age category from 18 to 35 (Chart 2).
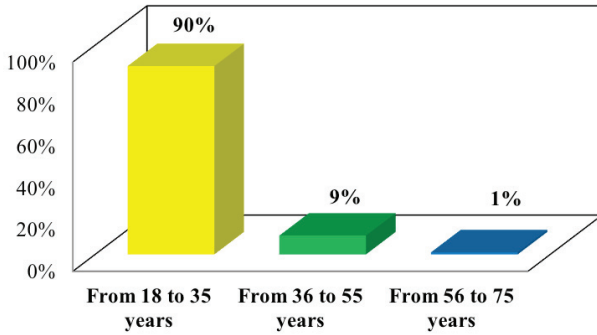
Chart 2: Age of respondents
Source: Own processing

The first classification question of the questionnaire was dedicated to the gender of the respondents. At this point, a selection of respondents was conducted. The selection involved those who did not belong to the age category from 18 to 35. After choosing the right group of respondents for the questionnaire, there were 568 respondents left, out of which 456 were women and 112 were men. The next question was used to determine how often young people aged from 18 to 35 use online services. Up to 96% of respondents replied that they use the internet daily (Chart 3).
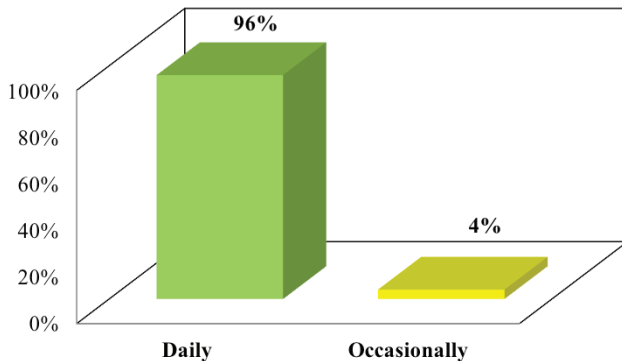
Chart 3: Frequency of the internet using by respondent
Source: Own processing

Furthermore, we dealt with question whether respondents use social media. Up to 72% of respondents answered positively. Facebook was the mostly usedsocial

network. This result could be compared with the research held by GfK company in 2016. Mentioned research observed usage of social websites in Slovakia, and Facebook was the leader - 68% of respondentsuse it on monthly basis and 45% on daily basis. Facebook indeed is the most popular within young people, but how people age its usage declines. On the other hand, we can claim that Facebook is universal social network. The reason for this is simple, it is used by different social groups.[15] In relation to this question, a scientific presumption was set, that the social media are visited more by young women than young men. We have set the following hypotheses:

H0: Social media are not liked by more women than men.
H1: Social media are liked more by women than men.

The given hypotheses have been verified by Chí-square test for independence. The value in the table (u tab) at the significance level α = 0.05 was 4.687128 and the critical value was at the level 3.841460. On the basis of the above facts, we accept the alternative hypothesis, reject the null hypothesis, and we can claim with the probability of 95% that the social media are liked more by women than men. As we all know, nowadays almost everyone has a mobile phone and people cannot move a step without it. Most consumers have a device that also supports the installation of social media to mobile phones. This statement was confirmed by the statistics in the book from Horská. It was established that the number of mobile phone users is higher than the number of Internet users, and this number increases continuously. Mobile phones already have a system allowing direct connection to the internet.[16]Therefore, the next question asked if the respondent have any social media application installed in his mobile phone. We focused on the group of respondents aged from 18 to 25. In this group of 568 respondents, 558 people replied positively, and 10 people replied to this question negatively. Relating to this question, these scientific hypotheses were set:

H0: The social networking sites will not be installed inmobile phones of most people aged from 18 to 25 years old.
H1: The social networking sites will be installed inmobile phones of most people aged from 18 to 25.

The given hypotheses have been verified by Chí-square test for independence. The value in the table (u tab) at the significance level α = 0.05 was 3.115119 and the critical value was at the level 3.841460. Based on the above-mentioned facts, we can consider that the assumption was wrong. We accept the null hypothesis, reject the H1 and claim with probability of 95% that the social media will not be installed in phones of most people aged from 18 to 25. Another set of questions was dedicated to selected retail stores. Whether the customers follow these retail stores via Facebook can be seen in the Chart 4.

---

15   KOČAN, R.: *Facebook, Youtube, Instagram... Koľko Slovákov je na sociálnych sieťach?* [online]. [2017-10-04]. Available at: <https://blog.etrend.sk/rastislav-kocan/facebook-youtube-instagram.html>.

16   HORSKÁ, E.: *Medzinárodný marketing*. Nitra : Slovenská poľnohospodárska univerzita v Nitre, 2007, p. 170.

Men **Women**

■ Yes ■ No   ■ Yes ■ No
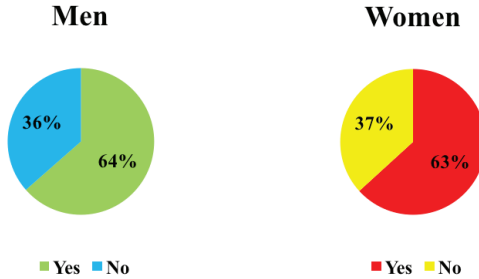
Chart 4: The fact whether men and woman follow chosen retail stores on Facebook
Source: Own processing

From the graph we can see that selected retail stores are followed by most respondents, concretely 169 male and 172 female respondents. In relation to this question, a scientific presumption, that the social networking sites are visited more by young women than young men, was set. We have set the following hypotheses:

H0: Sites of retailers on social media are not liked by more women than men.
H1: Sites of retailers on social media are liked by more women than men.

The given hypotheses have been verified by Chí-square test for independence. The value in the table (u tab) at the significance level α = 0.05 was 4.687128 and the critical value was at the level 3.841460. Based on these facts, we accept the alternative hypothesis, reject the null hypothesis, so we can claim that the sites of retailers on social media are liked by more women than men with the probability of 95%. One of the classificatory questions of the questionnaire covered respondents' education. Depending on this question a hypothesis has been set. It was used to verify if the assumption, that people with higher education use Facebook more than people without higher education, is valid. We have set the following hypotheses:

H0: People with higher education do not use Facebook more than those without higher education.
H1: People with higher education use Facebook more than those without higher education.

The given hypotheses have been verified by the Chí-square test for independence. The value in the table (u tab) on the significance level α = 0.05 was 0.087665 and the critical value was on the level 3.841460. According to the result stated, the hypothesis H0 is accepted and the hypothesis H1 rejected. Hence, we can claim with probability of 95% that people with higher education do not use Facebook more than those without higher education. According to the primary results, we observed that up to 55% of respondents reside in rural areas and 45% in a city. In relation to this question, the scientific assumption, that the people from a city follow more retail sites on social media than people from rural areas, was set. We have set the following hypotheses:

H0: People from cities do not follow more retail sites on social media than people from rural areas.
H1: People from cities follow more retail sites on social media than people from rural areas.

The given hypotheses have been verified by Chí-square test for independence. The value in the table (u tab) at the significance level $\alpha = 0.05$ was 0.087665 and the critical value was at the level of 3.841460. According to these results, the hypothesis H0 was accepted and the hypothesis H1 was rejected. This means that with the probability of 95% we can say that people from cities do not follow more retail sites on social media than people from rural areas. Percentually both genders filled in the negative answer the same often, approximately 36%. The following question was aimed at liking the web page of selected retail stores(Tesco, Kaufland and Lidl) on Facebook. The most followed was Lidl (31%), the second was Kaufland (4%), and the third was Tesco (3%). There was also a possibility to mark the answer that the respondent did not like any of the above-mentioned stores. Up to 62% of young people and adolescents (from 18 to 35 years old) identified with this answer. Based on the fact that the young generation tries to move with the times we would expect that they would be more interested in giving like to the retail store they shop in. This high percentage might be also explained by the fact that some people simply like reading paper leaflets of retail stores. To sum up this section we state another question related to the frequency of visiting the particular retail stores Facebook websites (Chart 5).
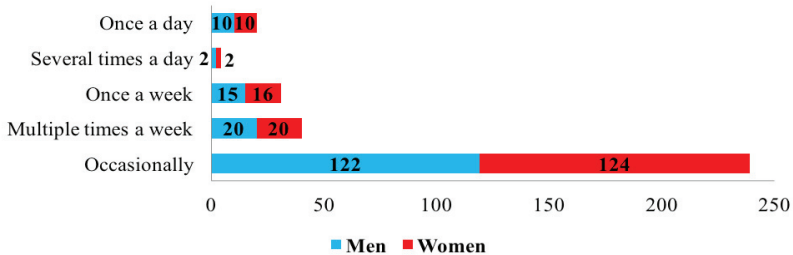
Chart 5: Frequency of visiting Facebook sites of chosen retailers
Source: Own processing

From the Chart 5 it is clear that Facebook pages of chosen stores are visited just occasionally. Visits might be influenced mainly by the fact that selected retail stores provide sales that last one week. Based on this fact, for people there is no reason to visit these websites more often. One of the last questions observed what people do on Facebook the most often. The most frequent answers were: liking posts, commenting posts and sharing posts and events.

Conclusion

Based on the research we confirmed the fact that nowadays social media are every day enjoyed by more and more people and also they create a space where enterpreneurs can promote their businesses. 96% of respondents are online daily and more than 70% of respondents state that they know social media, they use them on a regular basis and they actively share picture, commment posts and give likes to interesting content. Through the reseach we also found out that social media are

mainly used through mobile phones by 84% of respondents. The mostly used social network in Slovakia according to our research was Facebook. The main aim of this paper was to find out how the promotion of food retailers on the Facebook social network influences the consumer behavior of the young generation. Out of the whole number of young respondents (538 people) 63% stated that they follow retail stores through the most popular social website- Facebook. When it comes to the selected retail stores, the most popular Facebook page was Lidl´s, then Kaufland´s and the least popular was Tesco´s. On the other hand 37%have some knowledge about these retail stores but they do not follow them on social networks. This may be caused by the fact, that retailers are targeted especially at economically active inhabitants, so their posts are not interesting and funny enough for younger generaton. Another reason might be that some respondents prefer paper leaflets of stores rather than to search for information on social websites. Based on the survey, we recommend using social networks by retailers because it positively influence consumer behavior. It boosts brand awareness, creates an illusion of modern retail which adapts to new technologies and it also allows to promote products which are seen by many of potential customers.

References:

FAGERSTRØM, A., GHINEA, G.: *On the Motivating Impact of Price and Online Recommendations at the Point of Online Purchase*. [online]. [2017-10-04]. Available at: <https://doi.org/10.1016/j.ijinfomgt.2010.10.013>.

FUNK, T.: *Advanced Social Media Marketing: How to Lead, Launch, and Manage a Successful Social Media Program*. New York : Apress, 2014.

GUNELIUS, S.: *30-Minute Social Media Marketing: Step-by-step Techniques to Spread the Word About Your Business: Social Media Marketing in 30 Minutes a Day.* New York : McGraw Hill Professional, 2010.

HODÁS, M.: *Facebook oslávil 13 rokov. Vieme, koľko Slovákov ho používa*. [online]. [2017-10-04]. Available at: <https://www.zive.sk/clanok/122933/facebook-oslavil-13-rokov-vieme-kolko-slovakov-ho-pouziva/>.

HORSKÁ, E., UBREŽIOVÁ, I.: *Manažment marketing v medzinárodnom prostredí*. Nitra : Slovenská poľnohospodárska univerzita v Nitre, 2001.

HORSKÁ, E.: *Medzinárodný marketing*. Nitra : Slovenská poľnohospodárska univerzita v Nitre, 2007.

HOYER, W. D., MACLNNIS, D. J., PIETERS, R.: *Consumer Behavior*. Boston : Cengage Learning, 2016.

KOČAN, R.: *Facebook, Youtube, Instagram... Koľko Slovákov je na sociálnych sieťach?* [online]. [2017-10-04]. Available at: <https://blog.etrend.sk/rastislav-kocan/facebook-youtube-instagram.html>.

LI, F., DU, T.: *The Effectiveness of Word of Mouth in Offline and Online Social Networks.* [online]. [2017-10-04]. Available at: <https://doi.org/10.1016/j.eswa.2017.07.004>.

MAHONEY, L., TANG, T.: *Strategic Social Media: From Marketing to Social Change*. Chichester : John Wiley & Sons, 2016.

MANDEL, N. et al.: *The Compensatory Consumer Behavior Model: How Self-discrepancies Drive Consumer Behavior*. [online]. [2017-10-04]. Available at: <https://doi.org/10.1016/j.jcps.2016.05.003>.

TREADAWAY, C., SMITH, M.: *Facebook Marketing: An Hour a Day*. Indianapolis : John Wiley & Sons, 2012.
TULEN, T., SOLOMON, M.: *Social Media Marketing*. Thousand Oaks : SAGE, 2014.
VICEN, M., KUBICOVÁ, Ľ., MINÁROVÁ, M.: *Strategický marketing*. Nitra : Slovenský poľnohospodárska univerzita v Nitre, 2009.
WATERS, R. et al.: *Engaging Stakeholders through Social Networking: How Nonprofit Organizations are Using Facebook.* [online]. [2017-10-04]. Available at: <https://doi.org/10.1016/j.pubrev.2009.01.006>.
YOUNG, N. et al.: *Passive Facebook Use, Facebook Addiction, and Associations with Escapism: An Experimental Vignette Study*. [online]. [2017-10-04]. Available at: <https://doi.org/10.1016/j.chb.2017.01.039>.

Contact data:
Ing. Alexandra Andocsová
Slovak University of Agriculture in Nitra
Faculty of Economics and Management
Trieda A. Hlinku 2
949 76 Nitra
SLOVAK REPUBLIC
xandocsovaa@is.uniag.sk

Ing. Andrej Géci
Slovak University of Agriculture in Nitra
Faculty of Economics and Management
Trieda A. Hlinku 2
949 76 Nitra
SLOVAK REPUBLIC
xgecia@is.uniag.sk

Ing. Andrea Kubelaková
Slovak University of Agriculture in Nitra
Faculty of Economics and Management
Trieda A. Hlinku 2
949 76 Nitra
SLOVAK REPUBLIC
xkubelakova@is.uniag.sk

AUDIT OF A BUYER'S SELECTIVE ATTENTION IN THE ONLINE ENVIRONMENT

Václav Kupec

Abstract
Human attention and selective approaches to communication sharing vary depending on the development of society, science and technology. This is especially the case in a fast online environment, especially in marketing communication between the seller and the buyer. According to the current state of knowledge, the seller only has a limited time to reach out to the buyer and it is therefore desirable for the seller to retain the buyer's full attention. The purpose of the contribution is therefore to audit the selective buyer's attention in an online environment that verifies whether the attention of one recipient divides multiple senders of marketing communication. It can hypothetically be assumed that the buyer's attention can be divided if today's buyers are exposed to online communication from multiple sellers at once. The proposed audit thus verifies the distribution of marketing content to recipients who are exposed to several marketing contents at the same time. The task was performed by audit testing of the *Generation Z* sample, which is currently most mobile in the online environment. The test results, however, do not confirm the constructed hypothesis, since there is no selective focus among respondents who are exposed to several marketing contents at the same time, which can be used to further determine marketing strategies.

Key words:
Attention. Audit. Communication. Generation Z. Management. Marketing.

Introduction

Speech is the mirror of the mind.

Lucius Annaeus Seneca

Communication is an essential element of our society. This confirms the meaning of the word '*communication*', according to Kulka, based on the Latin '*communis*', i.e. '*common*'.[1] The Oxford Dictionary refers also to another Latin word '*communicare*' meaning '*to share*'.[2] Communication is therefore '*sharing*', which is verified by Plamínek's theory.[3] Subsequently, the '*information*' that is '*shared*' is according to the Shannon-Weaver communication model.[4] And according to Goleman, communication is also about '*attention*',[5] without which the communication model would not function effectively. The suggested correlation can be found in various social areas. Among those exposed is marketing communication, in which Blakeman communicates with the buyer.[6] However, marketing communication is changing rapidly. While previously there was offline sharing of marketing communications between one sender in one

---

1 KULKA, J.: *Psychologie umění.* Praha : Grada Publishing, 2008, p. 186.
2 CHANDLER, D., MUNDAY, R.: *A Dictionary of Media and Communication.* New York : Oxford University Press, 2011, p. 58.
3 PLAMÍNEK, J.: *Komunikace a prezentace. Umění mluvit, slyšet a rozumět.* Praha : Grada Publishing, 2012, p. 10.
4 KULKA, J.: *Psychologie umění.* Praha : Grada Publishing, 2008, p. 186.
5 GOLEMAN, D.: *Working with Emotional Intelligence.* New York : Random House Publishing, 2011, p. 61.
6 BLAKEMAN, R.: *Integrated Marketing Communication: Creative Strategy from Idea to Implementation.* London : Rowman & Littlefield, 2015, p. 1.

recipient's field of view (see Egan,[7] one recipient cf. one poster), today the online marketing communication is shared by multiple senders in one recipient's field of view (see Karlíček et al,[8] one recipient cf. multiple widgets). However, this paradox of the offline and online environment[9] may split or divide the buyer's attention. It can therefore hypothetically be assumed that their overall attention can be divided, see Formula 1. If a buyer is exposed to online marketing, that is, multiple sellers at one time, the shared information may not be fully accepted.

$$\overline{A} = \frac{\sum A}{i_n}$$

Where:

$\overline{A}$ = average attention,

A = total attention,

i_n = number of stimuli.

Formula 1: Splitting division of attention hypothesis
Source: Own processing

The above-mentioned hypothesis as well as the proposed formula is confirmed by Goleman, who described the whole phenomenon as *"continuous partial attention"*.[10] Attention, however, is a crucial means[11] for marketing communication. The question of whether the breakdown described or the division of attention really occurs can then be answered by the current audit techniques. According to Phillips, audit is seen as a modern consulting service that helps managers of companies in business process management,[12] which is also verified by Sawyer[13] or by Petrů – Novák on the interdisciplinary scale.[14] Kotler – Armstrong professionally specify that the audit covers all important parts of the marketing business[15] and Moeller stresses that the audit is not about a control approach but a consultation approach.[16] Thus, if the audit verifies the selective attention of the buyer of the selected firm, it can confirm or disprove the theory of the breakdown division of the buyer's attention. It is advisable to examine the sketched evolution of attention so that the theoretical knowledge reflects its practical development and vice versa. The purpose of the contribution is therefore to audit the selective buyer's attention in an online environment that verifies whether

7   EGAN, J.: *Marketing Communication.* Thousand Oaks : SAGE, 2014, p. 4.
8   KARLÍČEK, M. et al.: *Marketingová komunikace*. Praha : Grada Publishing, 2016, p. 183.
9   KUPEC, V.: *Marketing Information and its Impact on Generation Z.* Paper presented at the Megatrends and Media 2017 International Scientific Conference with the Media Future subtitle. Smolenice, presented on 25th April 2017.
10   GOLEMAN, D.: *Pozornost: Skrytá cesta k dokonalosti.* Brno : Jan Melvil Publishing, 2014, p. 8.
11   GOLEMAN, D.: *Working with Emotional Intelligence.* New York : Random House Publishing, 2011, p. 61.
12   PHILLIPS, A. W.: *ISO 9001:2008 Internal Audits Made Easy*. Milwaukee : Quality Press, 2009, p. 2.
13   SAWYER, L. B.: *Interní audit*. Praha : MFJ, 2000, p. 21.
14   PETRŮ, N., NOVÁK, J.: Czech Family Business Brands as a Tradition Bearer. In PETRANOVÁ, D., MATÚŠ, J. (eds.): *Marketing Identity: Brands we love – part I. Conference Proceedings.* Trnava : FMK UCM in Trnava, 2017, p. 235.
15   KOTLER, P., ARMSTRONG, G.: *Principles of Marketing.* London : Pearson Education, 2010, p. 81.
16   MOELLER, R. R.: *COSO Enterprise Risk Management: Establishing Effective Governance, Risk, and Compliance*. Chichester : John Wiley & Sons, 2011, p. 4.

the attention of one recipient divides multiple senders of marketing communication. According to McCrindle, such consumers currently include *Generation Z*,[17] which works with Herout's *Information and Communication Technologies* (ICT)[18] in a fully multiplication manner. Such research will enable better management of marketing communication, which is an important part of strategic management.

1 Material and Methodology

The research material is the communication between the seller and the buyer, or the distribution of the buyer's attention by this communication, after being exposed to its effects from online multiple sellers at once. The approaches to communication are based on the teachings of Chandler – Munday referring to information sharing,[19] in accordance with the Shannon – Weaver communication model.[20] The relation of communication to marketing, i.e. the communication relationship between the seller and the buyer, is subsequently specified by Strydom,[21] Kupec – Kretter[22] and exactly defined by Fill: "*Marketing communications should be an audience-centred activity.*"[23] According to Kotler – Armstrong, the relationship between sellers and buyers is also influenced by the development of communications technologies,[24] as confirmed by Petrů.[25] And it is exactly the communication technologies that are currently widely used by buyers from the *Generation Z* consumer segment, which, according to the *Connected Life* study, spends an average of 4.9 hours a day in the digital environment.[26] The analysis of this group is dealt with by Kupec[27] based on Prensky's[28] or McCrindle's initial theories, who date the birth of *Generation Z* to 1995 and beyond[29] (However, Kupec names this generation as *Generation F*, according to the position of the human body when operating the mobile device[30]). The fact is that the researched generation

17   McCRINDLE, M.: *The ABC of XYZ: Understanding the Global Generations*. Sydney : UNSW Press, 2009, p. 10.
18   HEROUT, L.: Use of Information and Communication Technologies with the Internet Access by the Pupils of Elementary Schools. In *EDULEARN16 Conference. Conference Proceedings*. Barcelona : IATED, 2016, p. 1057.
19   CHANDLER, D., MUNDAY, R.: *A Dictionary of Media and Communication.* New York : Oxford University Press, 2011, p. 58.
20   KULKA, J.: *Psychologie umění.* Praha : Grada Publishing, 2008, p. 186.
21   STRYDOM, J.: *Introduction to Marketing.* Cape Town : Juta, 2004, p. 81.
22   KUPEC, V., KRETTER, A.: Měření atributů marketingových informací. In *Communication Today*, 2013, Vol. 4, No. 1, p. 113.
23   FILL, CH.: *Simply Marketing Communications*. Harlow : Pearson, 2006, p. 9.
24   KOTLER, P., ARMSTRONG, G.: *Principles of Marketing*. New Jersey : Pearson Education, 2010, p. 428.
25   PETRŮ, N.: New Approaches in the Banking Sector to Communicate with Customer Segments. In MATÚŠ, J., PETRANOVÁ, D. (eds.): *Marketing Identity: Digital Life – part II. Conference Proceedings*. Trnava : FMK UCM in Trnava, 2015, p. 191.
26   HAVLIŠ, V.: Connected Life – Studie mapující chování v digitálním světě. In *Marketing & komunikace*, 2017, Vol. 28, No. 3, p. 25.
27   KUPEC, V.: Marketing Communication and Generation Z in the Context of Business Management. In MAGÁL, S., PETRANOVÁ, D. (eds.): *Megatrends and Media: Critique in Media, Critique of Media. Conference Proceedings*. Trnava : FMK UCM in Trnava, 2016, p. 288.
28   PRENSKY, M.: Digital Natives, Digital Immigrants. In *On the Horizon*, 2001, Vol. 9, No. 5, p. 1.
29   McCRINDLE, M.: *The ABC of XYZ: Understanding the Global Generations*. Sydney : UNSW Press, 2009, p. 10.
30   KUPEC, V.: Marketing Communication and Generation Z in the Context of Business Management.

communicates with their ICTs in a multiplication way. This means that it is not only able to control multiple devices at the same time, i.e. online (phone, notebook, tablet, watch, etc.), but at the same time on each device it can communicate online with multiple sellers almost at once.

The fact that *Generation Z* not only devotes time to the operation of ICTs (gadgets) in a multiplication way, but also alters the communication with senders online between the individual applications (widgets), has a hypothetical impact on their ability to receive the message or the attention. Attention is defined by James as grasping only one of the thought streams.[31] This theory, however, contradicts the fact that *Generation Z* promptly changes thought streams, i.e. attention. Exploring the attention that Vysekalová et al. defines as selective perception[32] or Kotler – Keller define as selective attention[33] requires sophisticated audit approaches beyond marketing. These may include the analysis of a read text and the measurement of the temporal reflection speed, designed in a prepared experiment. The experiment itself is based on Multiple Choice testing on a *Generation Z* sample. The test is composed of several marketing assignments, each of which contains one question and four answers, with only one correct answer (each of them about the same number of letters). Respondents are then individually measured the time they read each assignment until the correct answer to the question (penalty seconds are added for the wrong answer). 75% of the input is constructed so that the assignment A is followed question A and also answers A_1, A_2, A_3 and A_4. However, 25% of the assignments is prepared so that Z assignment are followed by a Z question that relates to one of the previous assignments, for example, to assignment A, and the answers Z_1, Z_2, Z_3 and Z_4 are prepared again, see Table 1.

Table 1: Breakdown of experimental test questions

Assignment (100%)	Assignment A (25%)	Question A	Answer A_1
			Answer A_2
			Answer A_3
			Answer A_4
	Assignment N (50%)	Questions N	Answers N_1
			Answers N_2
			Answers N_3
			Answers N_4
	Assignment Z (25%)	Question Z to Assignment A	Answer Z_1
			Answer Z_2
			Answer Z_3
			Answer Z_4

Source: Own processing

The mentioned testing is a key area of the whole experiment as it measures whether the reading time and time reflection between assignment A, question A and answer A_n is different from the reading time and time reflection between assignment Z, question Z for assignment A and answer Z_n. This is de facto a simulation of a sudden change

In MAGÁL, S., PETRANOVÁ, D. (eds.): *Megatrends and Media: Critique in Media, Critique of Media. Conference Proceedings*. Trnava : FMK UCM in Trnava, 2016, p. 294.

31   GOLEMAN, D.: *Pozornost: Skrytá cesta k dokonalosti.* Brno : Jan Melvil Publishing, 2014, p. 16.

32   VYSEKALOVÁ, J. et al.: *Psychologie reklamy.* Praha : Grada Publishing, 2012, p. 108.

33   KOTLER, P., KELLER, L. K.: *Marketing Management.* Praha : Grada Publishing, 2013, p. 200.

in the online marketing communication theme that *Generation Z* is facing as a buyer from sellers. This experiment assembled in such a manner can respond to the research assignment and the goal of the contribution, which is the audit of buyer's attention in an online environment that verifies whether the attention of one recipient is split among multiple senders of marketing communications. And in terms of methodology, audit approaches by Phillips,[34] which helps managers in the management of selected processes.

2 Results

According to the data of the Czech Statistical Office, the basic research set consists of 110 thousand members of *Generation Z.*[35] These data are based on the fact that McCrindle sets the birth of the generation in question since 1995 and later.[36] This means that as of 31 December 2016 there were 110 thousand respondents in the Czech Republic who were no older than 22 years in 2017.[37] The experiment itself was then performed on a sample set of 1 ‰ of the basic set, which is 110 respondents, see Table 2 compiled according to Kupec.[38] The presented research outputs follow the scientific projects *Marketing Communication and Generation Z in the Context of Business Management*[39] and *Scientific Communication in the Digital Environment of a Company*.[40]

Table 2: Graphic representation of the size of the studied sample

Metrics in%	10	20	30	40	50	60	70	80	90	100
Total sample	110,390 people									
1 ‰ of total sample (110)										
Studied sample (110)										

Source: Processed by the author according to Kupec[41] and on the basis of the data of the Czech Statistical Office[42]

34 PHILLIPS, A. W.: *ISO 9001:2008 Internal Audits Made Easy*. Milwaukee : Quality Press, 2009, p. 2.
35 *Věkové složení obyvatel k 1. 12. 2016.* [online]. [2017-09-28]. Available at: <https://www. czso.cz/documents/10180/45948544/1300641707.pdf/3af4618d-fe70-4e38-82c4-e00baafc0e3b?version=1.0>.
36 MCCRINDLE, M.: *The ABC of XYZ: Understanding the Global Generations*. Sydney : UNSW Press, 2009, p. 10.
37 *Věkové složení obyvatel k 1. 12. 2016.* [online]. [2017-09-28]. Available at: <https://www. czso.cz/documents/10180/45948544/1300641707.pdf/3af4618d-fe70-4e38-82c4-e00baafc0e3b?version=1.0>.
38 KUPEC, V.: *Marketing Information and its Impact on Generation Z.* Paper presented at the Megatrends and Media 2017 International Scientific Conference with the Media Future subtitle. Smolenice, presented on 25th April 2017.
39 KUPEC, V.: Marketing Communication and Generation Z in the Context of Business Management. In MAGÁL, S., PETRANOVÁ, D. (eds.): *Megatrends and Media: Critique in Media, Critique of Media. Conference Proceedings*. Trnava : FMK UCM in Trnava, 2016, p. 290.
40 KUPEC, V.: *Marketing Information and its Impact on Generation Z.* Paper presented at the Megatrends and Media 2017 International Scientific Conference with the Media Future subtitle. Smolenice, presented on 25th April 2017.
41 Ibidem.
42 *Věkové složení obyvatel k 1. 12. 2016.* [online]. [2017-09-28]. Available at: <https://www. czso.cz/documents/10180/45948544/1300641707.pdf/3af4618d-fe70-4e38-82c4-e00baafc0e3b?version=1.0>.

The general results of the research are complemented by the findings of *Generation Z* life, published by Kupec,[43], [44] which relate to the close link of the concerned demographic group with digital technologies. This link is connected with other trends in the communication of the selected group. Therefore, the entire experiment was conformed to the *Generation Z* by being implemented with ICTs, using which the respondents were processing the actual experiment. Likewise, the *Multiple Choice* test text, whose entries contained a maximum of 160 characters, corresponds to the maximum number of characters in the *Short Message Service* (SMS) that the respondents are used to. And the following measurement results are the output of the research methods set up in this manner. Primarily, it should be noted that the experiment results of the read text analysis and the measurement of the rate of its reflection did not confirm the constructed hypothesis of distributing attention of one recipient to multiple senders. Only 29.09% of the sample, i.e. 32 respondents, devoted to answer *Z* significantly longer time than answers *A* to *N* (the measured average time of answer *Z* was less than 8 seconds longer than the answer *A* to *N* and exceeded the average value of the measured time). The remaining 70.91% of the sample, i.e. 78 respondents, paid a considerably longer time to answer *Z* than to answers *A* to *N* (the measured average time of response *Z* was less than 3 seconds longer than in answers *A* to *N* and did not exceed the average value of the measured time). See Graph 1.
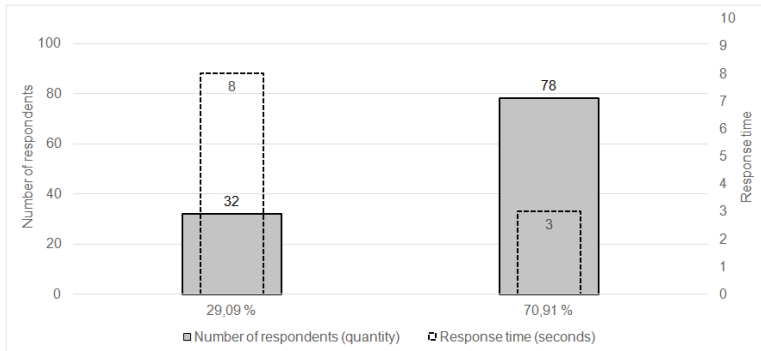
Chart 1: Selective attention audit results
Source: Own processing

Secondarily, the experiment also showed that most of *Generation Z* respondents, i.e. 70.91%, had no problem keeping their attention when suddenly changing the topic of marketing communications in a simulated buyer role. The experiment, however, shows that the attention of one recipient does not divide multiple senders of marketing communication, which is also the resulting finding of the audit of a buyer's selective attention. Given the nature of the findings, it is not necessary to provide audit recommendations for correction. Therefore, management of companies can be

43   KUPEC, V.: Marketing Communication and Generation Z in the Context of Business Management. In MAGÁL, S., PETRANOVÁ, D. (eds.): *Megatrends and Media: Critique in Media, Critique of Media. Conference Proceedings*. Trnava : FMK UCM in Trnava, 2016, p. 290.
44   KUPEC, V.: *Marketing Information and its Impact on Generation Z.* Paper presented at the Megatrends and Media 2017 International Scientific Conference with the Media Future subtitle. Smolenice, presented on 25th April 2017.

presented recommendations that they continuously monitor the concerned subject in view of intensive developments in ICTs, communication (see Matúš – Matúšová – Findra),[45] and therefore attention as well.

3 Discussion

The published results now need to be confronted with relevant theories. The theme reflects the interdisciplinary issues of psychology, marketing, and auditing, so it is necessary to verify it with adequate research. It is worth mentioning that the generalised results confirm the observed trends of *Generation Z*, whose attention is specific and shifting from reality to digital reality.[46] Goleman adds that such people are more attentive to digital ICTs than to living people.[47] *Generation Z's* communication in the digital environment also mentions *Accenture's* international consumer research from 2017, the findings of which link *Generation Z*, the digital environment and marketing communications,[48] in the Mendelová – Zaušková concept.[49] Kotler – Keller also confirm the importance of analysing the issue, and recommend marketing and attention research,[50] which is subsequently verified by Janouch[51] and Přikrylová – Jahodová explain that attracting attention is a solid prerequisite for the future activity of the buyer.[52] From the point of view of marketing management, in the concept of Zaušková – Bezáková – Grib,[53] any weakening of the buyer's attention is therefore undesirable. These theories complement the presented findings in relation to *Generation Z*, which shows only partial attention according to Goleman.[54] Although this was not confirmed by he results of the research. The sample survey respondents did not show reduced attention and most of the *Generation Z* respondents were able to keep their attention when reading marketing messages. The fact that *Generation Z* are able to (concurrently) devote themselves to marketing communication and not lose attention (today) is supported by Devashish's general theory: *"Attention simply means to focus on and consider a message to which one has been exposed."*[55] Kotler – Kartajaya – Setiawan, however, point out that according to research by the *National Centre for Biotechnological Information*, the rate of attention dropped from 12 seconds in 2000 to 8 seconds in 2013.[56] According to the England – Kogon – Schmidt collective, the seller

---

45 MATÚŠ, J., MATÚŠOVÁ, J. G., FINDRA, S.: Innovation in Marketing – Marketing Innovation. In *European Journal of Science and Theology*, 2015, Vol. 11, No. 6, p. 148.
46 KUPEC, V.: Digitální budoucnost marketingového výzkumu. In *Marketing & komunikace*, 2015, Vol. 25, No. 4, p. 8.
47 GOLEMAN, D.: *Pozornost: Skrytá cesta k dokonalosti.* Brno : Jan Melvil Publishing, 2014, p. 9.
48 *Gen Z and Millennials Leaving Older Shoppers and Many Retailers in their Digital Dust.* [online]. [2017-03-18]. Available at: <https://www.accenture.com/t20170210T012359__w__/us-en/_acnmedia/PDF-44/Accenture-Retail-Customer-Research-Executive-Summary-2017.pdf>.
49 MENDELOVÁ, D., ZAUŠKOVÁ, A.: Innovation in the Slovak Advertising Environment. In *Communication Today*, 2015, Vol. 6, No. 1, p. 41.
50 KOTLER, P., KELLER, L. K.: *Marketing management.* Praha : Grada Publishing, 2013, p. 200.
51 JANOUCH, V.: *Internetový marketing.* Brno : Computer Press, 2014, p. 300.
52 PŘIKRYLOVÁ, J., JAHODOVÁ, H.: *Marketingová komunikace.* Praha : Grada Publishing, 2010, p. 84.
53 ZAUŠKOVÁ, A., BEZÁKOVÁ, Z., GRIB, L.: Use of Digital Marketing in Eco-Innovation Processes of Businesses. In KLIEŠTIK, T. (ed.): *Globalisation and Its Socio-Economic Consequences*. Žilina : EDIS, 2015, p. 872.
54 GOLEMAN, D.: *Pozornost: Skrytá cesta k dokonalosti.* Brno : Jan Melvil Publishing, 2014, p. 8.
55 DEVASHISH, D.: *Tourism Marketing.* Delhi : Pearson, 2011, p. 173.
56 KOTLER, P., KARTAJAYA, H., SETIAWAN, I.: *Marketing 4.0.* New Jersey : John Wiley & Sons, 2017, p. 26.

has a maximum of 6.5 seconds to capture a buyer's attention.[57] Therefore, it is evident that the buyer's attention needs to be continually audited so that the identified results can respond adequately to the processed marketing communications. *Generation Z* is literally a living organism.

Commercial research by *Google* and *Ipsos* further develop the mentioned theses: "*GenZ craves connections with others – and not just in person. Texting is the preferred way to connect with others, followed by messaging apps.*"[58] With respect to the fact that this demographic group spends the most time in the digital environment from all other generations,[59] and uses text-based applications to communicate, its attention is an important part of marketing interest. The author's results that follow the above-mentioned research supplement the required image of *Generation Z* for marketing purposes. As stated by another commercial research, *The Centre for Generational Kinetics*: "*Generation Z has arrived. They are poised to change everything. But probably not in the way people assume.*"[60]

Conclusion

"*Generation Z has arrived - and they're very different from Millennials.*"[61] This text responds to the development of *Generation Z's* behaviour and complements the knowledge about this generation with marketing overlap. Consequently, the aim of the article was to audit the selective buyer's attention in an online environment to verify whether a single recipient's attention is divided by multiple senders of marketing communication. Experimental research was focused on the demographic group of *Generation Z*, a population aged 22 years or over by 2017. The results of the audit testing of 110 respondents (1 ‰ of the basic set) showed the following: Only a minority, i.e. 32 respondents (29.09%), responded to the prepared test much longer and therefore responded with less attention. The remaining 78 respondents (70.91%) did not respond to the test any longer and therefore responded with average attention. Therefore, the above-mentioned results did not confirm the hypothesis constructed at the beginning of dividing the selective attention of *Generation Z.* As soon as the buyer is exposed to online marketing, that is to say, collectively from multiple sellers at one and the same time, they accept the shared information in full. In the context of further research, the presented results provide more details on marketing information on *Generation Z*, allowing management to shorten sales routes between the seller and buyer.

57   ENGLAND, B., KOGON, K., SCHMIDT, J.: *Přesvědčivé vystupování jako konkurenční výhoda*. Praha : Management Press, 2016, p. 49.

58   *Generation Z: New Insights into the Mobile-first Mindset of Teens.* [online]. [2017-09-24]. Available at: <https://storage.googleapis.com/think/docs/GenZ_Insights_All_teens.pdf>.

59   HAVLIŠ, V.: Connected Life – Studie mapující chování v digitálním světě. In *Marketing & komunikace*, 2017, Vol. 28, No. 3, p. 25.

60   *The State of GEN Z 2017: Meet the Throwback Generation.* [online]. [2017-09-24]. Available at: <http://3pur2814p18t46fuop22hvvu.wpengine.netdna-cdn.com/wp-content/uploads/2017/04/The-State-of-Gen-Z-2017-White-Paper-c-2017-The-Center-for-Generational-Kinetics.pdf>.

61   Ibidem.

References:

BLAKEMAN, R.: *Integrated Marketing Communication: Creative Strategy from Idea to Implementation.* London : Rowman & Littlefield, 2015.

DEVASHISH, D.: *Tourism Marketing.* Delhi : Pearson, 2011.

EGAN, J.: *Marketing Communication.* Thousand Oaks : SAGE, 2014.

ENGLAND, B., KOGON, K., SCHMIDT, J.: *Přesvědčivé vystupování jako konkurenční výhoda*. Praha : Management Press, 2016.

FILL, CH.: *Simply Marketing Communications*. Harlow : Pearson, 2006.

Gen Z and Millennials Leaving Older Shoppers and many Retailers in their Digital Dust. [online]. [2017-03-18]. Available at: <https://www.accenture.com/t20170210T012359__w__/us-en/_acnmedia/PDF-44/Accenture-Retail-Customer-Research-Executive-Summary-2017.pdf>.

Generation Z: New Insights into the Mobile-first Mindset of Teens. [online]. [2017-09-24]. Available at: <https://storage.googleapis.com/think/docs/GenZ_Insights_All_teens.pdf>.

GOLEMAN, D.: *Pozornost: Skrytá cesta k dokonalosti.* Brno : Jan Melvil Publishing, 2014.

GOLEMAN, D.: *Working with Emotional Intelligence.* New York : Random House Publishing, 2011.

HAVLIŠ, V.: Connected Life – Studie mapující chování v digitálním světě. In *Marketing & komunikace*, 2017, Vol. 28, No. 3, p. 24-25. ISSN 1211-5622.

HEROUT, L.: Use of the Information and Communication Technologies with the Internet Access by the Pupils of Elementary Schools. In *EDULEARN16 Conference. Conference Proceedings*. Barcelona : IATED, 2016, p. 120-136.

CHANDLER, D., MUNDAY, R.: *A Dictionary of Media and Communication.* New York : Oxford University Press, 2011.

JANOUCH, V.: *Internetový marketing.* Brno : Computer Press, 2014.

KARLÍČEK, M. et al.: *Marketingová komunikace*. Praha : Grada Publishing, 2016.

KOTLER, P., ARMSTRONG, G.: *Principles of Marketing.* London : Pearson Education, 2010.

KOTLER, P., KARTAJAYA, H., SETIAWAN, I.: *Marketing 4.0.* New Jersey : John Wiley & Sons, 2017.

KOTLER, P., KELLER, L. K.: *Marketing management.* Praha : Grada Publishing, 2013.

KULKA, J.: *Psychologie umění.* Praha : Grada Publishing, 2008.

KUPEC, V.: Digitální budoucnost marketingového výzkumu. In *Marketing & komunikace*, 2015, Vol. 25, No. 4, p. 8-18. ISSN 1211-5622.

KUPEC, V.: *Marketing Information and its Impact on Generation Z.* Paper presented at International scientific conference Megatrends and Media 2017 with subtitle Media Future. Smolenice, presented on 25th April 2017.

KUPEC, V.: Marketing Communication and Generation Z in the Context of Business Management. In MAGÁL, S., PETRANOVÁ, D. (eds.): *Megatrends and Media: Critique in*

Media, Critique of Media. Conference Proceedings. Trnava : FMK UCM in Trnava, 2016, p. 288-300.

KUPEC, V., KRETTER, A.: Měření atributů marketingových informací. In *Communication Today*, 2013, Vol. 4, No. 1, p. 107-116. ISSN 1338-130X.

MATÚŠ, J., MATÚŠOVÁ, J. G., FINDRA, S.: Innovation in Marketing – Marketing Innovation. In *European Journal of Science and Theology*, 2015, Vol. 11, No. 6, p. 147-154. ISSN 1842-8517.

McCRINDLE, M.: *The ABC of XYZ: Understanding the Global Generations*. Sydney : UNSW Press, 2009.

MENDELOVÁ, D., ZAUŠKOVÁ, A.: Innovation in the Slovak Advertising Environment. In *Communication Today*, 2015, Vol. 6, No. 1, p. 38-56. ISSN 1338-130X.

MOELLER, R. R.: *COSO Enterprise Risk Management: Establishing Effective Governance, Risk, and Compliance*. Chichester : John Wiley & Sons, 2011.

PETRŮ, N.: New Approaches in the Banking Sector to Communicate with Customer Segments. In MATÚŠ, J., PETRANOVÁ. D. (eds.): *Marketing Identity: Digital Life – part II. Conference Proceedings.* Trnava : FMK UCM in Trnava, 2015, p. 190-205.

PETRŮ, N., NOVÁK, J.: Czech Family Business Brands as a Tradition Bearer. In PETRANOVÁ, D., MATÚŠ, J. (eds.): *Marketing Identity: Brands we love – part I. Conference Proceedings.* Trnava : FMK UCM in Trnava, 2017, p. 235-246.

PHILLIPS, A. W.: *ISO 9001:2008 Internal Audits Made Easy*. Milwaukee : Quality Press, 2009.

PLAMÍNEK, J.: *Komunikace a prezentace. Umění mluvit, slyšet a rozumět.* Praha : Grada Publishing, 2012.

PRENSKY, M.: Digital Natives, Digital Immigrants. In *On the Horizon*, 2001, Vol. 9, No. 5, p. 1-6. ISSN 1074-8121.

PŘIKRYLOVÁ, J., JAHODOVÁ, H.: *Marketingová komunikace.* Praha : Grada Publishing, 2010.

SAWYER, L. B.: *Interní audit*. Praha : MFJ, 2000.

STRYDOM, J.: *Introduction to Marketing.* Cape Town : Juta, 2004.

The State of GEN Z 2017: Meet the Throwback Generation. [online]. [2017-09-24]. Available at: <http://3pur2814p18t46fuop22hvvu.wpengine.netdna-cdn.com/wp-content/uploads/2017/04/The-State-of-Gen-Z-2017-White-Paper-c-2017-The-Center-for-Generational-Kinetics.pdf>.

Věkové složení obyvatel k 1. 12. 2016. [online]. [2017-09-28]. Available at: <https://www.czso.cz/documents/10180/45948544/1300641707.pdf/3af4618d-fe70-4e38-82c4-e00baafc0e3b?version=1.0>.

ZAUŠKOVÁ, A., BEZÁKOVÁ, Z., GRIB, L.: Use of Digital Marketing in the Eco-Innovation Processes of a Businesses. In KLIEŠTIK, T. (ed.): *Globalization and Its Socio-Economic Consequences*. Žilina : EDIS, 2015, p. 871-878.

Contact data:
PhDr. Ing. Václav Kupec, Ph.D.
University of Finance and Administration in Prague
Faculty of Economic Studies
Estonská 500
101 00 Prague 10
CZECH REPUBLIC
vkupec@mail.vsfs.cz

STRATEGIES FOR INCREASING CUSTOMER SATISFACTION IN THE FIELD OF GASTRONOMY

Alena Kusá – Diana Karaffová

Abstract
Nowadays companies are being forced not only to build strong brand names, but also to cut costs for acquisition of new customers and increase effectivity of implementation of marketing and communication activities. As new methods of measuring the effectivity of campaigns have emerged and made evaluation more accurate, marketers have to take into account not only present but also future steps when deciding on particular marketing activities. An added value represented by a loyal customer generates cost-cutting as well as repetitive purchase. The biggest added value for a company is customer loyalty and brand identity, i.e. customer perception of a company philosophy. A customer´s recommendation is the most reliable and priceless marketing message mainly when it comes to an organic, a voluntary or a generous relationship. The above mentioned philosophy applies mainly to the field of gastronomy services as a satisfied or a dissatisfied client determines company´s future fate. The paper describes the methods of building customer satisfaction in the gastronomy business. The analytical part defines brand affinity while using commercial marketing (mainly online) tools or eventually their mutual colleration.

Key words:
Brand awareness. Branding. Customer. Customer experience. Customer value. Loyalty. Online marketing. Value.

1 The role of customer satisfaction

A long-term relationship can only be built once the needs of current as well as potential customers are recognized. It is worth analyzing the answers to one of the following questions: "Who are our end users?", "Why do they purchase our products?", "What benefits do they expect?", "What pleasure did they have from their latest purchase?"[1] We understand that customer satisfaction derives from the rate of fulfillment of their expectations, i.e. comparing and contrasting their expectations with the reality. All the notions, however, seem to be rather vague as they are more or less determined by a number of factors influencing the rate of satisfaction and its intensity. In contrast to one-time purchase, the customer-based strategy lies in building customer loyalty and long-term involvement of the specific audience. Its main advantages are more spontaneous brand affinity, positive recommendations and reviews and finally repetitive purchase, which is much more frequent than in case of first-time or one-time buyers. As defined by Buchanan and Gillies, *"higher profitability linked to relationship management results from various factors, such as"*:[2]

- **Loyalty** – loyal customers do not do their shopping at competitors´, they are less price-sensitive and they focus more on a value rather than on a price.
- **"Word of mouth" or customers´ recommendations –** strong brands have a much higher Net Promoter Score, i.e. the chance that a customer will positively review the brand and products. It means the customer substitutes partially the acquisition of new customers as s/he plays a role of "a brand ambassador" and replaces traditional "push" advertising.

---

1   KULČÁKOVÁ, M., RICHTEROVÁ, K.: *Spotrebiteľ na trhu*. Bratislava : Sprint vfra, 1997, p. 20.
2   BUCHANAN, R., GILLIES, C.: *The Key to Customer Retention and Profitability.* Glasgow : European Management Journal, 1990, p. 523-526.

- **Trust** – regular customers do more frequent shopping. Companies can incur much lower costs in contrast to new acquisition of customers. According to some public studies including Kirk Philips brand loyalty accounts for more than 70% of all purchase decisions. On average loyal customers are willing to pay 20% more for their brand of choice.[3]
- **Sales growth –** long-term customers are more open to buy accessories and equipment to basic products. When supporting repetitive purchase, it is important to implement the CRM system (Customer Relations Management) – administration of customer database, company earnings, evaluation of advertising and communication activities or other internal data. CRM also plays a key role from the economic point of view. It is obvious that the above mentioned "push" activities along with complete communication portfolio tools are essential for acquisition of a new customer.

1.2 Customer satisfaction leading to customer loyalty

In traditional marketing we need to look at the customer value proposition (CVP), i.e. the company promises the value will be delivered and the customer believes that the value will be experienced. To get there the company has to build a mutual relation between the customer and the products so as the customer feels to be "in synch" with us. It is important how various stages are measured, so we have to consider the depth of a customer brand relationship. We recognize the depth and the level of the activity resulting from loyalty (e.g. repetitive purchase rates, the extent to which customers search for brand information, events and other loyal customers). For example, a potentially effective strategy for a sale growth for the market leader Campbell's Soup might be to ensure that their customers will have the soup in their mind while considering other consumption opportunities. This brand resonance pyramid consists of four categories referred to as the Kotler pyramid: identification, establishing, eliciting and converting,[4] but there are many other studies describing these theories such as follows:

Behavioral loyalty - the first dimension of brand resonance is behavioral loyalty in terms of repetitive purchases and the amount or share of category volume attributed to the brand. In other words, how often do customers purchase a brand and how much do they purchase? For bottom-line profit results, the brand has to generate sufficient purchase frequencies and volumes. In that stage it is a customer – a regular purchaser generating a very positive attitude to the company (after identification, establishing and trial shopping).

Attitudinal attachment - behavioral loyalty is necessary but not sufficient for durability. Some customers may come to spend money without a real need – buying for other reasons such as the brand, product or service is the only product being stocked or readily accessible, the only one they can afford to buy, and so on. To create resonance, there also needs to be a strong personal attachment, too. Customers with a great deal of attitudinal attachment to a brand may state that they are "in love with

3   PHILIPS, K.: *9th Brand Criteria for Brand Essence*. [online]. [2017-03-15]. Available at: <http://www.slideshare.net/kirkphillips/the-9-crit/73-9_the2009_Conrad_Phillips_Vutech>.
4   SRIVATSAVA, A.: *Brand Resonance Pyramid.* [online]. [2017-03-14]. Available at: <http://marketinglessons.in/2015/03/20/brand-resonance-pyramid-philip-kotler-summary/>.

the brand", describe it as one of their favourite possessions, or regard it as "a little pleasure" that they are looking forward to.

Sense of community - the company may also take on broader meaning to the customer in terms of a sense of community. Identification with a brand community may reflect an important social phenomenon whereby customers feel a kinship or affiliation with other people associated with the company. These connections may involve fellow brand users or customers or, instead, may be employees or representatives of the company. This behavior or positive attitude becomes very popular even on social media communities and digital media as drive people to become part of the community with a very massive reach.

Active engagement - finally, perhaps the strongest affirmation of loyalty is when customers are willing to invest time, energy, money, or other resources into the brand beyond those expended during purchase or consumption of the company. In this case, customers themselves became brand evangelists and ambassadors and help to communicate about the brand and strengthen the brand ties of others. This is very important even in gastronomy services and services themselves.

2 The position of customer satisfaction in the gastronomy business

The environment and customer service are a key to the overall business model when it comes to services, notably in the gastronomy business. These services reflect the current trend with a customer to be the centre of attention, i.e. leading to complexity and relationships with products or services as the whole environment is perceived, not exclusively its elements. There have been several studies defining the relations among users´ reviews and recommendations from a customer´s perspective. People tend to prefer users´ ratings to advertising especially when it comes to gastronomy services. Some studies, such as the global research by Nielsen in 58 countries worldwide,[5] show that the importance of recommendations based on customer satisfaction accounts for 84% while the research by Bright Local stated that up to 88% of people believe comments and reviews.[6] No matter what the percentage is, there is a simple rule of thumb: the better reviews, the higher preferences and purchase prospects. The goal of modern gastronomy is not only satisfying basic human needs (hunger) but also creating a gourmand and social experience. Complexity is understood as the total of all the variables perceived by the customer (interior design, service, cleanliness, smell, atmosphere, menu, waiters´ knowledge of the menu and food processing and preparation, food quality as well as quantity and many other factors e.g. opening hours, prices, accessibility, parking facilities etc.). Therefore it may be rather difficult for businesses to attract customers, leave a positive impression but mainly remain their favourite choice and make them share their positive experience with the others.

There is a question to be answered – "How to attract a customer?" or "How to make him/her enter our restaurant?" Positive ratings are often the reason for visit as well as

5 *Under the Influence: Consumer Trust in Advertising.* [online]. [2017-09-17]. Available at: <http://www.nielsen.com/us/en/insights/news/2013/under-the-influence-consumer-trust-in-advertising.html>.

6 ANDERSON, M.: *Local Consumer Review Survey.* [online]. [2017-09-17]. Available at: <http://searchengineland.com/88-consumers-trust-online-reviews-much-personal-recommendations-195803>.

other external motivation factors (from advertising to PR articles, inbound marketing, charts and tables or special offers). As the environment is becoming more digital, ratings are often mentioned in online discussion forums or various charts made by visitors or even experts. Online tools represent a considerable advantage for this segment – they combine content (pictures or photos), personalities (famous chefs), bloggers or evaluation charts and discussion forums. Certain specificities in the field of marketing and online marketing in the gastronomy segment have recently emerged and these are:

- **Introduction and promotion of restaurants by chefs –** these are "faces" of restaurants along with stories, history or traditions.
- **Promotion of "gastronomization" –** TV series, TV cooking shows, reality shows based on gastronomy, video blogs on cooking, cooking academies, etc.
- **Digitalization** – in all spheres of business – from reservation, through reviews to tracking and controlling the ingredients and their freshness.
- **Precise targeting of restaurants –** determination of specific target groups, e.g. vegans, gluten-free diet, etc.
- **Reservation or not** – one the one hand new technologies make booking much simpler, but on the other one, there has been a considerable growth in the number of restaurants without a need to make a reservation, mainly in Western countries.
- **Growing loyalty and bonus systems –** as acquiring a new customer is six times more expensive and his/her spending is much higher, the trend of maintaining regular customers is on a constant growth.
- **Role of social media in the restaurant business –** a lot of restaurants do not even have a web page only a company profile on Facebook. Its main advantage is high interaction with a customer and flexibility (e.g. posting a daily menu or daily special offers is communicated more effectively through social media websites as it targets larger audience).
- **Getting for the Millenials –** these are bound to account for more than a half of customers by 2025. This generation highly acclaims the digital world.

3 Selected restaurant businesses and their evaluation by customers and experts

In the year 2017 we conducted the analysis having focused on premium restaurants in Slovakia. The secondary data were used to make a smaller sample selection of the top rated restaurants to be further analysed from the point of view of marketing (mainly online) tools. We aimed at researching a colleration between popularity of these restaurants as rated by customers and experts and their communication activities. The research into restaurants was based upon the data selection to have been collected from specific web pages, charts and applications. Quantitative data are rather transparent as they are anonymous and based upon one´s experience and can be compared to a relatively large sample of respondents. Two web sites out of nine publish reviews and ratings along with tourist information (TripAdvisor and Foursquare) while the other ones (Restauracie.sme.sk, Zomato.com/sk, Blog DennikaN, Bookio.sk) focus mainly on domestic reviews. The last three web sites do not contain many ratings so they have only a minimum impact (Moje slovensko.sk,

Bookio.sk and Azet.sk). Overall, 2,520 respondents (both domestic and foreign) from all over Slovakia were questioned.

Restaurants	Resource for evaluation	Rating	Subjective evaluation - levels of evaluation	Number of ratings (to January 2017)
Albrecht restaurant, Bratislava	Tripadvisor	Certificate of excellence	A modern and timeless restaurant with excellent food	146
Phong Nam, Bratislava	Foursquare	9.4 out 10	excellent, tasty, authentic, healthy	268
Tarpan, Bratislava	www.restauracie.sk	4.6 out of 5	not given	127
French restaurant - Hotel Devín, Bratislava	www.zomato.com/sk	4.7 out of 5	not given	24
Albrecht restaurant, Bratislava	Blog - Dennik N (the newspaper)	not given	luxurious, excellent cuisine	not given
Whiskey bar 44, Bratislava	www.bookio.sk	5 out of 5	famous food, excellent service	16

Chart 1: Ratings of restaurants in Bratislava
Source: Private resources using information from the web sites

Restaurant businesses in Bratislava form the majority as they mostly comply with all the high-quality standards and customers´ requirements. Ratings and reviews on publicly available websites represent one of the most effective forms of advertising as customers tend to search only those restaurants they would like to visit. The ratings are not always identical due to different target groups involved. For comparison, the selected restaurant businesses were also rated by experts and professionals for the year 2017. We used the most acclaimed ratings evaluating the top restaurants for a corresponding year based upon the set of parametres, e.g. food quality, originality, preparation, interior design, services or atmosphere. As we mainly focus on premium restaurants, we selected Trend Top ratings and Gurman Award in the category "The Best Restaurant of the Year". The results are as follows:

Premium Restaurants of the Year, Gurman Award 2017	TREND TOP 2017
Fou Zoo – Pan asian restaurant, Bratislava	Afrodita, Čereňany
Albrecht restaurant, Bratislava	Fou Zoo – Pan Asian restaurant, Bratislava
Afrodita, Čereňany	Liviano, Bratislava
FACH restaurant, Bratislava	Reštaurácia Riverbank
UFO watch.taste.groove, Bratislava	UFO watch.taste.groove, Bratislava
TOP restaurant, Žilina	Gašperov mlyn, Batizovce
Reštaurácia a kaviareň Slávia, Košice	Grand Hotel Kempinski High Tatras – Grand Restaurant

Liviano, Bratislava	TOP restaurant, Žilina
Au Café, Bratislava	Víno & Tapas, Bratislava
DIVA pri Synagóge, Trenčín	D Steakhouse, Bratislava

Chart 2: Premium Restaurants of the Year, Gurman Award 2017 and TREND TOP 2017

Source: Private resources based upon the data from: *Gurman Award 2017.* [online]. [2017-09-17]. Available at: <http://www.gastroweb.sk/ako-na-to/manazeri/manazment/gurman-award-2017.html>; *Trend Top 2017.* [online]. [2017-09-17]. Available at: <https://restauracie.etrend.sk/hodnotenie-restauracii.html>.

Trend Top has been evaluating restaurants and hotels since 2000. Gault Millau, the second best worldwide travel guide, uses the similar rating. Evaluation and visits to the restaurants are done through so-called mystery shopping.[7] Restaurants are not informed on the visit earlier, the mystery shopper "uncovers" the identity right after leaving the hotel or the restaurant. Based upon the latest results we may assume that the level of services was improving and reaching a stable level despite a lack of qualified staff. As evaluators visit only those restaurants ranked among the Slovak top brands, they hardly ever experience any bad services. In other words, being evaluated by TOP ratings is a sign of the best restaurant which is worth visiting in a given locality. Such restaurants are often a kind of "benchmark" for the others. Most of the restaurants switch between the two charts and tend to occupy top positions for several years in a row, e.g. Fou Zoo, Albrecht, Liviano and UFO (all located in Bratislava), Restaurant Afrodita in Čereňany or TOP restaurant in Žilina. The analysis showed that most of the businesses, either evaluated by customers or experts, had certain "top features", e.g. their specialisation, menu or interior design. It is obvious that those restaurants specialising in a particular field of gastronomy or a niche market build a strong competitive advantage and an excellent renomé. Thanks to various forums, rating websites, charts, social media or bloggers, restaurants keep enhancing awareness, popularity and informability. The restaurant Albrecht in Bratislava has been ranked the top restaurant by at least two different resources. Albrecht is a luxury restaurant located in Bratislava with the top Slovak chef Mr Jaroslav Žídek, who is a guarantee of its success.

4 Use of online marketing tools of the top restaurants

Customer evaluation is of high importance but from the marketing point of view it is also significant to understand overall image, communication tools and "a language" the restaurants use to increase awareness, build a brand name, offer services or communicate with either existing or prospective customers. The analysis aimed at identifying the rate of intensity, quality, evaluation and the overall use of publicly available marketing and communication tools (mostly online tools) with the purpose of increasing customer loyalty. The main focus was to find out what marketing and communication tools contribute to customer satisfaction or loyalty. The chart below shows the Hotel and Restaurant Albrecht, the Asian restaurant Fou Zoo (both located in Bratislava) and the Restaurant Afrodita in Čereňany. All the three restaurants rank among the top businesses as evaluated by customers and experts. The restaurants the

---

7   KATONOVÁ, M.: *Top 10 najlepších hotelov v Bratislavskom kraji.* [online]. [2017-06-14]. Available at: <http://bratislava.dnes24.sk/top-10-najlepsich-hotelov-v-bratislavskom-kraji-232006/>.

Slovak gastronomy market and they have repetitively been rated top restaurants by TREND or many other top rating websites.

Restaurant Albrecht, Bratislava

The Restaurant Albrecht in Bratislava is presented as being independent from the Hotel Albrecht. They prefer online communication tools while also using standard communication tools and social media which, however, have not reported any particular popularity. The personality of its chef Mr Jaroslav Židek is a key element of communication. Even after he quit the position, the restaurant has been continuing in his philosophy. The restaurant prefers cooking from local and seasonal products and therefore its webpage is being continuously updated. However, the restaurant fails to use other social media, e.g. Twitter, YouTube or Newsletters and its web domain www. restaurantalbrecht.sk is not operational. The founder and promoter of the restaurant Mr Jaroslav Židek has been its main essence as he managed to draw media coverage and be actively involved in the gastronomy business.

Social media	Profile and product rating	Number of fans	Frequency of use of the media
Facebook	5*	250	Regulary – a few times per week
Instagram		100	Regulary – a few times per week
YouTube	Yes	Number of views: below 100	No account
Pinterest	No account		
Twitter	Yes		Non-updated account
Web pages – content	Daily menu and photos		
Google reviews	4.5		
Blog	No		
Special tools or web services	No		
Newsletter	Yes but non-functioning		
Key element	Image based on a chef		

Chart 3: Online communication tools of Restaurant Albrecht in Bratislava
Source: Private resources based on the data by Restaurant Albrecht in Bratislava

Restaurant Afrodita

The restaurant can be defined as rather traditional, which reflects in its communication, language, communication tools as well as the personality of its chef. The restaurant is known for its specific design and style as it is located in the château. In contrast to other two businesses, it slightly lacks behind when it comes to use of electronic channels. The same as the Restaurant Albrecht, Afrodita is mainly promoted by the personality of its chef who is both a promoter and a key person of the whole business.

Social media	Profile and product rating	Number of fans	Frequency of use of the media
Facebook	5*	48	Rather irregularly
Instagram	No		

		Number of views:	
YouTube	Yes	above 1,000	No account
Pinterest	No account		
Twitter	No		
Web sites – content	General information, Chef´s profile information		
Google reviews	4.8		
Blog	No		
Special tools or web services	N		
Newsletter	No		
Key element	Image based on a chef and traditions		

Chart 4: Online communication tools of Restaurant Afrodita in Čereňany
Source: Private resources based on the data by Restaurant Afrodita in Čereňany

Restaurant Fou Zoo

Quality, luxury, originality and combination of tastes – these are the main features of Fou Zoo as presented by the media as well as the restaurant itself through its main communication channels. The restaurant uses actively its accounts on social media websites in an attractive way – through video tutorials of recipes and original posts in high-quality resolution. All the tools and channels are actively and effectively used along with other tools supporting customer loyalty. There is no doubt that the restaurant has been ranked as one of the best in Slovakia (for the purpose of the study we are only evaluating their marketing and communication methods).

Social media	Profile and product rating	Number of fans	Frequency of use of the media
Facebook	4.8*	561	Almost daily
Instagram		2,400	Videos and pictures on a daily basis
YouTube	Yes	Number of views: above 10,000	Own account
Pinterest	No account		
Twitter	No		
Web site – content	Professional visual and content		
Google reviews	4.7		
Blog	Yes, individual landing page		Several times per month
Special tools and web services	Q&A	Vouchers	Online bookings
Newsletter	Yes		
Key element	Regular and special theme events and activities	Image based on originality of taste and food combination	

Chart 5: Online communication tools in Restaurant Fou Zoo in Bratislava
Source: Private resources based on the data by Fou Zoo in Bratislava

The analysis of the collected data on online activities proved that active presentation through traditional commmunication channels could be important and have a considerable impact on the overall popularity of businesses (mainly for the Restaurant Fou Zoo in Bratislava). On the contrary we may assume that the Restaurant Afrodita in Čereňany is a textbook example of how to succeed without a need to use active communication channels. The difference lies in target audience and customer segmentation as the features of the two restaurants are rather distinctive and so is creation of renomé of the two businesses.

Conclusion

As the study on customer satisfaction states, in the year 2020 customer satisfaction is bound to overrun the price and the product as a key differentiator in a customer´s purchasing decision.[8] Therefore it is highly important to focus a marketing conception primarily on customers so as their satisfaction (and fulfillment of expectations) represents the company strategic goal. It is crucial to understand these needs and aspirations and apply them to specific target groups in order to create a competitive advantage, substitute some marketing activities and cut marketing and advertising costs. Simultaneously, it is recommended supporting these steps with proper communication to improve the image of Slovak gastronomy. Combining marketing communication or a customer-based concept with a promise for higher-quality products and services is the only way how to enhance trust, recognition and eventually increase earnings and keep stable customer loyalty. When respecting all the above mentioned recommendations, companies will not have to increase their investments in traditional forms of marketing communication but, on the contrary, a customer as a main subject or an ambassador will hold a key to cost-cutting.

References:

ANDERSON, M.: *Local Consumer Review Survey*. [online]. [2017-07-07]. Available at: <http://searchengineland.com/88-consumers-trust-online-reviews-much-personal-recommendations-195803>.

BENDA-PROKEINOVÁ, R. et al.: Engel's Approach as a Tool for Estimating Consumer Behaviour. In *Ekonomie a Management*, 2017, Vol. 20, No. 2, p. 15-29. ISSN 1212-3609.

BUCHANAN, R., GILLIES, C.: *The Key to Customer Retention and Profitability.* Glasgow : European Management Journal, 1990.

Gurman Award 2017. [online]. [2017-09-17]. Available at: <http://www.gastroweb.sk/ako-na-to/manazeri/manazment/gurman-award-2017.html>.

---

8   HIGHFIELD, V.: *Countries that Know Good Customer Service.* [online]. [2017-08-29]. Available at: <http://www.totalcustomer.org/2014/08/29/infographic-countries-customer-service/>.

HIGHFIELD, V.: *Countries That Know Good Customer Service.* [online]. [2017-08-29]. Available at: <http://www.totalcustomer.org/2014/08/29/infographic-countries-customer-service/>.

KATONOVÁ, M.: *Top 10 najlepších hotelov v Bratislavskom kraji.* [online]. [2017-06-14]. Available at: <http://bratislava.dnes24.sk/top-10-najlepsich-hotelov-v-bratislavskom-kraji-232006/>**.**

KULČÁKOVÁ, M., RICHTEROVÁ, K.: *Spotrebiteľ na trhu.* Bratislava : Sprint vfra, 1997.

MUSA, H., DEBNÁROVÁ, L., MUSOVÁ, Z.: Gender Equality and Corporate Governance in Slovakia. In *Ekonomie a Management*, 2017, Vol. 20, No. 1, p. 98-110. ISSN 1212-3609.

PHILIPS, K.: *9th Brand Criteria for Brand Essence*. [online]. [2017-03-15]. Available at: <http://www.slideshare.net/kirkphillips/the-9-crit/73-9_the2009_Conrad_Phillips_Vutech>.

SRIVATSAVA, A.: *Brand Resonance Pyramid.* [online]. [2017-03-14]. Available at: <http://marketinglessons.in/2015/03/20/brand-resonance-pyramid-philip-kotler-summary/>.

The Biggest Companies in the World in 2016. [online]. [2017-03-14]. Available at: <http://www.telegraph.co.uk/business/2016/07/20/revealed-the-biggest-companies-in-the-world-in-2016/>.

Trend Top 2017. [online]. [2017-09-17]. Available at: <https://restauracie.etrend.sk/hodnotenie-restauracii.html>.

Under the Influence: Consumer Trust in Advertising. [online]. [2017-09-17]. Available at: <http://www.nielsen.com/us/en/insights/news/2013/under-the-influenceconsumer-trust-in-advertising.html>.

Contact data:
Mgr. Diana Karaffová
University of Ss. Cyril and Methodius in Trnava
Faculty of Mass Media Communications
Námestie J. Herdu 2
917 01 Trnava
SLOVAK REPUBLIC
dkaraffova@gmail.com

prof. Ing. Alena Kusá, PhD.
University of Ss. Cyril and Methodius in Trnava
Faculty of Mass Media Communications
Námestie J. Herdu 2
917 01 Trnava
SLOVAK REPUBLIC
alena.kusa@ucm.sk

THE STUDY OF THE ADVERTISING PERCEPTION ON THE CUSTOMERS SEGMENT OF MOBILE OPERATORS IN SLOVAK REPUBLIC

Radovan Madleňák

Abstract
The current situation on mobile telecommunication market is characterized by dynamism, growing consumer power, and intense competition. The consumers' perception and behaviour are changing and therefore need to be constantly monitored and measured. The objective of this paper is to research consumer's perception while watching a video advertisement. I used an eye-tracking technology to measure and capture a consumer's gaze and EEG to measure the brain activity of a consumer. In the conclusions, the result from consumer's perception measurement are compared and identified main elements with great impact on customers' attention and perception.

Key words:
Advertisement. Customers' perception. EEG. Eye-tracking. Mobile market.

1 Introduction

Neuroscience is a relative new branch of life sciences, which examines the workings of the nervous system of animals and humans, its development during life, and examines individual neurons, parts of the nervous system, their interconnections, and methods of creating neural networks, their cooperation and their relationships to the surrounding.[1] The field of neuroscience also includes cognitive neuroscience, which examines the procedures in the human brain during cognitive processes. These processes include for example perception, thinking, remembering, recalling from memory, learning, etc. Determining how a person processes various sensations is also a valuable knowledge for the field of marketing. It is of great benefit if entrepreneurs who are trying to offer their products to potential customers know how these customers will react to advertising stimuli and other marketing tools.[2] The use of knowledge and methods of neurology in the field of marketing gave birth to a new discipline – neuromarketing.[3]

2 Analysis

There are several definitions of marketing, and it can be characterized from various perspectives: it can be a system of activities of an entrepreneur, or it can be defined as a complex of elements of business activities, which are mutually interconnected, or a business philosophy. However, what all of these definitions have in common is the customer and satisfying his or her needs. Therefore, it is preferentially focused on the

---

1   KHUSHABA, R. N. et al.: Consumer Neuroscience: Assessing the Brain Response to Marketing Stimuli Using Electroencephalogram (EEG) and Eye Tracking. In *Expert Systems with Applications*, 2013, Vol. 40, No. 9, p. 3804.

2   KOLAROVSZKI, P. et al.: The New Model of Customer Segmentation in Postal Enterprises. In *Procedia Social and Behavioral Sciences*, 2016, Vol. 230, p. 122.

3   BAKARDJIEVA, E., KIMMEL, A. J.: Neuromarketing Research Practices: Attitudes, Ethics, and Behavioral Intentions. In *Ethics & Behavior*, 2017, Vol. 27, No. 3, p. 180.

demand side and customers' needs.[4] This emphasis results in the mission of marketing in the business environment – it has a particular function, specifically to reconcile opportunities in the market and enterprise resources.[5] Certain tools are required in marketing so that its role in the business is fulfilled. The marketing theory speaks of four essential tools, so called 4P, which are product, price, place, and promotion. Marketing communication is a permanent part of the marketing mix. It is defined as a targeted delivery of content and necessary information to potential customers/ recipients. It is often understood in a very narrow view only as "advertising," which is caused primarily by the fact that advertising is the most common tool used in marketing campaigns. Marketing communication can be understood as a marketing tool that comprises all means that serve to inform and convince customers and directly or indirectly points out the products they sell. Advertising is one of the forms of marketing communication. With advertising, it is possible to efficiently share the necessary content to the target groups en masse. It can inform, convince, and remind the brand or increase the product awareness.[6]

The goal of advertising is to influence the purchase decision making of the consumer.[7] Psychology, which examines human behaviour, emotions, and motivation to act, plays a significant role in advertising.[8] When designing advertising, regarding psychology, one needs to look at the environment, in which the product is promoted (for example the role of media) on the one hand, and the content of advertising itself on the other. How do the media affect the impact of advertising? By creating an environment, in which the product is offered – for example, a source, which is perceived as untrustworthy has the same impact on the information it provides, and in the end, the information also appears untrustworthy. In addition to its credibility, the attractiveness of the source, etc. are also important.[9] It is also possible to encounter several types of advertising and advertising media. The most visible and probably most popular medium is the TV.[10] TV as a medium for advertising is especially suitable for an introducing of a product; it allows using picture, sound, music, and movement.[11] Thus, the marketing

4   MADLEŇÁKOVÁ, L. et al.: Intermodal Transport Terminals as Part of the Postal Transportation Network. In KAUNAS UNIV TECHNOL (ed.): *Transport Means 2016*. Kaunas : Kaunas University of Technology, 2016, p. 566.

5   STRENITZEROVÁ, M., GARBAROVÁ, M.: Impact of Globalization on Human Resource Management in the Information and Communication Sector. In KLIEŠTIK, T. (ed.): *Globalization and its Socio-Economic Consequences*. Žilina : University of Žilina, 2016, p. 2145.

6   ČOREJOVÁ, T. et al.: Digital Transformation and Its Impact on Brand. In PETRANOVÁ, D., ČÁBYOVÁ, L. (eds.): *Marketing Identity 2016: Brands We Love, Pt II. Conference Proceedings*. Trnava : FMK UCM in Trnava, 2016, p. 55.

7   CHYNAL, P. et al.: Shopping Behaviour Analysis Using Eyetracking and EEG. In *International Conference on Human System Interactions. Conference Proceedings*. New York : IEEE, 2016, p. 459.

8   VENKATRAMAN, V. et al.: Predicting Advertising Success Beyond Traditional Measures: New Insights from Neurophysiological Methods and Market Response Modeling. In *Journal of Marketing Research*, 2015, Vol. 52, No. 4, p. 438.

9   MADLEŇÁK, R., HUDÁK, M.: The Research of Visual Pollution of Road Infrastructure in Slovakia. In MIKULSKI, J. (ed.): *Challenge of Transport Telematics, TST 2016*. Cham : Springer Publishing, 2016, p. 416.

10   MADUDOVÁ, E., KOLAROVSZKI, P.: Results of a Cluster Analysis of the ICT Sector Case Study from the Slovak Republic. In CHENG, W. (ed.): *International Conference on Engineering Science and Management (ESM). Conference Proceedings*. Paris : Atlantis Press, 2016, p. 157.

11   MATUŠKOVÁ, M., MADLEŇÁKOVÁ, L.: The Impact of the Electronic Services to the Universal Postal Services. In *Procedia Engineering*, 2017, Vol. 178, p. 259.

message can be made very emotional and impressive by means of TV. A TV spot can portray essentially any creative idea.

3 Objectives and methodology

The goal of this article is to identify, measure, and compare the impact of visual advertising on potential customers. The research object was the advertisement of mobile network operators active in Slovakia. Currently, there are four mobile network operators in the Slovak market offering various service packages. These operators have their own frequencies assigned, and they are building their own networks. In addition to providing services under their own name, the operators are offering mobile services, which give the impression that there are other operators. These services, so called "children" of big operators, are Funfón of the Orange Corporation and Juro of the Telekom Corporation. In addition to these, there is also Tesco mobile – a virtual operator, who does not own a mobile network, but it has signed an agreement with a registered provider of services. Tesco mobile has a signed agreement with O2 – it uses its network, but offers services under its own name. For research needs, advertising sets were selected, which were used by the four mobile operators for the Christmas season in 2016. The Orange Slovakia Corporation introduced a campaign, which should point out, jokingly, that older generations are not familiar with the modern technologies and also to introduce products the corporation is offering. This advertising presents a multi-generational family and a situation, in which the grandson explains to his grandmother everything the corporation is offering.

The campaign of the Telekom Corporation is in a futuristic style, and the main topic is "Christmas at Sagan's in 2061". Similarly as with Orange, it uses the presence of well-known celebrities in advertising – Peter Sagan and his wife. During the Christmas of 2016, O2 introduced a campaign to the audience, in which the main advertising message is "with us, you can choose yourself." All of the spots have the same element – a family member buys a present he/she likes and puts it inconspicuously under the family tree. Advertising of the Swan Corporation (the mobile operator 4ka) are quite atypical for the Christmas period. The TV spots are shorter and do not have a story; they have only a central idea, e.g. product offer at half the price. Whole research was conducted in condition of Human-Machine Laboratory (HMI LAB) that is situated in scope of University Science Park, University of Zilina and 10 respondents participated in the test; 3 women and 7 men. The respondents were presented with the videos (advertising campaigns of individual operators) consecutively. While they were watching these spots, the respondents had an EEG neuro headset on their heads – a device with electrodes that captures their brain activity.[12] We have also tracked their eye movement using an eye tracking camera. There are two types of eye tracker: remote (also called screen-based or desktop) and head-mounted (also called mobile). We used remote eye tracker SMI RED500 for recording eye movement at a distance. It is mounted below or placed close to a computer or screen and respondent is seated in

---

12   LOPEZ-GIL, J. M. et al.: Method for Improving EEG Based Emotion Recognition by Combining It with Synchronized Biometric and Eye Tracking Technologies in a Non-invasive and Low Cost Way. In *Frontiers in Computational Neuroscience*, 2016, Vol. 10, No. 119, p. 3.

front of eye tracker.[13] EEG measurements were supplemented with the testing of the respondents using the eye tracking camera to help us identify more easily, what the respondents were focused on Picture 1.

Picture 1: Measuring the impact of visual advertising on potential customer (testing phase)
Source: Own processing

The EEG neuro headset was the EMOTIV - Brainwear® - wireless devices, which hold electrodes measuring brain activity.[14] Data collected from each electrode were transformed into cumulative characteristics using software [15] – these are depicted with curves of various colors, whereby each color represents a certain emotion linked to current perception:

- Excitement (entertainment/fun) is divided into immediate and long-term. Short-term entertainment (depicted by the orange curve) captures surprised reactions or reactions to specific events, ideas or proposals.
- Long-term excitement (black curve) measures the overall mood, as it accumulates over time.
- Engagement/boredom (red curve) measures the level of focus and immersion in the activity.
- Frustration (blue curve) measures negative emotions linked to the performed activity.
- Meditation/relaxation depicts the measure of how good (calm) the person feels, and it is depicted by the green curve.

13   POP, N. A. et al.: Using Neuromarketing Studies to Explore Emotional Intelligence – As a Key to the Buying Decision Process. In JANIUNAITE, B., PETRAITE, M. (eds.): *Conference on Knowledge Management (ECKM). Conference Proceedings.* Reading : Acad Conferences, 2013, p. 3.
14   YADAVA, M.: Analysis of EEG Signals and its Application to Neuromarketing. In *Multimedia Tools and Applications*, 2017, Vol. 76, No. 18, p. 19089.
15   POP, N. A. et al.: Ethical Responsibility of Neuromarketing Companies in Harnessing The Market Research – A Global Exploratory Approach. In *Amfiteatru Economic*, 2014, Vol. 16, No. 35, p. 27.

4 Results

In addition to the EEG measurements, we have also conducted a measurement using the eye-tracking camera during the text, through which we were able to analyse where the tested respondent is looking at the moment, and what elements interested him or her in the spot. By combining the eye-tracking measurements for individual campaigns into general statements, we can state, that the audience (respondents) are focusing mainly on persons, found on the screen, and especially on their face (Picture 2).

Picture 2: ET analysis – cumulative heat map of O2 advertisement (focus on face)
Source: Own processing

If there is a significant element suddenly in the spot, then this element will get the most attention, although sometimes only for a short while. For very dynamic spots and with a great number of significant elements at the same time, watching the spot is slightly chaotic; as if the audience does not know where to look first. With a traditional setting the audience is accustomed to (like the environment in the Orange and O2 spot), this setting is almost ignored and the attention is focused on the story, the plot or an object, found in the foreground, and vice-versa, with an unconventional concept (Telekom) the environment itself captures the audience. Elements, which had the greatest impact on respondents or entertained them or interested them the most have been identified in the EEG research. When all tested campaigns are evaluated, it can be said that the respondents were interested primarily in spots or elements, which are humorous, and which they have not seen before – i.e. they are optimal. However, at the same time it is necessary to be aware that these ideas need to be within certain bounds, and ultimately they have to "meet the taste" of their target customers.

Picture 3: Example of negative emotion (frustration) (Telekom advertisement)
Source: Own processing

The respondents appreciated verbal humour the most, which in the tested spots was found in the Orange Corporation spot. If the word play is accompanied by an interesting story (in this case the differences between the generations), it evokes an even better impression in the audience (potential customers). Futuristic elements in the campaign of the Telekom Corporation attracted most of the respondents, but not all of them were intrigued in a positive way (Picture 3). Another element used in the campaigns was the presence of well-known celebrities in the spot – as already mentioned in the previous sections, in this case the customer's sympathies with given person play a major role here, but the author of the spot cannot influence them. A risk with the celebrities can also be the fact that oftentimes they do not act very naturally in the spots and interviews or scenes look unnatural and forced (Picture 4).
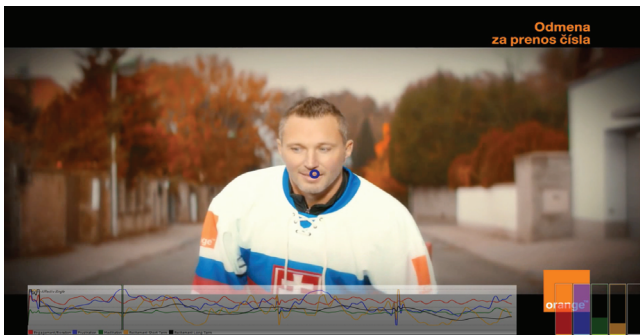
Picture 4: Celebrity placement measurement (Orange advertisement)
Source: Own processing

The plot of the advertisement, which should inspire the main idea, i.e. the operator's offer, took attention away from it instead of drawing attention to the offer. In this case, a better linking of the story and the advertised information, or placing this information not at the very end, but in the middle of the advertising spot could be proposed. It would also be suitable if the offer would be presented or at least hinted

several times during the spot – so that it would not be too distracting, but also to create an interest in offered products.

Conclusions

The analysis of the mobile network operator market covered four mobile operators operating in the Slovak market. Each of the operators introduced a Christmas advertising campaign in 2016, which had a particular theme and presented its current offer. Except for the Swan Corporation, all operators bet on traditional Christmas motifs, although each one interpreted them differently. The paper also states how the neuromarketing options were used in the world. Research carried out using EEG and supplemented by eye tracking using the ETG technology discovered that respondents had different impressions from the spots – they depended on the presented spots, but also on their current mood or taste. Elements were identified, which affected several respondents the same way (humor, faces, and story). A big negative of the presented TV spots was the fact that the respondents almost did not perceive the advertising information given operator shared using the campaign. Therefore, advertising information should be shared in a more creative way, so that the story and elements of the spot would have a clear connection to the offer.

References:
BAKARDJIEVA, E., KIMMEL, A. J.: Neuromarketing Research Practices: Attitudes, Ethics, and Behavioral Intentions. In *Ethics & Behavior*, 2017, Vol. 27, No. 3, p. 179-200. ISSN 1050-8422.
ČOREJOVÁ, T. et al.: Digital Transformation and Its Impact on Brand. In PETRANOVÁ, D., ČÁBYOVÁ, L. (eds.): *Marketing Identity 2016: Brands We Love, Pt II. Conference Proceedings.* Trnava : FMK UCM in Trnava, 2016, p. 54-65.
CHYNAL, P. et al.: Shopping Behaviour Analysis using Eyetracking and EEG. In *International Conference on Human System Interactions. Conference Proceedings*. New York : IEEE, 2016, p. 458-464.
KHUSHABA, R. N. et al.: Consumer Neuroscience: Assessing the Brain Response to Marketing Stimuli Using Electroencephalogram (EEG) and Eye Tracking. In *Expert Systems with Applications*, 2013, Vol. 40, No. 9, p. 3803-3812. ISSN 0957-4174.
KOLAROVSZKI, P. et al.: The New Model of Customer Segmentation in Postal Enterprises. In *Procedia Social and Behavioral Sciences*, 2016, Vol. 230, p. 121-127. ISSN 1877-0428.
LOPEZ-GIL, J. M. et al.: Method for Improving EEG Based Emotion Recognition by Combining It with Synchronized Biometric and Eye Tracking Technologies in a Non-invasive and Low Cost Way. In *Frontiers in Computational Neuroscience*, 2016, Vol. 10, No. 119, p. 3-12. ISSN 1662-5188.

MADLEŇÁK, R., HUDÁK, M.: The Research of Visual Pollution of Road Infrastructure in Slovakia. In MIKULSKI, J. (ed.): *Challenge of Transport Telematics, TST 2016*. Cham : Springer Publishing, 2016, p. 415-425.

MADLEŇÁKOVÁ, L. et al.: Intermodal Transport Terminals as part of the Postal Transportation Network. In KAUNAS UNIV TECHNOL (ed.): *Transport Means 2016*. Kaunas : Kaunas University of Technology, 2016, p. 565-561.

MADUDOVÁ, E., KOLAROVSZKI, P.: Results of a Cluster Analysis of the ICT Sector Case Study from the Slovak Republic. In CHENG, W. (ed.): *International Conference on Engineering Science and Management (ESM). Conference Proceedings*. Paris : Atlantis Press, 2016, p. 156-159.

MATUŠKOVÁ, M., MADLEŇÁKOVÁ, L.: The Impact of the Electronic Services to the Universal Postal Services. In *Procedia Engineering*, 2017, Vol. 178, p. 258-266. ISSN 1877-7058.

POP, N. A. et al.: Ethical Responsibility of Neuromarketing Companies in Harnessing The Market Research – A Global Exploratory Approach. In *Amfiteatru Economic*, 2014, Vol. 16, No. 35, p. 26-40. ISSN 1582-9146.

POP, N. A. et al.: Using Neuromarketing Studies to Explore Emotional Intelligence – As a Key to the Buying Decision Process. In JANIUNAITE, B., PETRAITE, M. (eds.): *Conference on Knowledge Management (ECKM). Conference Proceedings*. Reading : Acad Conferences, 2013, p. 1-8.

STRENITZEROVÁ, M., GARBAROVÁ, M.: Impact of Globalization on Human Resource Management in the Information and Communication Sector. In KLIESTIK, T. (ed.): *Globalization and Its Socio-Economic Consequences*. Žilina : University of Žilina, 2016, p. 2143-2150.

VENKATRAMAN, V. et al.: Predicting Advertising Success Beyond Traditional Measures: New Insights from Neurophysiological Methods and Market Response Modeling. In *Journal of Marketing Research*, 2015, Vol. 52, No. 4, p. 436-452. ISSN 0022-2437.

YADAVA, M.: Analysis of EEG Signals and Its Application to Neuromarketing. In *Multimedia Tools and Applications*, 2017, Vol. 76, No. 18, p. 19087-19111. ISSN 1380-7501.

Contact data:
assoc. prof. Ing. Radovan Madleňák, PhD.
University of Žilina
Faculty of Operation and Economics of Transport and Communications
Univerzitná 1
010 26 Žilina
SLOVAK REPUBLIC
radovan.madlenak@fpedas.uniza.sk

CHILDREN IN YOUTUBERS' WEB (ANALYSIS OF SELECTED SOCIOCULTURAL ASPECTS OF THE YOUTUBER SCENE)

Erika Moravčíková

Abstract
The present paper focuses on a relatively new sociocultural phenomenon of YouTubers, who are hugely popular mainly among members of the Generation Z (i.e. people aged 15-20). Internet social networks, the YouTube channel and mainly YouTubers (authors of audio-visual works posted chiefly on YouTube) represent a significant cooperative and participatory platform taking part in the shaping of thinking, values and patterns of behaviour in children and the youth. This contribution is aimed at reflecting on this problem through the prism of trends representing a driving force inside the media industry and show business from its inception to the present. We will also take a closer look at the marketing potential of YouTubers and YouTubering, and the birth of new-era celebrities in the process.

Key words:
Celebrity culture. Internet social networks. Sociocultural environment. Trends. YouTube. YouTubers.

1 Trends in Sociocultural Environment

Human society and its culture display certain elements of sociocultural regulatory framework, which includes norms, values, regulations and patterns of behaviour. These elements influence the ontogenetic development of individual members of a particular society, stipulating what is necessary and appropriate for a human person, and conversely what is inappropriate and prohibited. For ages, people's priorities have been adjusted to the collective – the family, local community, town or city, nation, state etc. Meanwhile, processes were taking place in this environment with effect on the creation of a specific urge in individual people that we will call in this part of our work as fascination with trends. Individual social groups display various equivalents of trendiness: being "in" (as opposed to "out"), chic, cool, hot, fresh, etc. The use of these terms concerns a large part of society (mostly the young), and includes a wide range of meanings and associations. For example, trend can represent material items of daily or occasional use, as well as abstract expressions, such as ideas, opinions and attitudes. It is a specific conviction of a group of people held on specific items, phenomena and activities that they respect and profess, while these things are relatively more preferred in the specific time. Such preferences are chiefly created by the mass media, while even though they have not been strictly codified, they are somewhat considered as a norm and display of a specific social status. Trends are placed high on in the chart of priorities of mainly young people living in our consumer culture, giving them orientation in their specific world of symbols and values.

To be more specific, trends as viewed nowadays emerged as late as in the 20th century, but their origins go back to a distant past, when they were displayed in fashion, customs and manners. They were rooted in tradition or brought into a specific culture under the influence of foreign models,[1] which could be considered as predecessors of trendiness. Various cultural elements and patterns were absorbed by culture via diffusion and migration of individual elements, which were assumed mainly by social

---

1   For more information, see: LIPOVETSKY, G.: Říše pomíjivosti. Praha : Prostor, 2002.

classes that served as models for other members of society. These opinion-making elites were then imitated by lower classes. Imitation is one of the most elementary human features necessary for socialisation and assimilation. Imitation takes part in the creation of human identity, self-affirmation and individual's efforts to become part of a specific society. Aristotle, who analysed mimesis as a principle of imitating reality, claimed that imitation is innate to human beings and it is imitation that makes them distinct from other creatures. Edmund Burke, for his part, discussed the human instinct to imitation by pointing out that people actually learn more by imitation than by perception. Imitation "forms our manners, our opinions, our lives",[2] he said. Key determining factors for the process in an individual include the family, near environment, peers and in current times also the mass media. In the past, the role of the latter was played by elite groups – royalties, nobility and other high-born. Lower classes imitated their fads, attempting to adjust their behaviour to that of people in power. This social phenomenon has thoroughly been analysed by several social scientists, including Norbert Elias and Gerhard Schulze.

Similar patterns can also be found in current culture, with the driving force of current fascination with trends being a mixture of rivalry, narcissistic self-love, mimetism and freedom of speech. As human individual has gained a formerly unheard of status in society, fads do not represent such a dominant element in the regulation of social relations as in the past any more. Nonetheless, they have retained their power to differentiate an individual from others. They do not serve to profess one's adherence to a certain social group any more, but rather as an expression of individual uniqueness and hypertrophy of the self. Pop culture has thus created a new system of social regulation and – coercion, as only individuals observing these principles are worth of others' attention. Hana Pravdová makes a fitting observation: "IN is a shrewd term forged in the workshop of lifestyle strategists to define what is permitted and what must be done, while OUT is a term labelling all unacceptable phenomena in society, i.e. what cannot be done, what is prohibited and absolutely ruled out ... OUT is the feature of an outsider, who dared to act and think at odds with various commercial activities of entities setting the hierarchy of values and uncompromisingly dictating the preferred lifestyle of the times".[3]

New cultural patterns have been implanted into daily life via the mass media, with freedom of choice being retained, but only within a limited scope. A human being thus needs to find a middle path between imitating individual models and pursuing their own way to remain unique and different from others. Current superficial society has persuaded individual human beings that they are not personalities naturally, but only after having created their own "cool" and "trendy" style. Norbert Elias in *The Society of Individuals* and Gilles Lipovetsky in *The Era of Emptiness* discuss superficial values of personalised society and a "*huge wave that gradually removed the content and substance from all institutions, values and goals...*"[4] Human beings of the present times live for sensations and entertainment. They essentially live for themselves, so they strive to highlight their own self among the others, who are pursuing the same path.

---

2   BURKE, E.: *O vkuse, vznešenom a krásnom*. Bratislava : Tatran, 1981, p. 51.
3   PRAVDOVÁ, H.: *Determinanty kreovania mediálnej kultúry*. Trnava : FMK UCM in Trnava, 2009, p. 320.
4   LIPOVETSKY, G.: Éra prázdnoty. Praha : Prostor, 1998, p. 46.

In current society, it is necessary to draw others' attention, surprise, shock, diverge from stereotypes and be different, better, actually the best – at any price. At the same time values are being made banal in the process defined by the agonal principle of rivalry. It is this tension that trends capitalise on. They show how it is possible to achieve the goal without excessive effort, albeit, granted, for an appropriate amount of money. Trends thus offer a perverse way to look for one's superficial, egoistic and narcissistic self.

The online world is such an ordinary, even banal part of daily life for the Net Gen that it has prompted media experts to ask as to whether television is definitely dead for the young generation. In our study, we will focus on the phenomenon of YouTubers, who – being aware of their huge impact on the masses – call themselves "influencers", and on their viewers, subscribers – *followers*. YouTube as an escapist platform, as a world of simulacra par excellence, environment for fast and instantaneous entertainment of any kind and, last but not least, a place for earning money by YouTubers, will be looked at by us primarily through the optics of the dictatorship of trendiness and trends, which have become dogmas for the Generation Z. Therefore, we will attempt to reveal specific mechanisms used for the creation of trends, particularly on YouTube, with their common denominator being the ability to have an opinion-making impact and power to translate these phenomena into daily reality.

2 YouTube as Media Phenomenon

Internetisation of society has broad effects, including on services, trade and people's privacy, with people increasingly understanding benefits of virtual transactions at the expense of minimum effort in unbeatably short time. Nonetheless, time behaves in an ambivalent manner in the context of internet, mainly when it comes to 'leisure' communication that includes platforms such as Facebook, YouTube, MySpace and others, used mainly by the generation of digital natives. This generation considers the internet as a natural part of information and communication sphere and a necessity for sheer existence in current world marked by tough competition. Virtual communication networks are part of the so-called social software, which includes discussion panels, mail directories, wiki and blogs, and which has become central part of people's activities on the web. "Advertising, business, community, privacy concerns, politics, sex, love – these are issues that are associated with the term social networking platforms in popular media clippings, such as the ones just cited. The examples, which certainly have differing depth, character, and quality, show that social networking sites (SNS) and what many term "Web 2.0" have become important topics all over the world and seem to shape economic, political, and cultural communication of contemporary society."[5] Social networking platforms are aimed at online communication, with a potential to support the emergence of virtual communities, which are usually marked by virtual solidarity, friendship, love and altruism, meaning that they gain a dimension of affective cooperation.[6]

---

5   FUCHS, CH.: *Social Networking Sites and the Surveillance Society. A Critical Case Study of the Usage of studiVZ, Facebook, and MySpace by Students in Salzburg in the Context of Electronic Surveillance.* Salzburg, Vienna : Forschungsgruppe Unified Theory of information, 2009, p. 2.

6   KOVÁČOVÁ, E.: Virtuálna realita verzus off-line svet. In *Masmediálna komunikácia a realita I.*

Web 2.0 has brought accent on participation, cooperation and more interactivity in relations between human beings and digital media. "Dissolution and collapse of traditional categories involving producers and consumers into a common group of *prosumers* are to be observed especially in the young generation."[7] Meanwhile, social networks and video portals are among those websites that provide perhaps the most prominent space for users' creative activities and their further sharing. These online platforms allow to search and select content, save favourite videos and pages, evaluate, comment, debate and leave not infrequently also hateful messages.

3 I, YouTuber

YouTuber is author of online videos who presents his output on the YouTube video portal. This includes amateurs, semi-professionals and professionals, while all of them become important part of media culture. The most successful authors have found a source of above-standard income from publishing their videos. They have hundreds of thousands and sometimes even millions of fans, and in such case they can without hesitation be called YouTube celebrities. *"It was a combination of video, social networking and the possibility to earn money that gave birth to YouTuber."[8]* Content published by YouTubers needs to have a capturing element and it must be entertaining, involving an original approach to individual issues, and it must be authentic, it mustn't be intrusive and be playful and creative instead; putting it simply – it must be "cool" and "trendy". YouTubers' popularity is partly due to their generation closeness to members of the Net Gen; they speak to them in their language, focus on their problems and issues. YouTubers are viewed as role models by members of Net Gen: they have an entertaining job, indeed a dream job that makes it possible for them to earn a lot of money. They are not viewed as alien, as they do not hesitate to reveal much of their privacy. Instead, showing their authenticity, they have become new-era idols, celebrities and models worth of imitation.

A huge shift in how this generation thinks and acts, compared to previous generations, is also translated into the offline world. Compatibility between the online and offline worlds is thus being created. Young people caught in the web of symbols[9] and meanings are in steady interaction with the new media and on the daily basis they create, negotiate and confirm their identity in both these worlds, which they increasingly view as one whole. "Processes of production and consumption of digital media and processes of being formed by them are intertwined and frequently simultaneous. The construction of identity, its deconstruction, shaping, testing and experiencing take place at least partially (but ever more) in processes of interaction with technologies (hardware, software and design).[10]

Trnava : FMK UCM in Trmava, 2009, p. 241-255.

7   KABÁT, M.: Mladí ľudia a ich identita v on-line prostredí. In PETRANOVÁ, D., VRABEC, N. (eds.): *Mediálna výchova pre učiteľov stredných škôl*. Trnava : FMK UCM in Trnava, 2011, p. 121-122.

8   KULHÁNEK, J.: *World of Cool Guys*. [online]. [2017-11-26]. Available at: <https://psychologie.cz/svet-hustejch-typku/>.

9   A technical term used by symbolic anthropology and its most notable figure, cultural anthropologist Clifford Geertz (remark by the author).

10   KABÁT, M.: Mladí ľudia a ich identita v on-line prostredí. In PETRANOVÁ, D., VRABEC, N. (eds.): *Mediálna výchova pre učiteľov stredných škôl*. Trnava : FMK UCM in Trnava, 2011, p. 122.

YouTubers' huge popularity may be partly due to the fact that members of the current youngest generation have been living with digital technologies from their very births and they are among the most active users of the internet.[11] According to V. Vaněk (who refers to a survey carried out by the Nielsen Admosphere agency), two people out of ten on average from the entire internet population follow some YouTubers, vloggers and people producing their own videos. When it comes to the age group of 15-20 (i.e. Generation Z), the figure represents eight out of ten, and among people aged 15-16, it makes as much as nine out of ten. He believes that this fact is related to the way of life of this generation, which has been living with technologies since their early childhood and at the same time it is the most active one on the internet. As anticipated by media guru and visionary Marshall McLuhan, the media do not only represent an extension of our senses, but they also change their ratio and patterns of perception. They change the pace and they are also the measure of change. They have introduced a new and different perception of time and space, but they chiefly have above-individual and paradigmatic effects on culture.[12] Therefore, efforts to understand their world and decode YouTubers followed by the young can frequently be difficult for members of older generations who have lived most of their lives before the advent of the internet. Psychologist Jan Kulhánek thus describes his encounter with a patient who explained this term to him: "'YouTuber is a smashingly cool character, who's amusing and knows how to impose himself on everyone!' As I have been working with adolescents for quite a while and I enjoy listening to their jargon, I would attempt to translate that in this way: It is a boy (girl) who is entertaining, looks good and has a particular ability to captivate others."[13] To make it clearer how YouTubers view themselves, we could cite GoGo, the most successful YouTuber in Slovakia and also in the Czech Republic in recent years, who has published a book, a sort of confession of a YouTuber, entitled 'Guy from the Internet': *"Try to stand up for one minute and a half in front of a camera or even a mirror, speak fluently and be interesting and entertaining. You can talk just about anything."*[14]

Exactly, you can talk just about anything and do anything. GoGo himself became famous by publishing a video in which he applied Nutella on his face with the use of a paint roller. Who is interested in such videos? Why do YouTubers do such things? These are among the most frequent questions asked by parents and other older generations. Meanwhile, there are several motivations and these questions cannot be given a simple answer. As stated above, the urge of being trendy and the related dictate of being 'in', and the tabooed 'out', determine the daily existence of mainly young people, who naturally tend to be inclined to entertainment and distraction and seek escape from boredom and routine. In present times, these urges of young people have been translated into inclinations that correspond as closely as possible to the

11   *VANĚK, V.: Survey: YouTubers Followed by Eight Out of Ten Czech Teenagers.* [online]. [2016-01-11]. Available at: <http://mam.ihned.cz/marketing/c1-65498380-youtuberi-jsou-v -cesku-domenou-mladych-sleduje-8 -z -10-nactiletych>.
12   For more references: GÁLIK, S., GÁLIKOVÁ TOLNAIOVÁ, S.: Influence of the Internet on the Cognitive Abilities of Man. Phenomenological and Hermeneutical Approach. In *Communication Today*, 2015, Vol. 6, No. 1, p. 11-12; GÁLIK, S.: Influence of Cyberspace on Changes in Contemporary Education. In *Communication Today*, 2017, Vol. 8, No. 1, p. 35-36.
13   KULHÁNEK, J.: *World of Cool Guys.* [online]. [2017-11-26]. Available at: <https://psychologie.cz/svet-hustejch-typku/>.
14   KOL. AUTOROV: *GOGO. Chalan z internetu.* Bratislava : Tatran, 2015, p. 25.

sentiment of being 'cool' – i.e. being a YouTuber, or at least being in the swim of things by following YouTubers. Psychologists have been pointing to positive aspects related to the creation of such videos: they can represent an instrument for the authors to overcome themselves (their boundaries and inhibitions), improve their rhetorical and other skills, grasp new technologies etc. Psychologist Jan Kulhánek summarises these motivations under an umbrella term of self-fulfilment, which can include almost anything: desire to create something, overcome one's fear, make one famous and earn money. "Self-realisation on YouTube corresponds to the lifestyle of a large group of current adolescents. For teenagers and younger adults, the consumption of video content represents an ordinary way of spending their leisure time."[15]

When analysing this phenomenon, sooner or later we encounter certain facts: the aforementioned intergeneration tension and conflicts stemming from the lack of understanding and sometimes even condemnation by older generations of such forms of entertainment, and a transformation of traditional media and the status of new, digital media, largely involving a conflict between television and the internet. Net Gen views television as obsolete, which does not offer anything interesting, so its members opt for watching their favourite YouTubers. GoGo puts it this way: "Videos have infested [sic!] Facebook and various webs, people have noticed that there's someone who's attempting to create authentic entertainment, funny videos, doing it attractively, regularly, with the goal of approaching his or her base. Mainly young people have clicked over the entire YouTube to find eventually that there's ever more such content, and they've liked it. It's gone into a trend. We see the result – every junior now watches YouTube. I'm not saying videos, but YouTube as such. This is a characteristic feature of a great part of a generation; it's also taken root at schools, with YouTubers having become an important issue for kids." [16]

To grasp better the issue, it is necessary to take at least a cursory view at the content presented by YouTubers, using individual trends as the selection key.
- Videogame trends: **Let's Play or Game Play** – YouTuber plays a videogame, commenting it with wit (such as the world's most successful YouTuber PiewDiePie). This is closely related to a huge popularity of videogames, mainly Minecraft.
- Travelling and gastronomy trends: **Videoblogs/Vlogs** – travel videos are usually shorter, while they are cherished mainly by older generations.
- Do It Yourself (DYI) Trends: **Tutorials** – how to do, create, gain something etc.
- Fashion and lifestyle trends: **beauty and fashion videos** – how to style oneself, make up, what to wear, how to lose weight, make hairdo etc.
- Trends involving shopping and inclinations to selected brands: **Unboxing** of purchased or presented products. If a YouTuber is popular enough to be approached by marketers, this concerns product placement.
- **Pranky/prank-cally** trends.
- **Challenge** – carrying out various tasks.
- **Sketch** – short comedy scenes.

15 KULHÁNEK, J.: *World of Cool Guys.* [online]. [2017-11-26]. Available at: <https://psychologie.cz/svet-hustejch-typku/>.
16 KOL. AUTOROV: *GOGO. Chalan z internetu.* Bratislava : Tatran, 2015, p. 68.

- **Life Talk** – this can be done as a daybook or as an 'Ask Video' and 'Ask/Q&A' – often concerning the person's privacy and intimate questions (topics such as anorexia and bulimia).
- **Reaction and Commentary Videos** – criticism of videos produced by other YouTubers or the authors' personalities.
- Socio-cultural trends: **Social experiments** – tests of public response.

Any enumeration, classification and popularity of individual trends is, of course, down to trendiness. What was 'in' yesterday needn't be so tomorrow. We assume that the content of videos posted on YouTube and the scene as such will further be expanded and diversified.

4 I, YouTuber – I, Narcissist (?)

An increased level of narcissism has been noticed by many psychologists, sociologists and media analysts (for example Campbell, Ong, Ang, Kňiňan, Tichý, Macek, Buchtík) following the advent of Web 2.0 and mainly social networks. Social networks and the YouTube scene have created a perfect mycelium for self-presentation, self-realisation, individualisation and personalisation. Authors' profiles on video-portals are generated based on large amounts of information presented by YouTubers themselves, knowingly or not, via videos. By presenting their current mood, feeling and ideas, publishing their personal and contact data, as well as information on their cultural, professional and intimate lives, YouTubers end up being forced to permanent self-presentation before their daily audience. According to Jakub Macek, sources of motivation for such self-performance are to be found in cultural narcissism[17] and spectacularity of society that has become surfeited by contents presented by the media: "Performance interactions do not take place primarily before a situationally delineated audience, but before a non-segmented audience, at the same time appearing in a mediated social environment, which is 'socially unfinished', permanent, lasting."[18] Subscribers are very attentive observers of trends on YouTube, knowing well who is worth of being followed. At the same time popular content mostly corresponds to their interests and lifestyle in their socio-cultural reality, values, attitudes, actions and patterns of behaviour. Renowned social scientist Zygmund Bauman made an apt observation in an interview: "We preferentially use new technologies for strengthening opinions that we already hold. We talk to people who agree with us, and not with those who argue against us or call for a change. This certainly helps our self-confidence. I sometimes call this zone of comfort an 'echo chamber'. The only thing you can ever hear is the echo of your own voice. Or I also call it a 'mirror hall' – wherever you look, you see whatever you want to see, i.e. your own image."[19] This

---

17   French sociologist and essayist Gilles Lipovetsky in his works developed ideas of American historian and social scientist Christopher Lasch, who extended the term of narcissism, analysing it as a social and cultural phenomenon. He heavily contributed towards making this term popular mainly with his book *The Culture of Narcissism* (1979). By observing transformations of culture in the USA, he arrived to a conclusion that narcissism is a defence strategy employed by individuals to adapt to modern society (remark by the author).

18   MACEK, J.: *Media in Flux. On Transformation of Current Czech Audiences. Brno : Masaryk University in Brno, 2015, p. 102.*

19   KASÍK, P., LÁZŇOVSKÝ, M.: *Migrants Messengers of Bad News for Us, Says Famous Sociologist.*

comfortable avoidance of unpleasant confrontation is very satisfying (considering the world's complexity), but Bauman also alerts that it leads to a loss of critical skills: to know, negotiate, argue and accept change.

People in hyper-consumerist society not only waste time and money for purchasing material goods, but they also waste information on themselves. Meanwhile, a new sophisticated way of sharing information on oneself has been discovered to preserve (false) humility. 'Humblebrag'[20], a word coined by American comedian Harris Wittles after he set up a Twitter account, became so popular that it was declared the Most Useful Word of 2011 by the American Dialect Society.[21] Humblebrag, having emerged as a by-product of the social media revolution, makes it apparent that people have changed significantly, with virtues such as humility and modesty becoming limited and feigned to a considerable extent. Everything seen on social networks as part of people's presentation confirms sociologists Gilles Lipovetsky's[22] claim that the more individuals focus on themselves, the more they lose interest in the whole. Seeking to fill their internal emptiness, people stick to material goods as presented and determined by consumerist society. The latter, meanwhile, is quite comfortable with the fact that people's pride, and need to boast and create a cool image in subscribers' and friends' view stimulate a desire for getting hold of new items, experiences and innovations.

"From the viewpoint of new fragmentary audiences (so typical for the new media)[23], a key role is being played by the fact that the social players behave as if they were permanently in the centre of attention of the audience, be it real or imaginary. In other words, they are hardly able to separate their own self from others, more specifically from confirmations of their self as provided by others."[24] Members of social communities primarily depend on others and their evaluation. Social networks and YouTube in particular represent showcases of egos, fulfilling the desires of people living in the 21st century to be able to structure flexibly their own identities. Social networks thus gain an opinion-making nature, which is used by their users to the full. The public and private selves thereby emerge in totally new dimensions.

5 I, YouTuber – I, Celebrity (?)

„In [the phenomenon of] YouTubers, individualistic and more or less narcissistic performance, which has been known from the blog culture for at least 20 years, meets

---

[online]. [2015-08-26]. Available at: <http://technet.idnes.cz/zygmunt-bauman-rozhovor-sociolog-uprchlici-migrace-technologie-modernita-stesti-gjb-/veda.aspx?c=A150826_151023_veda_mla>.

20 "A **humblebrag** is a statement, written or spoken, in which a person boasts about something while at the same time managing to couch what they've said in a kind of self-deprecating guise." See: MAYWELL, K.: *Buzz Word – Humlebrag*. [online]. [2017-06-12]. Available at: <http://www.macmillandictionary.com/buzzword/entries/humblebrag.html>.

21 Ibidem.

22 For more information, see: LIPOVETSKY, G.: Říše pomíjivosti. Praha : Prostor, 2003.

23 For more references: MACEK, J.: *Media in Flux.On Transformation of Current Czech Audiences. Brno : Masarykova univerzita v Brně, 2015.*

24 VOLEK, J.: Proměny chování mediálních publik: postkritická perspektiva. In FORET, M., LAPČÍK, M., (eds.): *Médiá dne.* Olomouc : Palacký University in Olomouc, 2008, p. 226.

motives of show business aiming at adolescents." This statement by Jakub Macek fittingly captures the essence of this phenomenon as could be viewed by cultural scientists. We are dealing here with celebrity culture 2.0, which is strikingly different from the cult of film and music stars in the 20th century. Stars are ageing, being replaced for younger versions, but at the same time it needs to be noted that this is an entirely natural development, as generation replacements of celebrities reflect trends also in this segment of culture. YouTube has given birth to a new star, a new-era hero – YouTuber – who is simply different. While traditional celebrities are inaccessible, shining as stars on the sky of the elite club of immortals, YouTubers are just ordinary people as you are, they are accessible and authentic in how they present themselves, who they are and what they pursue. They are authentic players and commentators of videogames, and narrators of their travelling experiences and their own stories on anorexia. The label of 'celebrity' is being viewed by YouTubers quite differently than with traditional celebrities. GoGo confirms this: "I certainly don't consider myself a celebrity, I don't have a feeling at all that what I'm doing makes me somehow different from others. Anyone could do what I'm doing, although, granted, not everyone is able to do it. YouTuber can't be viewed as a television or film prominent walking on the red carpet and posing to be photographed. We attend events where we're happy to meet people who follow our videos and in the best case we have a friendly chat. If we acted as if we were something more than our viewers, it'd be strange." [25]

Nonetheless, YouTubers are well aware of their influence and they take advantage of this fact to the full; otherwise they would not call themselves 'influencers'. Their potential to influence others is huge, which is similar to traditional celebrities. This point is also attested to by the fact that YouTubers' popularity is ever more frequently being used by marketing companies, mainly in the branding. Marketing specialist Tomáš Pflanzer provides the following observation: "I frequently encounter an opinion that brands should operate without YouTubers. I'll say just one thing – YouTubers have been celebrities in the past two years, so this is nothing new, it's standard celebrity marketing, which is only being performed on different channels. Frankly, where would Nike be today without Michael Jordan and Kevin Hart, and Adidas without Kanye West and Pharrell Williams? YouTubers represent another logical step for brands to approach the young audience very effectively." [26] At any rate, the YouTube scene represents a particularly sophisticated form of product placement, which should certainly deserve a more detailed study, mainly because there are no instruments in our geographical area to regulate subliminal commercial messages in this sphere. "It's artful product placement. Nobody has been able to discern whether there was a contract or not, it isn't possible to file a suit for that."[27] So YouTubers end up presenting very effectively in their videos various newcomers on the market, including clothing, cosmetics, cars and electronics. The marketing potential of YouTubers seems to be bottomless. Meanwhile, initiatives have emerged to attract children to undergo training courses to learn to start their internet careers. This

25   KOL. AUTOROV: *GOGO. Chalan z internetu.* Bratislava : Tatran, 2015, p. 78.
26   *VANĚK, V.: Survey: YouTubers Followed by Eight Out of Ten Czech Teenagers.* [online]. [2016-01-11]. Available at: <http://mam.ihned.cz/marketing/c1-65498380-youtuberi-jsou-v-cesku-domenou-mladych-sleduje-8-z-10-nactiletych>.
27   *Videos Full of Subliminal Commercial Messages. Czech Authorities Not Keen to Inspect YouTubers.* [online]. [2017-05-22]. Available at: <http://zpravy.idnes.cz/generace-youtube-skryta-nekala-reklama-youtuberi-zakon-pjl-/prilohy.aspx?c=A170420_133329_domaci_mcn>.

includes YouToo Camp, Geek Camp and 4Camps. For a fee, children can subscribe to an internet video course called Academy of Successful YouTuber. There are obviously many opportunities for earning money from this trend.

Conclusion

Sociologist Martin Buchtík claims that due to constant availability of free choice, the young generation has created particularly individualised lifestyle patterns, which cannot easily be grasped: "Young people have not experienced a an event that would have become a coupling bolt for them to determine their key themes. Our parents experienced [the Velvet Revolution of] 1989, our grandparents went through [the Prague Spring of] 1968, while there was a war earlier... These were rather negative experiences, which forced these people to be socially engaged and defined. However, nothing like that is happening now, and it seems that it won't happen, either."[28] At any rate, YouTubers' works and YouTubers themselves are among weighty socialisation agents influencing this generation, including their values, attitudes and patterns of behaviour. "As the personality of the teen develops and the individual becomes an individual, he likes to choose his designs spontaneously, and may not even consider the patterns that impress him fit into the society of accepted social behavior patterns.[29] The YouTube scene creates fruitful conditions for mutual interaction of influencers and followers – both positively and negatively. Perhaps more than ever it is necessary to increase the level of general media literacy with respect to the media trend presented in this study. This should include not only the Generation Z, chiefly marked by this trend, but also their parents. If they want to understand the language of digital media, and consequently also that of their children, they must focus their efforts towards developing their children's critical thinking and media skills.

References:
BURKE, E.: *O vkuse, vznešenom a krásnom*. Bratislava : Tatran, 1981.
FUCHS, CH.: *Social Networking Sites and the Surveillance Society. A Critical Case Study of the Usage of studiVZ, Facebook, and MySpace by Students in Salzburg in the Context of Electronic Surveillance*. Salzburg, Vienna : Forschungsgruppe Unified Theory of information, 2009.
GÁLIK, S.: Influence of Cyberspace on Changes in Contemporary Education. In *Communication Today*, 2017, Vol. 8, No. 1, p. 30-38. ISSN 1338-130X.
GÁLIK, S., GÁLIKOVÁ TOLNAIOVÁ, S.: Influence of the Internet on the Cognitive Abilities of Man. Phenomenlogical and Hermeneutical Approach. In *Communication Today*. 2015, Vol. 6, No. 1, p. 4-15. ISSN 1338-130X.
KABÁT, M.: Mladí ľudia a ich identita v on-line prostredí. In PETRANOVÁ, D., VRABEC, N. (eds.): *Mediálna výchova pre učiteľov stredných škôl*. Trnava : FMK UCM in Trnava, 2011, p. 120-127.

---

28 *Older Generations Don't Understand YouTubers. There's No Willingness, Says Sociologist*. [online]. [2017-05-17]. Available at: <http://zpravy.idnes.cz/youtuberi-generace-youtube-martin-buchtik-sociolog-fy6-/prilohy. aspx?c=A170309_134853_domaci_mcn>.
29 VRABEC, N., PETRANOVÁ, D.: *Nové vzory mládeže v kontexte mediálnej komunikácie.* Trnava : FMK UCM v Trnave, 2013, p. 42.

KASÍK, P., LÁZŇOVSKÝ, M.: *Migrants Messengers of Bad News for Us, Says Famous Sociologist* [online]. [2017-08-26]. Available at: <http://technet.idnes.cz/zygmunt-bauman-rozhovor-sociolog-uprchlici-migrace-technologie-modernita-stesti-gjb-/veda.aspx?c=A150826_151023_veda_mla>.

KOL. AUTOROV: *GOGO. Chalan z internetu.* Bratislava : Tatran, 2015.

KOVÁČOVÁ, E.: Virtuálna realita verzus off-line svet. In *Masmediálna komunikácia a realita I.* Trnava : FMK UCM in Trnava, 2009, p. 241-255.

KULHÁNEK, J.: *World of Cool Guys.* [online]. [2017-11-26]. Available at: <https://psychologie.cz/svet-hustejch-typku/>.

LIPOVETSKY, G.: Říše pomíjivosti*.* Praha : Prostor, 2003.

MACEK, J.: *Media in Flux. On Transformation of Current Czech Audiences. Brno : Masaryk University in Brno, 2015.*

MAYWELL, K.: *Buzz Word – Humlebrag.* [online]. [2017-11-26]. Available at: <http://www.macmillandictionary.com/buzzword/entries/humblebrag.html>.

PRAVDOVÁ, H.: *Determinanty kreovania mediálnej kultúry*. Trnava : FMK UCM in Trnava, 2009.

VANĚK, V.: Survey: YouTubers Followed by Eight Out of Ten Czech Teenagers. [online]. [2016-01-11]. Available at: <http://mam.ihned.cz/marketing/ c1-65498380-youtuberi-jsou-v-cesku-domenou-mladych-sleduje-8-z-10-nactiletych>.

VOLEK, J.: Proměny chování mediálních publik: postkritická perspektiva. Post-critical Perspective. In FORET, M., LAPČÍK, M. (eds.): *Media Today.* Olomouc : Palacký University in Olomouc, 2008, p. 215-233.

VRABEC, N., PETRANOVÁ, D.: *Nové vzory mládeže v kontexte mediálnej komunikácie.* Trnava : FMK UCM in Trnava, 2013.

Contact data:
Mgr. Erika Moravčíková, PhD.
Constantine the Philosopher University in Nitra
Faculty of Arts
Hodžova 1
949 74 Nitra
SLOVAK REPUBLIC
emoravcikova2@ukf.sk

PERCEPTION OF OUTDOOR BRANDS IN BUSINESS

Pavel Mráček – František Milichovský

Abstract

Industry of outdoor clothes provides high value products. Perception of brand value is specific from point of view of customer's gender. The main objective of the paper is find-out real perception of brand advertisement of outdoor clothes. For the findings there was used mini focus groups, on which participate 49 persons in 12 groups. For the analysis of gained data there was used qualitative research by content analysis. The research brings different perception of used advertisement of outdoor clothes according to specific brand.

Key words:

Brand. Business. Czech Republic. Mini focus group. Perception.

1 Introduction

Marketing communication is closely connected within customers' day-to-day purchasing. All shops influence customers' decision making process during their purchasing process by large amount of external factors. Business message in marketing communication provide information to adequate receiver about actual offer. At the same time, purposes of these messages are both target and persuade specific group of customers. In case of improving process of own business politics, companies make kind of competitive advantage in creating products with high value for final customers. Process of value creation provides knowledge[1] in designing or manufacturing of final product, which could transfer better value perception by customers. At present time, customers still consider outdoor equipment as professional, which is focused on adventures in difficult environment. Outdoor industry has become more casual in day-to-day life. Due the change of using outdoor products from professional to day-to-day products, all producers increase production capacity to satisfy new market segment which appeared in past few years. This market niche represents basic condition of consumerism.[2]

2 Theoretical background

According the turbulent times companies it is necessary that companies have to improve current processes to meet new challenges. It is caused by entering into new economic stage. This stage is created thanks to IT bloom, rapid development of internet and mobile phones which bring down costs of marketing communication. With technology progress obtain new ways to overbid own goods and services.[3] Customers perceive value in two direction which have become as basic elements:

1   KOUDELKOVÁ, P.: Znalosti v oblasti managementu inovací a jejich dopady na tvorbu inovací. In *Scientia & Societas*, 2014, Vol. 10, No. 3, p. 117-126.

2   ČÁBYOVÁ, Ľ. et al.: Sunday Christian Significance and the Saints Days Shopping Behaviour. In *European Journal of Science and Theology*, 2014, Vol. 10, No. 1, p. 43-54.

3   KOTLER, P., CASLIONE, J. A.: *Chaotics: The Business of Managing and Marketing in the Age of Turbulence*. New York : Amacom, 2009, p. 37-39.

quality and price.[4] If customer must make a choice between two products, then he/she make decision according to combination of quality and price (according to subtle skills of each individual). Lošťáková[5] presents, that value perceiving by customers is strictly individual and it could be different for:

- evaluated subject;
- comparing income and costs;
- preferences;
- diverse situation in timeline reflects dynamics;
- perceiving habit;
- values from comparing;
- concept basis.

These characteristics confirm approach, that customers accept value from point of view of product, individual experiences and perceiving, and situation's specifics. Ryšavá[6] presents, that total customer's value of product is combination of real and perceived value. Value for customer is taken as perceiving, comparison and scoring all things, which efforts must customer realise to get them.[7] Similar approach for value description has Vlček,[8] in which is value for customer defined as relation between need's satisfaction and potential sources for reaching the goal. Specific characteristics of products, which customers require, includes especially physical and chemical properties, that could be observed in direct way or could be measured objectively. These properties help to find out only external expression. Abstract characteristics of product support its complex description, which depend on customers feelings. Functional product components describe exact functions with possibility of adding of social or psychological value. Another parts of product characteristics are aesthetic product design, own feelings or social acceptation.[9] Complex view on perceived customer value is described by Hennigs, Wiedmann and Klarmann. According to them, customer accept whole value of product, which could be divided into several parts such financial value (economic profit), functional value (core benefit), individual value (identified benefit) and social value (social profit).[10],[11]

All individual aspects of complex perceived value and their connection between others on the way to satisfy the customer. In that case, customer looks for sale price, discounts or another investments as possible financial values of product. Perceived financial value has directly connected with financial value declaration and with things customer had to give up or sacrifice for the purchase. Functional value refers

---

4   NENADÁL, J.: *Měření v systémech managementu jakosti*. Praha : Management Press, 2004, p. 57.
5   LOŠŤÁKOVÁ, H.: *Diferencované řízení vztahů se zákazníky*. Praha : Grada publishing, 2009, p. 68-69.
6   RYŠAVÁ, Z.: *Hodnota pro zákazníka.* [Master Thesis]. Brno : Masarykova univerzita, Ekonomicko-správní fakulta, 2011, p. 17.
7   SIMOVÁ, J.: *Koncepce a atributy hodnoty zákazníka v oblasti služeb.* [online]. [2017-09-23]. Available at: <http://www.mandk.cz/view.php?cisloclanku=2007100019>.
8   VLČEK, R.: *Hodnota pro zákazníka*. Praha : Management Press, 2002, p. 11.
9   TOMEK, G., VÁVROVÁ, V.: *Marketing od myšlenky k realizaci*. 3rd Edition. Praha : Professional Publishing, 2011, p. 198.
10   HENNINGS, N., WIEDMANN, K. P., KLARMANN, CH.: Luxury Brands in the Digital Age: Exclusivity versus Ubiquity. In *Marketing Review St. Gallen*, 2012, Vol. 29, No. 1, p. 30-35.
11   WIEDMANN, K. P., HENNINGS, N., SIEBELS, A.: Measuring Consumers' Luxury Value Perception: A Cross-Cultural Framework. In *Academy of Marketing Science Review*, 2007, Vol. 11, No. 7, p. 1-23.

on basic utility of product. It includes quality, uniqueness, usability and durability of product. Individual value is focused on personal consumer orientation and help to solve personal affairs such materialism, hedonistic value (brings satisfaction to consumer) and self-identification value. Value in social field is related on value perceiving of individuals by consumption of products or services, accepted in own social class. As social characteristics are usually consider prestige and eccentricity, which could significantly impact evaluation and purchase process itself, or brand usage.[12] Klapalová[13] summarizes knowledge about customer value and point out, that there is important value categorisation for all companies from point of view of timeline. According to Klapalová[14] time category and value category are connected in another way. These categories are merged in kind of cumulative effect, where time / duration is linked with needs, required by values and benefits, and expended financial costs. Christopher[15] add to this approach adding time and non-adding time – total customer's value is decreased.

3 Methodology

There was used experiment to observe which kind of marketing communication (due advertising, billboards or banners) could impact specific customers with maximum effect. In this experiment there was used mini focus groups. Focus group is considered as non-standard interview within framework scenario for group discussion. The purpose of the focus group is using interaction between all group members. Each person evaluate opinions of others with no critique, which leads to influencing states and opinions of all members.[16],[17] During realisation of focus group is possible to reach general opinion about the topic.[18],[19] For purpose of the experiment there were participated twelve mini focus groups, including participants between 3 and 6 persons (in total 49 persons participated). Each mini focus group was managed by moderator and observer. Whole experiment was recorded by hidden digital camera. Observer person was applied as "minute clerk" to make notation of whole mini focus group. To process the results of the experiment there was used qualitative approach of content analysis. In stated groups there were different number of men and women. This condition could have impact on final result. Unfortunately, there is no obvious relationship between them, because all people could focus on outdoor activities and need accurate equipment.

12   Ibidem.
13   KLAPALOVÁ, A.: *Vliv e-business na tvorbu hodnoty v řetězcích a sítích*. [Dissertation Thesis]. Brno : Masarykova univerzita, Ekonomicko-správní fakulta, 2007, p. 66-68.
14   Ibidem.
15   CHRISTOPHER, M.: *Logistika v marketingu*. Praha : Management Press, 2000, p. 56-58.
16   PAVLEČKA, V.: *Marketingový výzkum*. [online]. [2017-09-23]. Available at: <http://www.m-journal.cz/cs/marketingovyvyzkum/marketingovy-vyzkum__s390x384.html>.
17   WILDEMUTH, B. M.: *Applications of Social Research Methods to Questions in Information and Library Science*. Westport, Conn. : Libraries Unlimited, 2009, p. 243-244.
18   STAŠKOVÁ, B.: Sociology neprávem zanedbávaná metoda Focus Groups? In *SOCIOweb: Sociologický webzin*, 2005, Vol. 3, No. 3, p. 7-8.
19   SURYNEK, A., KOMÁRKOVÁ, R., KAŠPAROVÁ, E.: *Základy sociologického výzkumu*. Praha : Management Press, 2001, p. 84.
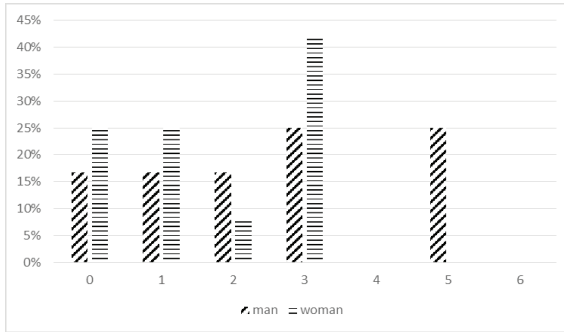
Picture 1: Group members according to their gender and number in group
Source: Own processing

4 Results

Each group of participants received card, on which were four advertisements of outdoor jackets offer. During creation of testing advertisements both of real marketing communication tools and real visual picture (according to logo manuals of four sellers) were used. For choice of advertisement had to be accepted different way of communication by individual seller. Some sellers highlight brand of own products instead of competitive brands; others point out brand of products which are the most sell or used material in these products (for example Gore-Tex). According to law sellers must inform about materials that were used in production processes. Several sellers boost these lawful requirements to describe specific characteristics of these materials and whole communication campaign built on these circumstances. Advertisements in the experiment were focused on the kind of customers, which could be influence by price of offered product (as main factor for purchase). Therefore, all prices were designed in similar level because of the elimination of price-reason for purchase specific outdoor jacket in decision making process.

All participants received question on which they answer. This question was: *"Which product would You buy in case of necessity of outdoor jacket"*? Each group got possibility to make decision and present own arguments for supporting the decision of choice. About individual decisions all group members could discuss. During discussion they dealt with all arguments, why chosen product has become the most suitable. Whole discussion was managed by group moderator. Main goal of moderator was find out from group members, by which product advertisement they are most impacted. After the presentation of individual arguments moderator react on them and put deeper questions to find out specific arguments to make clear which advertisement is the most correct for individual group. Except group reasons there was objective to describe which relation with outdoor wears have individual members of mini focus group. Each participant evaluated own relationship within 1-10 scale (where 1 is lowest relationship; 10 is the highest level – kind of live-style). All members were influenced during whole experiment by relationships of individual participants. The most accepted advertisement (according to group discussion) is outdoor jacket of

K3 sport seller (product Humi outdoor Sympatex). From whole mini focus groups this jacket would be bought by 41,70 % participants. The second best jacket is from Hudy shop. In this shop is acceptable Mammuth DryTech within 33,30 %. As the last accepted product is PTX from Alpine Pro, which would by only 88,30 % or participants.
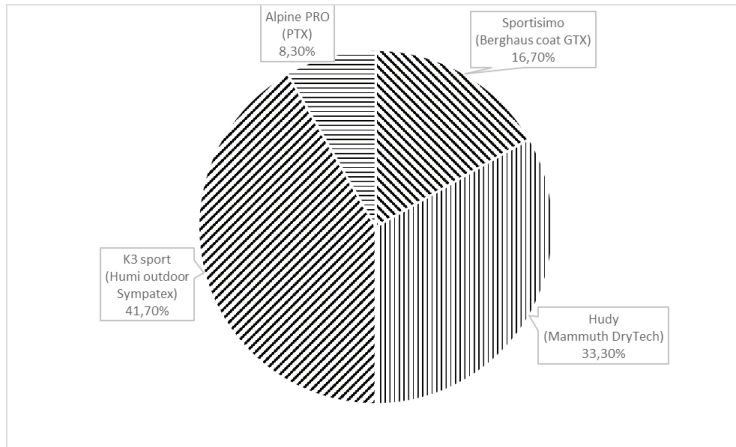
Picture 2: Decision for outdoor jacket purchase
Source: Own processing

Conclusions

On the way of satisfying customers' needs all producers must lay former technical characteristics of outdoor clothes. As quite new approach in designing new clothes there are used help of final customers by giving ideas, experiences and opinions. Main objective of each company is offering high-value products into final market and receive adequate feedback to strong-up brand. Therefore, there exist closed supply chain which include all key stakeholders such suppliers, customers and distributors, which create and support competitive business advantage. Future of outdoor wear at present state is uncertain, because European commission want to restrict production of several materials, which are generally used in outdoor products (especially for waterproof membrane). EC issued regulation, on which base all producers must remove from production perfluorocarbon (PFC). This material provides main characteristic of outdoor wear, water vapour permeability to outside, nor inside. It is used in material kind GoreTex and other Asian alternatives. From brands of jackets in experiment only Mammuth DryTech does not use PFC. During next five years PFC would be replaced from ale products of Gore Fabrics (included GoreTex)[20].

---

20   ŠENK, M.: *Outdoorové oblečení čeká detox.* [online]. [2017-09-23]. Available at: <https://archiv. ihned.cz/c1-65622790-outdoorove-obleceni-ceka-detox-evropska-komise-zakazala-vyrobu- latek-z-nichz-je-i-nektery-nepromokavy-textil>.

References:

ČÁBYOVÁ, Ľ. et al.: Sunday Christian Significance and the Saints Days Shopping Behaviour. In *European Journal of Science and Theology*, 2014, Vol. 10, No. 1, p. 43-54. ISSN 1842-8517.

CHRISTOPHER, M.: *Logistika v marketingu*. Praha : Management Press, 2000.

HENNINGS, N., WIEDMANN, K. P., KLARMANN, CH.: Luxury Brands in the Digital Age: Exclusivity Versus Ubiquity. In *Marketing Review St. Gallen*, 2012, Vol. 29, No. 1, p. 30-35. ISSN 1865-6544

KLAPALOVÁ, A.: *Vliv e-business na tvorbu hodnoty v řetězcích a sítích.* [Dissertation Thesis]. Brno : Masarykova univerzita, Ekonomicko-správní fakulta, 2007.

KOTLER, P., CASLIONE, J. A.: *Chaotics: The Business of Managing and Marketing in the Age of Turbulence*. New York : Amacom, 2009.

KOUDELKOVÁ, P.: Znalosti v oblasti managementu inovací a jejich dopady na tvorbu inovací. In *Scientia & Societas*, 2014, Vol. 10, No. 3, p. 117-126. ISSN 1801-7118.

LOŠŤÁKOVÁ, H.: *Diferencované řízení vztahů se zákazníky*. Praha : Grada publishing, 2009.

NENADÁL, J.: *Měření v systémech managementu jakosti*. Praha : Management Press, 2004.

PAVLEČKA, V.: *Marketingový výzkum.* [online]. [2017-09-23]. Available at: <http://www.m-journal.cz/cs/marketingovyvyzkum/marketingovy-vyzkum__s390x384.html>.

RYŠAVÁ, Z.: *Hodnota pro zákazníka.* [Master Thesis]. Brno : Masarykova univerzita, Ekonomicko-správní fakulta, 2011.

SIMOVÁ, J.: *Koncepce a atributy hodnoty zákazníka v oblasti služeb*. [online]. [2017-09-23]. Available at: <http://www.mandk.cz/view.php?cisloclanku =2007100019>.

STAŠKOVÁ, B.: Sociology neprávem zanedbávaná metoda Focus Groups? In *SOCIOweb: Sociologický webzin*, 2005, Vol. 3, No. 3, p. 7-8. ISSN 1214-1720.

SURYNEK, A., KOMÁRKOVÁ, R., KAŠPAROVÁ, E.: *Základy sociologického výzkumu*. Praha : Management Press, 2001.

ŠENK, M.: *Outdoorové oblečení čeká detox.* [online]. [2017-09-23]. Available at: <https://archiv.ihned.cz/c1-65622790-outdoorove-obleceni-ceka-detox-evropska-komise-zakazala-vyrobu-latek-z-nichz-je-i-nektery-nepromokavy-textil>.

TOMEK, G., VÁVROVÁ, V.: *Marketing od myšlenky k realizaci*. 3rd Edition. Praha : Professional Publishing, 2011.

VLČEK, R.: *Hodnota pro zákazníka*. Praha : Management Press, 2002.

WIEDMANN, K. P., HENNINGS, N., SIEBELS, A.: Measuring Consumers' Luxury Value Perception: A Cross-Cultural Framework. In *Academy of Marketing Science review*, 2007, Vol. 11, No. 7, p. 1-23. ISSN 1526-1794.

WILDEMUTH, B. M.: *Applications of Social Research Methods to Questions in Information and Library Science*. Westport, Conn. : Libraries Unlimited, 2009.

Contact data:
Ing. Pavel Mráček, Ph.D.
Brno University of Technology
Faculty of Business and Management
Kolejní 2906/4
612 00 Brno
CZECH REPUBLIC
mracek@fbm.vutbr.cz

Ing. František Milichovský, Ph.D., MBA
Brno University of Technology
Faculty of Business and Management
Kolejní 2906/4
612 00 Brno
CZECH REPUBLIC
milichovsky@fbm.vutbr.cz

CONSUMER BEHAVIOR AND INTERNET

Zdenka Musová – Martina Minárová – Eva Poliačiková

Abstract
Investigation of consumer behavior and decision-making process is the essential part of strategic planning in a company. Understanding of current and potential consumer behavior is the basis for long-term success of companies. Knowing current consumers' trends is nowadays far more important. The most significant changes occur in established stereotypes, which create new groups of consumers and the new ways of their behavior. The faster the market is changing, the more appropriate is for companies to adequately react on these changes and new trends. For the reasons mentioned above, the contribution is focused on investigation on consumer behavior effect made by modern information and communication technologies and Internet. The secondary research is complemented by selected results of own questionnaire survey, which focus on internet shopping and the various factors that affect it. It also includes findings about significant sources of product information and the use of online shopping applications.

Key words:
Consumer. Consumer behavior. Internet. Online shopping. Online shopping applications. Product reviews.

1 Theoretical background of consumer behavior

Current markets are overheated with various offers by which companies try to attract consumers' attention and therefore persuade them to buy their products. Every company that wants to be successful and competitive in its business needs to explore the market, its size and structure, the needs and demands of its customers, their preferences and consumer behavior as part of strategic marketing planning.[1] Consumers are the most important element in business marketing, as they ultimately decide whether the product offered on the market will be successful. Creation of a marketing strategy in a company is therefore guided by understanding of their needs, wishes and future expectations. Company needs to understand not only the current needs of consumers, but also how these needs change over time.[2] Consumer behavior can be characterized by consumer expressions that are freely observable in the process of purchase and consumption. By this, we understand all activities and consumer responses to specific situations influenced by a number of stimuli (marketing and others). According to Solomon,[3] it is the process by which individuals or groups choose, buy, use and deprive the goods, services, ideas or experiences in order to fulfill their needs and desires. It is a complex process created by various steps. It is not only the short moment, which occurs in the while consumers is buying and receiving product or service for his or her money. Individual consumers significantly differ from each other for example by different age, gender, level of the income, way of life, level of education, etc. These differences are reflected in their buying behavior as

1   MINAROVA, M., MALA, D.: *Strategický manažment.* Banská Bystrica : Univerzita Mateja Bela, Ekonomická fakulta, 2011, p. 166.
2   ZAUSKOVA, A., KUSÁ, A.: Evaluation of Marketing Processes in Context of Marketing Mix Tools in Chosen Slovak Enterprises. In *Journal of International Scientific Publications: Economy and Business*, 2012, Vol. 6, No. 1, p. 10.
3   SOLOMON, M. et al.: *Marketing očima světových marketing manažéru.* Brno : Computer Press, 2006, p. 572.

well as in consumption. Those companies that are able to recognize how consumers react to different marketing stimuli, can have a significant competitive advantage. The study of consumer behavior in various contexts deals with the theory and is often the subject of various research studies.[4],[5],[6],[7],[8],[9]

Factors and influences that motivate consumers to make a purchasing decision create a wide complex and are not easy to be understood. In the classical model of reactions to stimuli (the so-called black box model of consumer behavior), marketing stimuli in the form of a 4P marketing mix, as well as others (economic, technological, political, legislative, cultural and social stimuli) are transformed "in the black box" to the various consumer decisions in the form of a particular product, brand, choice of seller, quality or time of a purchase. By correct understanding of the factors that influence consumer behavior, marketers have a better chance of predicting how the consumer will respond to their marketing strategy.[10] It is equally important to understand in which phase and in what way the consumer decision making process takes place. Consumer behavior is also in our conditions significantly influenced by different global trends. Higham[11] defines consumer trend as long-term change in consumer attitudes and behavior which creates many opportunities for marketers. Consumer trends drive business strategy and mainly from them depends, what success the company will achieve. The globalization of trends is due to the expansion of global communication, which allows the rapid dissemination of information and the openness of individual countries and markets to these trends.

At present, the consumer has a greater impact in relation to commercial decisions. Many people rely on their own judgment and opinion when choosing a product. The level of access to information is increasing and consumers are becoming more self-confident. The necessary information and advice is often sought on the Internet. The rapid development of information and communication technologies is one of the dominant trends and leads to significant changes in consumer behavior. Consumers buy different types of technological devices and use an internet connection, thanks to which they can perform various activities (including gathering of information before purchase and actual shopping). This closely relates to the "home is where you are" trend, whereby modern technology allows people to engage in diverse activities from any place they are currently in (Roper Consulting). Interest for product reviews and usage of shopping mobile apps also grows. Euromonitor International

4   RICHTEROVA, K. et al.: *Spotrebiteľské správanie.* Bratislava : Sprint 2, 2015, p. 401.
5   KURAJDOVA, K., TABORECKA-PETROVICOVA, J.: Literature Review on Factors Influencing Milk Purchase Behavior. In *International Review of Management and Marketing*, 2015, Vol. 5, No. 1, p. 9-25.
6   POLIACIKOVA, E.: *Marketing – Vybrané kapitoly.* Banská Bystrica : Belianum, Vydavateľstvo Univerzity Mateja Bela v Banskej Bystrici, 2017, p. 142.
7   For more information, see: SCHIFFMAN, L. G., KANUK, L. L., WISENBLIT, J.: *Consumer Behavior.* 10th Edition. Upper Saddle River, NJ : Pearson Education, Inc., 2010.
8   KOTLER, P., KELLER, K. L.: *Marketing Management.* Praha : Grada Publishing, 2007, p. 792.
9   SALKOVA, D., HES, A.: Internet Food Sales Service – Barriers to the Development of Online Grocery Shopping in the Czech Republic. In MATUS, J., PETRANOVA, D. (eds.): *Marketing Identity: Digital life – part II. Conference Proceedings.* Trnava : FMK UCM in Trnava, 2015, p. 247-255.
10   MUSOVA, Z.: *Spoločenská zodpovednosť v marketingovej praxi podnikov.* Banská Bystrica : Univerzita Mateja Bela, Ekonomická fakulta, 2013, p. 228.
11   HIGHAM, W.: *Trendológia.* Bratislava : Eastone Books, 2010, p. 266.

analysts identified the so-called "mobile cocooning" trend – increasing dependence of consumers on smart devices (mobile phones and tablets) because they are able to fulfill an increasing number of tasks anywhere and at any time. We can shop, learn, use GPS navigation or use them for entertainment and banking services.[12] Businesses are communicating with consumers via the Internet and applications. They can determine consumer satisfaction and build or deepen relationships with them.

2 Data and methodology

The aim of the paper is to explore the impact of modern information and communication technologies on consumer behavior and how consumers use them when shopping in an internet environment. In the first part, we summarize the basic theoretical basis of the problem, based on the analysis of available literary sources from the field of consumer behavior and the factors that influence it. After the theoretical definition of the issue, we present the selected results of the current agency research that are relevant to the subject matter. The results of secondary research were a prerequisite for carrying out the primary investigation. Empirical data was obtained through our own questionnaire survey, which was focused on examining the effects of selected global consumer trends on the consumer behavior of randomly selected consumers in Slovakia. We conducted the survey at the end of 2016 in the form of on-line queries, which we also supplemented by distributing printed questionnaires (especially for older respondents). The object of the survey were chosen consumer trends. The subject of the survey were selected consumers of both sexes, different ages, education and different regions of Slovakia. While addressing respondents we ensured the proportion of men and women in the sample corresponding the share of these groups of inhabitants within the population (51.25% of women, 48.75% of men according to Statistical office of the Slovak Republic data). For other demographics, the selection of respondents was random.

The questionnaire consisted of several sections that were focused on the performance of selected global consumer trends in consumer behavior. We used closed and semi-closed questions, Likert's scale, multiple selection, and several identifying questions. In the paper we present only selected results concerning the impacts of modern communication and information technologies on consumer behavior (with respect to the stated aim of the paper). A total size of sample was 254 respondents, of whom 130 were women and 124 men (51.18% and 48.82% respectively – these values almost correspond to the shares of these groups of population in Slovakia, so we can state the representativeness of the sample by gender). The second characteristic of the respondents was age. Most respondents were younger than 25 (98, almost 38.5%), which, in our opinion, was related to an on-line form of questionnaire survey. There were 62 (24.4 %) respondents in the age group 26-35 years, and in the age group 36-45 years as well. 22 respondents were of age 46 to 60, only 10 were aged 61 and older. The education structure of the respondents was as follows: almost 55% of respondents achieved higher education, 35% secondary and other basic education.

---

12   *10 globálnych spotrebiteľských trendov pre najbližších 5 rokov.* [online]. [2017-09-25]. Available at: <https://www.transportal.sk/10-globalnych-spotrebitelskych-trendov-pre-najblizsich-5-rokov/>.

3 Results and discussion

3.1 The impact of the Internet on consumer behavior

Nowadays, we are living in the internet era. Most of consumers are constantly online at any place. Their behavior and shopping habits are influenced by this phenomena. Consumers are more and more using their smartphones and mobile shopping application for buying specific products and they often follow consumer reviews. The Internet is the medium which is intensively used by wider society. Because of its availability and reachability, it outpaces traditional information channels and represents fundamental infrastructure for current business environment. Time of consumers spent on the Internet is rising, which reflects the fact that 81% of Slovak households has internet connection (according to Eurostat European average is 85%). 54% of users use the mobile internet (just 18% in 2014). In young generation in age of 16-24 more than 90% use the mobile internet, but in group of seniors in age of 65-74 only 8%.[13] The Cisco research from 2013 that was done on 5000 respondents from the USA, Great Britain, China, Brazil and Mexico already shown such trends in this sphere. The main aim of the research was to study the usage of communication technologies regarding to consumers shopping and its impacts on sale. One of the important finding was that 85% of respondents rather prefer self-service approach in obtaining of information than getting information from sellers. One third of respondents use smartphone while they are shopping, which represents the growth of more than 20% compared to 2012 year. This research also points out the importance of consumer's reviews and ratings. For more than 52% of buyers are opinions on products the most important factor that help them to make decision. The impact of online reviews and expert evaluations, consumer groups and bloggers on customer buying decisions has risen about 13% (to 42%) compared to 2011 year.[14]

According to the results of the online survey of the Pricemania.sk portal, which was conducted in 2015 on a sample of 5210 respondents of different age categories, consumers in Slovakia spend 1 – 3 hours daily on the Internet (almost 50%), almost a third (27%) spend 4 to 6 hours, approximately 10% of respondents spend 7 to 9 hours on the Internet. Only 7% of respondents spend less than 1 hour on the Internet. More than 54% of respondents are looking for the products, which they want to buy on comparative portals, and only 29% shop directly in the seller´s e-shop. Almost 56% of all respondents claimed that they buy online several times a year and 35% of the respondents buy several times a month. Mostly they buy electronics (63%), clothes (39%) and books (20%). Respondents most often look for products on price comparators (almost 54.5%) or on Internet search engines (over 51%). An interesting finding of this survey was that for almost 59% of respondents, a product review is the most determining factor in purchasing process. These include reviews on books, appliances, cosmetics, films or electronics. In addition, price, product features and

13   *Internet Access and Use Statistics – Households and Individuals.* [online]. [2017-03-25]. Available at: <http://ec.europa.eu/eurostat/statistics-explained/index.php/Internet_access_and_use_statistics_-_households_and_individuals>.
14   *Štúdia CISCO – Až 8 z 10 zákazníkov využíva pri nakupovaní online informácie.* [online]. [2017-09-27]. Available at: <https://www.cisco.com/c/sk_sk/about/media-connection/media-connection-2013/20130131.html>.

product parameters were next important criteria.[15] The trend of mobile shopping applications is growing on the Slovak market too. We can register shopping apps from different shopping centres, retail chains and discount portals. MasterCard publishes a regular list of top shopping apps. Together with it, consumers' opinions on how to use them before or during purchases are presented in study called "Smartphone Shopping Apps". The research from August 2014 (1040 respondents in age of 18-55) showed that more than half of European smartphone users already have a downloaded application, and 56% of them regularly use it. Applications for selling media content, fashion, cosmetics or tickets are very popular. The most common reasons for using shopping apps are security, convenience and time savings.[16]

Social media have currently become an important communication channel in all countries where the Internet is freely accessible.[17] Social networks are another phenomena of the Internet that influence mostly younger generation. Accenture's[18] Global Consumer Survey (addressed to 10,000 consumers in 13 countries) focused primarily on exploring purchases of generations Y (21-37 years) and Z (up to 20 years). The specific consumers group Z is looking for today's latest digital tools and channels and direct shopping opportunities through visual social networks including YouTube, Facebook, Instagram and Snapchat. More than two-thirds of respondents (69%) in this survey confirmed their interest in shopping directly through social networks. In addition, more than 4 out of 10 generation Z members (44%) reported social networks as their favorite source of product information, and more than one third (37%) last year intensified the use of social networks to make better purchasing decisions. Businessmen around the world need to be able to respond to the growing importance of e-commerce and to a new type of e-customer. And while the number of impulsive and random purchases in stone stores is falling, they cannot be neglected either. The results of study by Accenture showed that up to 60% of generation Z customers still prefer shopping in the store, and nearly half (46%) are going to the store to get the information they need. They do so before making their online purchase. In the US, more than three quarters (77%) survey respondents, representatives from generation Z, even reported that physical stores are their preferred shopping channel.

It is obvious that generation Z favors visual elements – videos and photos. YouTube is the most commonly used social networking platform (84% of Z generation respondents), while Facebook remains the most popular social network for Y generation (for its younger (21 – 27 year old) and older part too (28 – 37 year-old). Two-thirds of generation Z consumers regularly use Instagram (Y generation only 40%), likewise Snapchat is twice as much used by consumers of Generation Z (54%) as compared to Generation Y. Reasons for purchasing products by Generation

15 KUSA, A., ZAZIKOVA, Z.: Trends in Mobile Applications from the Perspective of Digital Consumers. In MATUS, J., PETRANOVA, D. (eds.): *Marketing Identity: Digital life – part II. Conference Proceedings.* Trnava : FMK UCM in Trnava, 2015, p. 124-138.

16 *Viac ako polovica majiteľov smartfónov má stiahnutú nákupnú aplikáciu.* [online]. [2016-02-14]. Available at: <http://www.zive.sk/clanok/99085/viac-ako-polovica-majitelov-smartfonov-ma-stiahnutu-nakupnu-aplikaciu>.

17 UNGERMAN, O., MYSLIVCOVA, S.: Model of Communication Usable for Small and Medium-sized Companies for the Consumer Communication in Social Media. In *E+M Ekonomie a management*, 2014, Vol. 17, No. 1, p. 167-184.

18 *Kde bude nakupovať generácia Z?* [online]. [2017-09-28]. Available at: <http://www.retailmagazin.sk/spotrebitel/ trendy/2493-kde-bude-nakupovat-generacia-z>.

Z consumers also differ: They do so under the influence of what their family thinks; due to recommendations from videos on YouTube; because of what their friends think and comment on social networks. Additionally, in the case of online purchases, Generation Z representatives chat more with online sales assistants; they go to the physical store for more information; they ask for the opinions of friends and family members through social networks, SMS or phone calls.[19]

In Slovakia, 68% of consumers take into account opinion of others in purchasing decisions. They find them mainly in the internet environment and even prefer them before the personal sales´ recommendations (52%). Slovaks younger than 35 years rely even more heavily on opinions and statements of other consumers in the online environment (74%). It is no longer common to take into account one opinion. The customer wants to take more opinions into account, using the so-called cross channel – summary of multiple views. He simply consider it more trustworthy. Today, up to 60% of consumers do so. The modern shopping process according to this scenario proceeds in such a way that the goods are first viewed in the store to be visually evaluated, after consideration and assessment of collected information about the product (most often in the online environment), they decide and make an order. Again, most often in the online environment. People, besides the Internet, trust the most their family, friends, and themselves. They find out as much information as they want, without any kind of assistance. These results were brought by a quantitative field survey of Barometer consumption Cetelem 2017, which was realized by Kantar TNS in November 2016 in 15 countries across Europe on a representative sample of 12,200 individuals aged 18 to 75.[20]

3.2 Questionnaire survey

Based on the secondary research results, we conducted our own questionnaire survey to examine the impact of global consumer trends on consumer behavior. In the following section we present only the selected results that are related to the purpose of our paper. First, we found out what media allowing access to Internet our respondents used most often. Most of the respondents (202) used a laptop or a computer to buy products and services. The mobile phone was used by 97 respondents and tablet by 33. Up to 36 surveyed people said they did not use of any mentioned options. Using the Internet, most respondents buy clothing and cosmetics (147), theater, cinema and concert tickets (108) and electrical appliances (82). Only 20 respondents stated they did not buy any products or services over the Internet. The least of the participated buy food online. The findings of our survey are supported by a number of results of the agency surveys. Respondents were also able to comment on buying online and in physical stores. Up to 65.4% of respondents combine shopping in a physical store and in e-shops. Just under 8% look through the goods in a store, but buy it in reality on the Internet. 18% of respondents use the reverse procedure. 9 % of the respondents also said that they shop only in physical stores. We were interested in the fact, if way of buying of our respondents is connected with their gender. The verification of

---

19   *Kde bude nakupovať generácia Z?* [online]. [2017-09-28]. Available at: <http://www.
      retailmagazin.sk/spotrebitel/ trendy/2493-kde-bude-nakupovat-generacia-z>.

20   *Až 68 % našincov sa spolieha na názory iných spotrebiteľov.* [online]. [2017-09-29]. Available at:
      <http://www.retailmagazin.sk/spotrebitel/prieskumy/2334-az-68-nasincov-sa-spolieha-na-
      nazory-inych-spotrebitelov>.

our hypothesis (null hypothesis H_0: There is not a relationship between the way of purchase and the gender of respondents) was based on the Chi-Square Test usage. The Chi-Square was calculated through www.socscistatistics.com (Table 1), resulting value of the Chi-Square is 4,4586, the *p*-value is .216014. The results is not significant at p<.05 and we conclude that there is not a relationship between our categories (way of buying of our respondents and their gender).

Table 1: Way of buying and gender of respondents

	Male	Female	*Row Totals*
Combined shopping (store/e-shop)	78 (81.04) [0.11]	88 (84.96) [0.11]	166
Browsing in the store, on-line buying	11 (9.28) [0.32]	8 (9.72) [0.31]	19
Internet browsing, buying in the store	27 (22.46) [0.92]	19 (23.54) [0.88]	46
Only in the store	8 (11.23) [0.93]	15 (11.77) [0.89]	23
Column Totals	124	130	**254 (Grand Total)**

Source: Own processing based on survey results and *Social Science Statistics.* [online]. [2017-10-19]. Available at: <http://www.socscistatistics.com/tests/chisquare2/>.

The following question focused on respondents who make purchases over the Internet. We were determining to what extent individual factors are important to them when shopping in e-shops. Respondents were able to express themselves on a 5-degree scale (from very important to a not at all important factor). Respondents' views are shown in Table 2. Security was considered as very important factor following by delivery and payment conditions, product supply and product reviews. For almost a half of respondents the price was also important. Surprisingly 46.2 % stated, that purchase bonus does not motivate them (for 29.4 % this factor is not important, for 16.8% not at all important). Results of the influence of emotions on a customer behavior seem to be very interesting because for 90 % of respondents is it an important factor (very important for 95 respondents, important for 132 respondents). Majority of respondents were women. Apart of all this analysis we can also agree on argument that for advertising purposes it is more effective the usage of light colours that are more connected to customer feelings. These colours are perceived more positively and they create more positive emotions to accomplish the purchase.

Table 2: The importance of factors while internet shopping

Factor	Degree of importance (%)				
	Very important	Important	Neutral	Not important	Not at all important
Security	62.2%	33.6%	3.5%	0.0%	0.7%
Price	45.5%	49.7%	4.9%	0.0%	0.0%
Saving time	30.8%	39.9%	20.3%	5.6%	3.5%
Comfort	30.8%	39.9%	22.4%	4.2%	2.8%
Product supply	44.8%	43.4%	9.8%	2.1%	0.0%

Available information about product/brand	39.9%	42.7%	13.3%	3.5%	0.7%
Social network profile of producer/ brand	21.0%	33.6%	30.8%	10.5%	4.2%
Reviews	44,8%	41.3%	8.4%	4.2%	1.4%
Delivery and payment conditions	48.3%	40.6%	6.3%	4.2%	0.7%
Purchase bonus	11.2%	10.5%	32.2%	29.4%	16.8%
Emotions	37.4%	51.9%	9.1%	1.6%	0.0%

Source: Own processing based on survey results.

Next part of the survey was dedicated to analysing of product and service reviews. Only 5 % of our respondents do not follow the reviews. The others stated that they are following them always (43 %), sometimes (40.5 %) or rarely (from time to time - more than 11 %). Based on our results we can say that reviews of products and services are an important source of information for our respondents too. The most monitored categories were the reviews of electric appliances, followed by hotel services reviews, cosmetics and clothing, groceries and supplements, books and medicines reviews. The source of information – authors of reviews – is also an important factor for consumers. The most of respondents stated they follow reviews of other customers but opinion of their friends and family is also important. The importance of information from testing magazines has currently the rising trend. The Chi-Square test we used to verify the null hypothesis related to following the product reviews of our respondents and their gender. The null hypothesis H_0: There is not a relationship between the consumer following product reviews and the gender of respondents is rejected, Chi-Square value is is 11,8055, the *p*-value is .00808 (less than the significance level 0,05) – we cannot accept the null hypothesis. Thus, we conclude that there is a relationship between our categories (following the product reviews our respondents and their gender).

Table 3: Following the product reviews and gender

	Male	Female	*Row Totals*
Never	4 (5.86) [0.59]	8 (6.14) [0.56]	12
Always	62 (53.21) [1.45]	47 (55.79) [1.38]	109
Sometimes	51 (50.28) [0.01]	52 (52.72) [0.01]	103
Rarely	7 (14.65) [3.99]	23 (15.35) [3.81]	30
Column Totals	124	130	**254 (Grand Total)**

Source: Own processing based on survey results and *Social Science Statistics*. [online]. [2017-10-19]. Available at: <http://www.socscistatistics.com/tests/chisquare2/>.

Nowadays the demand for mobile shopping applications is rising as well as the usage of mobile phones in the process of internet shopping. Only a small percentage of our respondents regularly uses the mobile shopping applications (26 what represents only 10.2 %). More than a half of our respondents do not have any information about these applications. Next question contained only the part of respondents that regularly use mobile applications. We were asking them about the type of applications while

they could check more than one possibility. The majority of respondents uses the applications concerning e-shops, discount sites and entertainment (cinema, concert tickets). Time saving and comfortable purchase were the main reasons for using such applications. On the contrary respondents that do not know about these applications (67) prefer the personal contact in the point of sale (55) or they do not trust them (6). On the basis of our results we can say that the mobile shopping applications are not publicly known and it is important to spread the information about them and their benefits. We also asked our respondents how they perceive the Internet as a source of information concerning shopping for products and services. The majority of them stated that the Internet is the best source of information for them (no matter where they finally make the purchase). The results are shown on the chart 1.
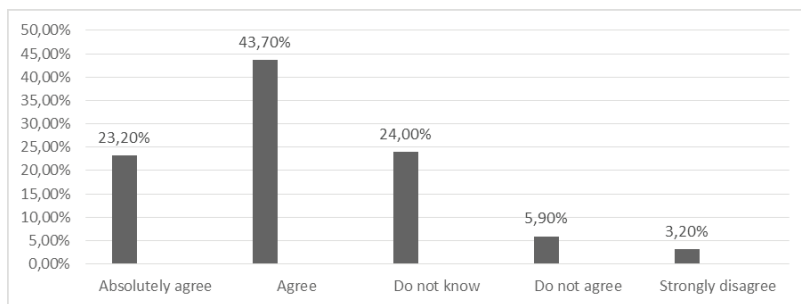
Chart 1: Degree of agreement with: The internet is the best source of information about products and services
Source: Own processing based on survey results.

Social networks are according to various researches also one of the sources of information. 38 % percent of respondents follow and "like" products or brands (respondents who absolutely agree and agree). On the contrary 41.3 % of respondents do not agree (do not agree or strongly disagree). 21 % of respondents expressed neutral approach. Our respondents consider product information on the Internet (web pages of producers/sellers, social networks) as more reliable than commercials on TV or printed media. Based on results of our research we can say that the majority of respondents agree on this argument (19.3 % absolutely agree, 41.3 % agree). Internet popularity is currently high. Each year, the proportion of consumers who search for different (and pre-sale too) information on the Internet and exchange them is rising. Moreover, consumers more communicate with sellers, other consumers, or are shopping through e-shops. Businesses have to react to such behavior by being closer to their customers, giving them information they require and allowing them to buy quickly and conveniently. According to the consumers' behavior in the internet area the marketers are trying to predict their behavior even in the real world and on this basis they offer not only the relevant products but also the media with the help of which communication campaigns are made.[21]

---

21   BREZINOVA, M.: Vliv komunitních sítí na postoj respondentů k mobile marketingu. In *Littera Scripta*, 2011, Vol. 4, No. 2, p. 81-88.

Conclusion

Current society is influenced by the Internet, social networks and mobile applications. It also applies to consumers and their behavior. The impact of modern communication and information technologies is significant and it will increase in the future. These findings also confirmed the results of our primary and secondary research. In connection with consumer profiles it can be appreciated that even Slovak consumers are becoming increasingly e-consumers. More and more consumers are still online, available on social networks and constantly searching for information over the Internet. It is mostly young people (Z and Y generations) that increasingly shop in e-shops, communicate with each other on the Internet and exchange their experiences and recommendations. However, similar behavior is also evident in older generations. Many consumers regard information on the Internet as more trustworthy than information from traditional forms of communication. It also raises the value of product reviews made by other buyers, which is an incentive for businesses to provide consumers with a reasonable opportunity to express their views. Survey results have shown that a large proportion of consumers combine purchases in classical stores with e-shop purchases. The importance of social networks, through which businesses and consumers can easily, quickly and directly communicate, is growing. Another option is to create mobile apps that are still not very popular in our society, but in the context of current trends they will have great potential in the future.

References:

Až 68 % našincov sa spolieha na názory iných spotrebiteľov. [online]. [2017-09-29]. Available at: <http://www.retailmagazin.sk/spotrebitel/prieskumy/2334-az-68-nasincov-sa-spolieha-na-nazory-inych-spotrebitelov>.

BREZINOVA, M.: Vliv komunitních sítí na postoj respondentů k mobile marketingu. In *Littera Scripta*, 2011, Vol. 4, No. 2, p. 81-88. ISSN 1802-503X.

10 globálnych spotrebiteľských trendov pre najbližších 5 rokov. [online]. [2017-09-25]. Available at: <https://www.transportal.sk/10-globalnych-spotrebitelskych-trendov-pre-najblizsich-5-rokov/>.

HIGHAM, W.: *Trendológia.* Bratislava : Eastone Books, 2010.

Internet Access and Use Statistics – Households and Individuals. [online]. [2017-03-25]. Available at: <http://ec.europa.eu/eurostat/statistics-explained/index.php/Internet_access_and_use_statistics_-_households_and_individuals>.

Kde bude nakupovať generácia Z? [online]. [2017-09-28]. Available at: <http://www.retailmagazin.sk/spotrebitel/trendy/2493-kde-bude-nakupovat-generacia-z>.

KOTLER, P., KELLER, K. L.: *Marketing Management.* Praha : Grada Publishing, 2007.

KURAJDOVA, K., TABORECKA-PETROVIC,OVA, J.: Literature Review on Factors Influencing Milk Purchase Behavior. In *International Review of Management and Marketing*, 2015, Vol. 5, No. 1, p. 9-25. ISSN 2146-4405.

KUSA, A., ZAZIKOVA, Z.: Trends in Mobile Applications from the Perspective of Digital Consumers. In MATUS, J., PETRANOVA, D. (eds.): *Marketing Identity: Digital life – part II. Conference Proceedings.* Trnava : FMK UCM in Trnava, 2015, p. 124-138.

MINAROVA, M., MALA, D.: *Strategický manažment.* Banská Bystrica : Univerzita Mateja Bela, Ekonomická fakulta, 2011.

MUSOVA, Z.: *Spoločenská zodpovednosť v marketingovej praxi podnikov.* Banská Bystrica : Univerzita Mateja Bela, Ekonomická fakulta, 2013.

POLIACIKOVA, E.: *Marketing – Vybrané kapitoly.* Banská Bystrica : Belianum, Vydavateľstvo Univerzity Mateja Bela v Banskej Bystrici, 2017.

RICHTEROVA, K. et al.: *Spotrebiteľské správanie*. Bratislava : Sprint 2, 2015.

Štúdia CISCO – Až 8 z 10 zákazníkov využíva pri nakupovaní online informácie. [online]. [2017-09-27]. Available at: <https://www.cisco.com/c/sk_sk/about/media-connection/media-connection-2013/20130131.html>.

SALKOVA, D., HES, A.: Internet Food Sales Service – Barriers to the Development of Online Grocery Shopping in the Czech Republic. In MATUS, J., PETRANOVA, D. (eds.): *Marketing Identity: Digital life – part II. Conference Proceedings.* Trnava : FMK UCM in Trnava, 2015, p. 247-255.

SCHIFFMAN, L. G., KANUK, L. L., WISENBLIT, J.: *Consumer Behavior.* 10th Edition. Upper Saddle River, NJ : Pearson Education, Inc., 2010.

SOLOMON, M. et al.: *Marketing očima světových marketing manažéru.* Brno : Computer Press, 2006.

Social Science Statistics. [online]. [2017-10-19]. Available at: <http://www.socscistatistics.com/tests/chisquare2/>.

UNGERMAN, O., MYSLIVCOVA, S.: Model of Communication Usable for Small and Medium-sized Companies for the Consumer Communication in Social Media. In *E+M Ekonomie a management*, 2014, Vol. 17, No. 1, p. 167-184. ISSN 1212-3609.

Viac ako polovica majiteľov smartfónov má stiahnutú nákupnú aplikáciu. [online]. [2016-02-14]. Available at: <http://www.zive.sk/clanok/99085/viac-ako-polovica-majitelov-smartfonov-ma-stiahnutu-nakupnu-aplikaciu>.

ZAUSKOVA, A., KUSA, A.: Evaluation of Marketing Processes in Context of Marketing Mix Tools in Chosen Slovak Enterprises. In *Journal of International Scientific Publications: Economy and Business*, 2012, Vol. 6, No. 1, p. 10-15. ISSN 1313-2555.

Contact data:
assoc. prof. Ing. Zdenka Musová, PhD.
Matej Bel University in Banská Bystrica
Faculty of Economics
Tajovského 10
975 90 Banská Bystrica
SLOVAK REPUBLIC
zdenka.musova@umb.sk

assoc. prof. Ing. Martina Minárová, PhD.
Matej Bel University in Banská Bystrica
Faculty of Economics
Tajovského 10
975 90 Banská Bystrica
SLOVAK REPUBLIC
martina.minarova@umb.sk

Ing. Eva Poliačiková, PhD.
Matej Bel University in Banská Bystrica
Faculty of Economics
Tajovského 10
975 90 Banská Bystrica
SLOVAK REPUBLIC
eva.poliacikova@umb.sk

MOBILE MARKETING OF BANKING ENTITIES AS A BRAND VALUE-ENHANCING TOOL AND ITS PERCEPTION FROM THE PERSPECTIVE OF CONSUMERS' GENERATIONS X, Y, Z

Margaréta Nadányiová – Eva Kicová

Abstract
Due to ever-advancing technology increases the possibility of using mobile devices for marketing purposes. Mobile phone and thus the elements of mobile marketing can be used anywhere where is the signal coverage, and it belongs to one of the fastest growing and most targeted marketing methods. The paper deals with the mobile marketing of Slovak banking entities as a brand value-enhancing tool and its perception from the perspective of consumers' generations X, Y, Z. By using methods of description, comparison, analysis and synthesis were defined the essence of mobile marketing, mobile marketing tools, its advantages and disadvantages. The paper also includes the analysis of the mobile marketing usage in Slovak banks and abroad. The important part of the paper represents the marketing survey focused on perception of mobile marketing by Slovak consumers' generations X, Y and Z. Based on the results of the survey were proposed measures to improve the implementation of mobile marketing as a brand value-enhancing tool in Slovak bank entities.

Key words:
Banks. Brand value. Consumers' generations. Mobile apps. Mobile banking. Mobile marketing.

1 Introduction

Currently, brand building belongs to one of the most discussed topics in marketing. The brand value for the consumer lies in the trust of the unmatched product quality, stable price, bargain purchase, product satisfaction, brand communications with consumers, traditions, consumer associations with a particular brand, the product prestige and other aspects.[1] Therefore, in order to increase their preferences and the value of their brands, companies are looking for new and innovative ways how to reach customers through all of its marketing tools.[2] Companies are no longer dependent only on the price differentiation of their products and services, which would provide them with a sufficient competitive advantage.[3] Increasingly, the ability of companies to communicate with their customers in an appropriate and effective way and to distinguish themselves from competitors becomes more and more important.[4] With the ever-growing popularity of mobile phones, mobile marketing can be one of the fastest growing and most sophisticated and targeted marketing methods for almost all consumers' generations.

---

1   MAJEROVÁ, J., KLIEŠTIK, T.: Brand Valuation as an Immanent Component of Brand Value Building and Managing. In *Procedia Economics and Finance*, 2015, Vol. 26, p. 547.

2   WANG, Y. L., TZENG, G. H.: Brand Marketing for Creating Brand Value Based on a Mcdm Model Combining Dematel with Anp and Viktor Methods. In *Expert Systems with Applicatios*, 2012, Vol. 39, No. 5, p. 5602.

3   MAJTÁN, S., FRIANOVÁ, V.: Marketing Communication of Service-base Enterprises in Tourism – Creation and Optimization of Communication Mix. In *Ekonomický časopis*, 2011, Vol. 2, p. 181. [online]. [2017-09-13]. Available at: <https://www.sav.sk/journals/uploads/0913101002%20 11%20Majt%C3%A1n-%20Frianov%C3%A1%20RS.pdf>.

4   MUSOVÁ, Z.: Social Responsibility in Company Marketing Activities. In *Ekonomicko-manažérske spektrum*, 2016, Vol. 10, No. 1, p. 15.

2 The essence of mobile marketing

Mobile marketing is one of the most dynamic and modern marketing communications tools.[5] It represents a term that identifies one of the direct marketing methods based on the use of mobile devices such as mobile phones, smartphones, laptops and so on.[6] For the distribution of commercial or non-commercial content are used technologies such as SMS, MMS, Bluetooth, WLAN and others. An essential part of mobile marketing is the possibility of internet connection.[7] Using browsers, social networks, searching for music and other information due smartphones is becoming more and more popular. Also, the ability to download apps, games, music or files represents a great asset. In addition, the smartphone owner has the option to use different types of browsers that are tailored to these devices. Likewise, websites are tailored to the resolution and size of mobile devices.[8] The most commonly used mobile marketing tools include:[9]

- SMS Marketing;
- MMS Marketing;
- Mobile Advertising;
- Mobile Marketing Research;
- Mobile Apps;
- Advergaming;
- QR codes;
- Location-based marketing;
- mCommerce;
- Mobile Banking;
- mWallet;
- mPay;
- mSecurity;
- mBroadcasting;
- Mobile Internet;
- mBloging;
- Mobile Instant Messanger and so on.

One of the benefits of mobile marketing includes the fact that it is personal because the mobile device is very versatile. Its further advantage is flexibility and therefore it

5   BATRA, R., KELLER, K. L.: Integrating Marketing Communication: New Findings, New Lessons, and New Ideas. In *Journal of Marketing*, 2016, Vol. 6, p. 125. [online]. [2017-09-05]. Available at: <https://www.ama.org/ publications/JournalOfMarketing/Pages/integrating-marketing-communications.aspx>.
6   GAJANOVÁ, Ľ., KRAMÁROVÁ, K.: Online Marketing Trends in the Slovak Republic. In *EBMEI international conference on Humanity and social science (EBMEI-HSS 2016). Conference Proceedings.* Singapore : Singapore Management & Sports Science Inst., 2016, p. 6.
7   HES, A. et al.: Social Responsibility of Business Firm and (versus) Customer in the Czech Republic. In *Ekonomicko-manažérske spektrum*, 2016, Vol. 10, No. 2, p. 5.
8   SPIŠIAKOVÁ, M.: Current Trends in Online Marketing and Most Frequently Used Forms of Online Advertising Amongs Enterpreneurs in Slovakia. In MAJTÁN, Š. (ed.): *Aktuálne problémy podnikovej sféry*. Bratislava : Ekonomická univerzita v Bratislave, vydavateľstvo Ekonóm, 2013, p. 506. [online]. [2017-09-18]. Available at: <http://fpm.euba.sk/www_write/files/veda-vyskum/ Zborniky-APPS/2013.pdf>.
9   PŘIKRYLOVÁ, J., JAHODOVÁ, H.: *Moderní marketingová komunikace*. Praha : Grada Publishing, 2010, p. 205.

does not need long-term preparation.[10] Mobile marketing supports and complements the traditional forms of marketing communication aimed at brand value-enhancing. Another benefit is the immediate measurability of particular mobile marketing campaigns.[11] The success of mobile marketing over other communication mix tools is that the average number of people owning the mobile phone is 90%, in some countries almost 100%, and these devices are often available 24 hours a day. Mobile phones have countless features and this number is constantly growing thanks to new features and applications. Mobile marketing features can be used wherever the signal coverage is. At the same time, the advantage is that the most up-to-date information comes to the mobile Internet rather than to the print media. The properties of mobile marketing can be summarized in the acronym MAGIC:

• Mobile;
• Anytime;
• Globally;
• Integrated;
• Customised.

Mobile marketing has both its benefits and also disadvantages. Several marketers point out various disadvantages of mobile marketing:[12]

• The risk of misuse of personal data;
• Negative forms of mobile marketing such as Mobile SPAM, Mobile Hacking, SMS snooping, SMS spoofing, SMS interception and so on;
• No institution to cover mobile marketing;
• Weak experiences of marketing workers in area of mobile marketing;
• The incompatibility of different types of phones;
• Still limited and insufficient signal coverage in some areas;
• Poor availability of an internet connection in some areas and roaming data;
• Poor Internet connection speed;
• Incompatible apps.

3 Mobile marketing in Slovak banks compared to abroad

Mobile devices are being used increasingly frequently all over the world and the Slovak market is no exception. Companies use mobile marketing tools to promote their products and increase brand value as well as attract customers. When analyzing the use of mobile marketing as a brand value-enhancing tool in Slovak companies, we focused on the banking sector. Slovak banks use mobile marketing tools increasingly flexible and efficient. Communication between banks and customers by using mobile devices has become an inherent part of the lives of a large proportion of the population. According to different surveys, people are looking at their mobile phones, tablets or smartphones much more often than watching TV or their computers. The use of mobile marketing tools is presented in a specific case. As a representative of the

---

10   PRIDMORE, S., VARBANOV, S.: Marcus Aurelius on Suicide. In *American Journal of Medical Research*, 2016, Vol. 3, No. 2, p. 56.
11   FREY, P.: *Marketingová komunikace: Nové trendy*. Praha : Management Press, 2011, p. 112.
12   KIRAKOSYAN, K., DANAIATA, D.: *Communication Management in Electronic Banking. Better Communication for Better Relationship*. [online]. [2017-09-15]. Available at: <http://www.sciencedirect.com/science/article/ pii/S187704281402045X>.

Slovak banking sector we chose Tatra banka. Tatra banka is the third largest bank in Slovakia. It was established in 1990 as the first private bank in Slovakia and currently it belongs to the RZP Group. Tatra banka is a leading institution in asset management, electronic banking, private banking and payment cards. It is a modern bank that offers its over 130,000 affiliates an innovative financial management solution to its over 700,000 customers. The Tatra banka brand has won the Superbrands Award presented to the best Slovak companies. And right the effective and innovative marketing communication tools such as mobile marketing have help to increase brand value of the bank and customers' loyality.

Tatra banka uses mobile marketing tools as much as possible compared to other banks in Slovakia. It uses traditional SMS Marketing as well as SMS services at a different level than other banks. The customer can use the Internet Banking service to request a supplementary b-mail service that sends him information about the balance, movements or unrealized payments to his account via SMS or e-mail. Likewise, the bank offers a continuous mobile service where customers can deal with or solve problems. Mobile apps of Tatra banka are at a very high level and set trends in the future development of electronic banking in Slovakia. All apps can be downloaded and installed free of charge on mobile phone. Mobile apps include:[13]
- Application Tatra banka – the most commonly used application, which allows to track the movements and balance of the account, simply to make payments, to scan the QR code from the image in the gallery and also ATM withdrawal via mobile;
- Reader – the application serves for generation of codes upon login in Internet Banking in the computer, as well as for confirmation of payments. It also supports the functionality of additional payment authorisation in Internet Banking by means of a QR code. Scanning the QR code makes payment confirmation easier, without the necessity of writing accounts and sum in Reader;
- MobilePay – the application that allows customers to make contactless and secure payments with the smartphone and have all cards in one place – debit, credit, private and business cards;
- Tatra banka VIAMO – the application allows to send and receive money to telephone number, pay comfortably for goods and services and follow overview of transactions.

Next modern and innovative service offered by Tatra banka is DIALOG Live. The customer is verified by his voice during the call thanks to the Voice Biometrics service. This is the way how to make access to services comfortable without the need to visit a branch office. When compared the mobile marketing in Slovak banks and abroad we have identified several differences and deficiencies on the part of Slovak banks:
- Much less use of mobile calls for verification of customer satisfaction with their services as banks abroad. Many times this action is considered to be a harassment, but customers are already taking it as a way of improving services and the bank's efforts to get their personal opinion.
- Insufficient use of QR codes as a mobile marketing tool to simplify their services.

---

13   *Mobilné aplikácie.* [online]. [2017-09-21]. Available at: <https://www.tatrabanka.sk/sk/personal/ucet-platby/elektronicke-bankovnictvo/mobilne-aplikacie.html#mobilne-aplikacie>.

- The use of a large number of applications instead of one dominant application that covers all the necessary services.
- Missing demo versions of mobile banking available on the bank's website. Thanks that, costumer could use all available services without having to download them to their mobile device in full version.
- The possibility of using fingerprints, which is not yet widely spread in Slovak banks. Using a fingerprint, the customer can subscribe to mobile banking, but also confirm some transactions and other actions of mobile banking.
- The option to pay via mobile phone only for mobile phones with operating system Android and iOS (Apple) in contrast to foreign banks offering this option for a larger number of mobile operating systems such as BlackBerry and Windows Phone systems.
- Missing benefits or purchasing discounts when paying by mobile phones which is common in foreign banks.
- Insufficient web site customization for mobile devices such as smartphone or tablet.

4 Marketing research focused on mobile marketing perception from the perspective of consumers' generations X, Y, Z

The aim of the marketing survey was to find out how Slovak consumers perceive the use of mobile marketing in the banking sector and their attitude towards individual mobile marketing tools. The perception of mobile marketing by Slovak consumers in the banking sector was detected by means of electronic and printed questionnaires in February 2017. The target group includes respondents between 15 and 56 years old from Slovakia. This group represents a significant segment of consumers for which mobile marketing is intended. We asked 264 respondents, of whom 172 (65%) were women and 92 (35%) were men. The results of the survey were evaluated by age group, specifically by customers' generations. For several years, sociologists have been dividing people to generations. Generation is a generic term for a group of people born in a relatively equal period of time or people with the same interests arising from their birth in a relatively the same time period.

Generation X (born in 1961 - 1981) joined Generation "baby boomers" and was mainly influenced by political events. Generation X grew in a difficult economic period, with its typical features being independence and self-sufficiency. People of generation X use e-mail, Facebook, ICQ but favourite is a phone call. They prefer brief information exchange, informal communication, and like to exchange the latest information.[14] Their buying behavior is characterized by the fact that they are looking for product information long weeks before buying, they like loyalty cards, they have their own housing and they are financially secure. Generation X tends to budget, so it often uses online stores. They are frequently doing an online survey before buying and read many reviews. It's the only generation that regularly consumes advertising and marketing messages from all major media channels, including social networks and mobile media.

---

14   NAGEL, M.: Gender and the Law. In *Journal of Research in Gender Studies*, 2016, Vol. 6, No. 2, p. 113.

Generation Y (born in 1982 – 2000) is also often called Millennials, Generation Why, Net-gen, or iGeneration. It has grown along with digital technologies and at the time of the development of social media. The representatives of this generation are most influenced by technological progress. They are self-confident, ambitious, controlling foreign languages and focusing on performance. Their purchasing behavior is characterized by the fact that they are much more likely to invest in travel and experience than purchase of a new car or mortgaging a home. Digital communication is very important for young people, they do not create true communities, they tend more towards virtual relationships and experiences.[15] Successful marketing communication to the generation Y lies in the emphasis on an innovative product, and often the social causes that these products promote and the deep affirmation of personal identity. Generation Y gets most of the information from their friends. They are technologically well-connected and they widely use social media, they need to be constantly online. They represent a major target segment for mobile marketing, as they will never leave home without taking mobile phones.

Generation Z (born after 2000) represents the technically brightest generation of all time. It is not difficult for them to deal with several tasks at once, they have no prejudice against different races, ethnicities and cultures. With facebook or skype, they can communicate with friends at the other end of the country or even the world. They are technologically advanced, they can absorb a lot of information and also find them in seconds. They are good at building relationships, they have a strong socio-social network, no unlimited geography. The negative of the generation Z is that its representants do not know what is confidentiality. They publish their privacy on blogs, openly speaking in discussion forums. They are accustomed to e-mail or phone calls, so face-to-face encounters are not their strong parquet. Generation Z is the most authoritative generation in modern history, it sets trends. Through social networks, they have overcome all barriers in communicating brands and products. In Generation Z, knowledge sharing is essential. They love mobile apps, they have the phenomenal ability to express themselves briefly through SMS, facebook status or twitter messages. Emails are incredibly slow and outdated for her, Generation Z prefers social networks. Generation Z is relying on purchasing decisions for advice from its layoffs on social networks. This generation requires that their brands be "connected" and quickly contacted to engage in their activities. Generation Z is not loyal to one brand, likes to discover new brands and products, evaluate them, and then share the results through the internet with others.

The largest number of respondents in the marketing survey belong to generation Y (47%), followed by the respondent generation X (41%) and finally the generation Z (12%). Results of the survey show that the concept of mobile marketing is well known and identifiable especially by representatives of generation Y (93%) and Z (87%) as well as generation X (63%). The experience with mobile marketing is also 93% of generation Y respondents, and these experiences are mostly positive. Generations Z have also much experiences (84%), and these experiences are mostly positive or neutral. Respondents in Generation X have less experiences with mobile marketing (69%), in most cases (56%) neutral. Up to 87% of respondents in the generation Z

---

15   POPESCU, L. D.: The Role of Work Organizations in the Social Construction of Gender. In *Journal of Research in Gender Studies*, 2016, Vol. 6, No. 1, p. 271.

use mobile marketing tools when communicate with their bank, especially internet banking and mobile applications on their mobile phone. Only 79% of Y-generation respondents communicate with the bank using this type of communication, they most often use internet banking and mobile applications. In case of generation X, only 60% of respondents use mobile marketing tools when in contact with the bank, namely mobile apps and SMS marketing. We can see that younger groups use their mobile devices more often for internetbanking and mobile applications than older age groups, preferring SMS marketing.

In all generations, most of the respondents are satisfied with mobile marketing communications from their bank. Respondents were given main reasons of partially or totally inconvenient communication: lack of time for respondents and inappropriate time for communication by the bank, no ownership of smartphone, lack of essential information, no control of newer types of phones, and so on. The survey shows that older respondents were much more dissatisfied because they often did not own and did not know how to control smartphones. As the greatest benefits of mobile marketing, the respondents of the two youngest generations Y and Z consider the fact that almost everyone now owns smartphones. Respondents of Generation X consider the greatest advantage of the opportunity to equip themselves with 24 hours a day, as well as comfort. On the other hand, the youngest generation Y and Z consider the biggest disadvantage of mobile marketing communications to be the need to connect to the Internet. Respondents belonging to Generation X consider as the main disadvantage of the need to own a smartphone.

The majority of respondents in all generations would not know how to improve mobile marketing of their bank. However, there were also respondents in each age group who knew it. The two younger generations Y and Z chose to send money via internetbanking using the recipient's phone number. Respondents of generation X would improve their bank's mobile marketing communications either by sending money via internetbanking using the recipient's phone number, or by creating a dominant app containing all the necessary services. Ultimately, it can be argued that the younger generations Y and Z are using their mobile devices more often in communication with your bank and are more open to novelties about mobile banking. Respondents of Generation X do not use the mobile device unlimited and a small part of them do not use it to communicate with the bank at all.

5 Proposals and measures to improve the implementation of mobile marketing in Slovak bank entities

Based on the analysis of the mobile marketing use in Slovak banking entities compared to abroad and the results of the marketing survey, we proposed the following measures to improve the implementation of mobile marketing as a brand value-enhancing tool in Slovak bank entities. Proposals are focused on the main target groups of bank entities, namely consumers' generations X, Y and Z. Their perception of mobile marketing havs very similar characters, however, their different preferences of mobile marketing tools will be taken into account. One of the options how to customize mobile marketing services to the general public is to addapt internet

banking for mobile devices, as not all banks offer this option. Internetbanking must, of course, be sufficiently clear to dissuade consumers from using it. It should include basic features such as a 24-hour overview of finances on all accounts, payment and permanent payment orders, loan facilities, loans or mortgages, request for a new payment card, and other payment card settings.

Also very innovative possibility is the location of demo versions of Internet banking at the Bank's website. The bank's client can then decide whether or not the Internetbanking suits to him. To improve mobile marketing communication services, we recommend more frequent use of QR codes to help simplify individual bank transactions, such as paying ordinary accounts. The user of internetbanking may not write a full account number, bank code, etc., but by simply capturing the QR code he pays what he needs. As a clear advantage, we see above all saving time and reducing the risk of mistakes in making transactions. Mobile apps should cover, in particular, basic operations that can be provided at a bank branch. They should provide the consumer with an overview of all his accounts, a summary of balances and turnover in these accounts, the issuing of payment orders, the establishment of standing payment orders or the setting of SMS notifications. Very important is also the simplification and clarity of individual mobile applications. Their use should be quick, easy and understandable for users, regardless of their level of education or age.

We recommend to bank entities publish a simple and clear guide on how to download, install, and use an application on their website. The possibility of simple downloading particular applications includes QR codes that simply direct the consumer directly to download and install the application. The survey results showed that respondents would suggest sending money by mobile phone numbers to improve the mobile marketing of the bank. The design can be done by creating a mobile app that the consumer downloads on the bank's website. If the recipient has activated the app, the amount is automatically credited to the account. If the app is not activated, an SMS message will be sent to the website where, after entering his or her personal data, the money will be transferred to his account. This proposal has some benefits, such as time savings, minimizing the risk of mistakes, and simple application usage. Another suggestion from the respondents includes to withdraw cash from an ATM using a mobile phone. We would also suggest creating a mobile application that would allow this action. The application would act as an ATM on the screen of the phone, where the consumer would simply choose the payment account and the appropriate amount he needs to withdraw.

An advantageous proposal for improving the mobile marketing of the bank is also the creation of a dominant application that would contain all the essential services required. We can say that the greatest benefit would be the clarity and ease of use of this app. Another undisputed advantage for a bank entity would be to minimize the cost of creating just one dominant application. The question of eliminating the risk of misuse of personal data can, in our opinion, be addressed in several ways. For example, we can suggest signing and confirming actions using fingerprint, voice track, or facial imaging. These methods of identity verification also minimize the risk of identity theft or money itself from the consumer's account.

Conclusion

Effective use of mobile marketing tools represents a great competitive advantage for businesses not only in Slovakia, but also an opportunity to reinforce the value of their brands and the loyalty of their customers in an innovative way. However, an important condition for anthe company is to make the best use of the huge potential offered by mobile marketing. In the case of banking entities, the proposed measures may have several benefits:

- Increainge revenue;
- Minimizing costs;
- Strengthening the loyalty of existing customers;
- Getting new customers;
- Increasing brand value and its perception by customers;
- Improved bank image;
- Increasing the standard of service offered in the banking sector;
- Strengthening market position;
- Improving the quality of the services offered through customer feedback.

References:

BATRA, R., KELLER, K. L.: Integrating Marketing Communication: New Findings, New Lessons, and New Ideas. In *Journal of Marketing*, 2016, Vol. 6, p. 122-145. ISSN 0022-2429. [online]. [2017-09-05]. Available at: <https://www.ama.org/publications/JournalOfMarketing/Pages/integrating-marketing-communications.aspx>.

FREY, P.: *Marketingová komunikace: Nové trendy*. Praha : Management Press, 2011.

GAJANOVÁ, Ľ., KRAMÁROVÁ, K.: Online Marketing Trends in the Slovak Republic. In *EBMEI international conference on Humanity and social science (EBMEI-HSS 2016). Conference Proceedings*. Singapore : Singapore Management & Sports Science Inst., 2016, p. 6-15.

HES, A. et al.: Social Responsibility of Business Firm and (versus) Customer in the Czech Republic. In *Ekonomicko-manažérske spektrum*, 2016, Vol. 10, No. 2, p. 2-12. ISSN 1337-0839.

KIRAKOSYAN, K., DANAIATA, D.: *Communication Management in Electronic Banking. Better Communication for Better Relationship*. [online]. [2017-09-15]. Available at: <http://www.sciencedirect.com/science/article/pii/S187704281402045X>.

MAJEROVÁ, J., KLIEŠTIK, T.: Brand Valuation as an Immanent Component of Brand Value Building and Managing. In *Procedia Economics and Finance*, 2015, Vol. 26, p. 546-552. ISSN 2212-5671.

MAJTÁN, S., FRIANOVÁ, V.: Marketing Communication of Service-base Enterprises in Tourism – Creation and Optimization of Communication Mix. In *Ekonomický časopis*, 2011, Vol. 2, p. 178-193. ISSN 0013-3035. [online]. [2017-09-13]. Available at:

<https://www.sav.sk/journals/uploads/0913101002%2011%20Majt%C3%A1n-%20Frianov%C3%A1%20RS.pdf>.

Mobilné aplikácie. [online]. [2017-09-21]. Available at: <https://www.tatrabanka.sk/sk/personal/ ucet-platby/elektronicke-bankovnictvo/mobilne-aplikacie.html#mobil ne-aplikacie>.

MUSOVÁ, Z.: Social Responsibility in Company Marketing Activities. In *Ekonomicko-manažérske spektrum*, 2016, Vol. 10, No. 1, p. 12-23. ISSN 1337-0839.

NAGEL, M.: Gender and the Law. In *Journal of Research in Gender Studies*, 2016, Vol. 6, No. 2, p. 107-119. ISSN 2164-0262.

POPESCU, L. D.: The Role of Work Organizations in the Social Construction of Gender. In *Journal of Research in Gender Studies*, 2016, Vol. 6, No. 1, p. 269-275. ISSN 2164-0262.

PRIDMORE, S., VARBANOV, S.: Marcus Aurelius on Suicide. In *American Journal of Medical Research*, 2016, Vol. 3, No. 2, p. 53-58. ISSN 0971-5916.

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

SPIŠIAKOVÁ, M.: Current Trends in Online Marketing and Most Frequently Used Forms of Online Advertising Amongs Enterpreneurs in Slovakia. In MAJTÁN, Š. (ed.): *Aktuálne problémy podnikovej sféry*. Bratislava : Ekonomická univerzita v Bratislave, vydavateľstvo Ekonóm, 2013, p. 504-509. [online]. [2017-09-18]. Available at: <http://fpm.euba.sk/www_write/files/veda-vyskum/Zborniky-APPS/2013.pdf>.

WANG, Y. L., TZENG, G. H.: Brand Marketing for Creating Brand Value Based on a Mcdm Model Combining Dematel with Anp and Viktor Methods. In *Expert Systems with Applications*, 2012, Vol. 39, No. 5, p. 5600-5615. ISSN 0957-4174.

Contact data:
Ing. Margaréta Nadányiová, PhD.
University of Žilina
Faculty of Operation and Economics of Transport and Communications
Univerzitná 1
010 26 Žilina
SLOVAK REPUBLIC
margareta.nadanyiova@fpedas.uniza.sk

Ing. Eva Kicová, PhD.
University of Žilina
Faculty of Operation and Economics of Transport and Communications
Univerzitná 1
010 26 Žilina
SLOVAK REPUBLIC
eva.kicova@fpedas.uniza.sk

VIRTUAL MASK OF MILLENNIALS

Juliána Odziomková

Abstract
Millennials are the first generation that lives both in a real and a virtual space from a very young age. Creating real identity is influenced by the cyberspace representation of their self and vice versa. The psychological impact of virtuality on this generation is noticeable, as evidenced by the two mentioned studies. Here we can observe the masking of identity, i.e. the creation of false, conscious identity. Subconscious factors that affect identity and self-reflection of an individual and society play an inseparable part. The aim of the study is to better define the behavior of Millennials in the cyberspace in terms of representation and mask of identity. To achieve the results, a questionnaire survey was conducted among students of the Faculty of Massmedia Communication, supplemented by the results of a photographic experiment on the perception of self in the Internet environment and in reality.

Key words:
Cyberspace. Generation. Identity. Mask. Millennials.

1 Millennials in the cyberspace

The digitization of modern technologies has caused great changes in the society but also in an individual. We can therefore talk about a digitized or information society. In our research we are dealing with the younger "section" of the society, specifically the Millennials generation. The members of this generation were born between 1980 and 2000 so the boom of computer and internet expansion in ordinary households has been experienced by them as young children or adolescents. At such an age, an individual is still very prone to become accustomed to learning technology and can "think" in it. As an example, we are searching for a route using GPS, and it is likely that the older generation will look at a classic map or an electronic version, but will use direct GPS navigation less often. The Millennials generation is a breakthrough in terms of usage and life in virtual reality. Due to being surrounded by the cyberspace from a young age, it is a natural part of their life and it is common for them to live in the virtual world. As shown by the results of the "InstantnE"[1] research, Millennials at the age of high school students are still able to distinguish between virtual and real, and they can take both a critical and a positive attitude towards the virtual world. „*Real vs. the virtual world are interlinked in the life of teenagers, both are considered „fast", they are a place for activity and require flexibility. Even though teenagers trust the virtual - to a large measure anonymous – world less, they consider it to be an encyclopedia, and easier.* "[2] Therefore we can say that they control cyberspace „naturally" well, they can move around and also understand the psychological patterns they use to create their own virtuality. However, as the results of our survey in the last chapter show, gradually there is a certain loss of self-reflection in virtuality.

However, what we consider to be an important impact on Millennials and the general creation of generation gap due to the existence of cyberspace, is the increased virtual communication at the expense of direct social communication. As stated by J. Cejpek,

---

1   InstantnE was implemented in June 2015 with 270 high school students, grammar schools and secondary vocational schools (remark by the author).

2   MADRO, M. et al.: *INstantnE*. Bratislava : Research paper, 2015, p. 4.

direct social communication has aspects inseparable from the living being. It is a meeting of two „inner worlds" of unique and unmistakable people, where alongside speech the communication also occurs through gestures, mimics, pantomime. In this type of communication, the individual completes and gives meaning to the expressed ideas with the use of the above-mentioned „nonverbal force". The emotional elements, sympathy, feelings of love or hatred also play a big role.[3] In the virtual world, due to the absence of direct physical contact, not all these aspects of direct communication can be used and perceived. A person learns to live socially since birth as it is not an innate characteristic. By suppressing or reducing direct social communication, the interaction with other people and solving crisis situations and problems in life are much more complicated, especially for the mentioned Millennials. This is also because changes in the virtual world do not interfere with the human psyche as they do in reality, as these two environments will never be completely identical. As an example of perceiving the differences of reality and virtuality, we present a photograph of a 2017 photographic experiment that we carried out.
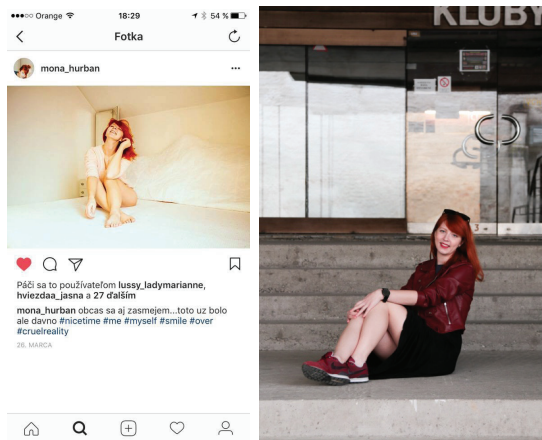
Picture 1: Social photographic experiment
Source: Own processing

The aim of the photographic experiment was to investigate and analyze the psychological influence of virtuality - a photograph taken from the profile of a woman on the Instagram social network; and reality - a photograph in reality, our demand being for the person to imitate the same pose and clothes. After brief interviews with all photographed people, the results showed us that they perceive the differences and similarities of the virtual world but they are not always fully aware of the possible impact and reach of shared content. Only after confrontation of reality with the content of their virtual lives they understood how easily and unknowingly their own moral and ethical boundaries coan be overcome.[4]

---

3   CEJPEK, J.: *Informace, komunikace a myšlení. Úvod do informační vědy.* Praha : Karolinum, 2005, p. 73.
4   ODZIOMKOVÁ, J.: *Fotografia a sociálne siete.* [Diploma Thesis]. Trnava: FMK UCM in Trnava, 2017, p. 41-50.

2 Virtualization of identity

As S. Gálik states, identity is a process of self-confirming and creating a self-image that is realized in a wider social and cultural context.[5] Identity is, therefore, a „mental set of characteristics" that contains all the characteristic traits of an individual that make them a particular person, and we can speak of both psychic and physical factors and their interconnections. However, the identity cannot be considered to be something fixed and unchangeable; by growing up - by exploring the world and various views a person changes their opinions, adds information, and adapts their mental and physical „self" to what they currently agree with and what they like. Another reason for identity changes is an effort to adapt to a group, subculture, and so on. Changes in identity are thus not only unconscious but also conscious. Identity by itself cannot exist, it must be perceived by society and culture, so that the individual can perceive it and become aware of it. The virtual world, thanks to the absence of physical space and thus direct person – person contact, provides much faster and easier ways of changing identity. Just edit the hair color in a photo editing program, upload this photo to the social network as a profile photo, and suddenly the virtual identity is changed. If there is no such change in real life, its virtual form is false, misleading. The absence of physical space leads to an increased level of anonymity, which often leads to the creation of a virtual identity which the individual wants to have, not the one they are able to have or achieve in the real world. *„False internet identities of people are not unknown to teenagers, but most teenagers, even more so girls, think that the same people are on the Internet and in real life."*[6]

D. Šmahel says that because of the absence of the physical self in a cyberspace, the individual does not directly affect themselves but their virtual representation. So, it asserts that virtual identity is what identity the individual attributes to a virtual representation.[7] If we were to compare the identity of a random human with their virtual representation, we would find some deviations. Creating a representation of self is never a fully conscious activity. Even if one consciously creates their virtual identity, they project into it their feelings, desires, or fears of an unconscious character. The real and virtual identity of an individual will never be exactly the same, because not even a person fully aware of their „self" is able to influence their subconscious. Also, in creating the „desired" virtual identity, the degree of anonymity and a greater sense of security and self-interest is important and influential, due to the absence of physical space and immediate contact with society. We can not claim that every virtual identity of an individual is misleading or deceiving. We can say that, due to the strong influence of the absence of physical space and linear time on man's psyche, this identity is a more free and sincere expression of desire, complexes and opinions. Millennials are creating and perceiving virtual reality from an early age, from the age when the child is just starting to realize its real identity. Therefore, understanding the psychology and logic of the cyberspace is much easier for them than for older generations, but it is very likely that there is a strong intersection of identities and mutual influence of reality on virtuality while in older generations we assume only a one-way influence on virtual identity by the real one.

5   GÁLIK, S.: *Filozofia a médiá*. Bratislava : Iris, 2012, p. 68.
6   MADRO, M. et al.: *INstantnE*. Bratislava : Research paper, 2015, p. 4.
7   ŠMAHEL, D.: *Psychologie a internet – Děti dospělými, dospělí dětmi*. Praha : TRITON, 2003, p. 39-41.

3 Virtual identity masking

The technological development of social networks and apps that allow the creation and customization of content (photo editors for retouching and the like) nowadays brings a number of ways to create augmented reality. In the last year, it has been mainly different filters and the possibilities of adding various add-ons to the photo (for example, hair flowers ...). These discoveries also simplify and support the masking of identity in virtuality. By masking we can understand the false display of real identity or its individual elements on the Internet. The absence of physical space and present time gives the individual a greater sense of freedom and anonymity and thus the opportunity to represent their „self" according to their own will. B. Fausing refers to the contribution of anthropologist D. Boyd, who speaks about the projection of identity in social media as „writing oneself into existence", but we can actually talk about „visualizing oneself into existence." Social media are becoming more and more oriented visually and in this context B. Fausing talks about the selfie phenomenon.[8] Selfie as a virtual „mirror" reflection of the real self reflects the inner world of a person, projected by the expressive means of the human face in particular. But selfie can not be considered a reflection identical to reflection in the mirror. Due to lack of space in cyberspace, people experience their identity without being connected to the physical body, so virtuality gives them almost unlimited possibilities to change and mask identity. They can also change what they cannot do in the real world. Identity projection in the real world is always real-time, but it's possible to show it at any time or point of the cyberspace, and it stays „forever" there. The creation of an online identity requires a technological device, a camera, a computer ... which often causes the psychological effect of creating a safe barrier between man and the world. A high degree of anonymity on social networks supports this effect and creates the feeling of a free self that can afford to do everything it desires.

The visualization of your „self" into being is therefore a conscious projection of identity into virtuality and therefore it depends on the individual how they will be presented, whether they will mask themselves or attempt to display the truth. However, we assume that it is not possible to design an identity that is exactly the same as real, since a person is always influenced by subliminal aspirations and complexes that are almost impossible to suppress. The virtual mask is therefore a conscious creation of identity influenced by the subconscious, while as B. Fausing argues, in the end, the mask can reveal much more than the ordinary face of a person. Just by trying to conceal shortcomings or complexes, these undesirable elements can appear most strongly on the displayed identity.[9]

4 Methodology

The purpose of the survey was to find the reasons and periodicity of Internet and social networks usage and the approach to the display of own and foreign virtual identity.

---

8   FAUSING, B.: *Self-Media: The Self, the Face, the Media and the Selfies*. [online]. [2018-01-08]. Available at: <https://www.academia.edu/7988938/SELF-MEDIA._The_Self_the_Face_the_Media_and_the_Selfies_2014_?auto=download>.

9   Ibidem.

The survey was conducted on a sample of 25 students of the 2nd year of the Bachelor's Degree Program of the Faculty of Mass Media Communication at the University of Ss. Cyril and Methodius in Trnava. The survey was conducted in November 2017. As a complementary research method, we used a photographic experiment that ran from April 2017 to May 2017 on a sample of 10 respondents. The aim of the experiment was to find out how participants perceive the differences between reality, virtuality and presenting their self in these worlds.

5 Survey and results

The aim of the photographic experiment was to investigate and analyze the psychological influence of virtuality - a photo taken from the profile of a female woman on the Instagram social network, and reality - a photograph in reality, our demand being for a person to adapt to a social photo pose and dress. After brief interviews with all photographers, the results showed us that they perceive the differences and similarities of the virtual world, but they are not always fully aware of the possible impact and reach of shared content. When confronted with reality, they understood by virtue of their virtual life how simply and unknowingly their own moral and ethical boundaries could be overcome.[10] Thanks to the questionnaire survey we found out that 95% of the respondents replied to the question about the reasons for the most frequent usage of the Internet that they were communicating with friends, i.e. using social networks and watching different types of content, especially watching videos, TV series and listening to music. Only 20% said they were using the Internet for work and searching for information, spending an average of 7 hours a day. On being asked if they think the contents of other people they follow are true, 95% answered negatively. The most common answer was the portrayal of frivolous or fake reality, and the reason was, in particular, the effort to create envy in other people, to lift ego or to show what other people want to see.

When asked if they share the true image of their lives, they answered 100% yes, and that it is more important for them to buy a cheaper or better quality product than the „photogenic one for social networks" and they at most get inspiration from the networks, do not copy them, do not create their „Instagram life".[11] We conclude from the results that a high degree of Internet and social networking can cause negative attitude in Millennials towards other Internet users and diminish their self-reflection. It is a paradox to mark other people as users with a fake or false identity and themselves as someone who shares true content. The perception of real and virtual identity has different ways, in the case of real identity a lot of subconscious, „subliminal" aspects that cannot be seen in the virtual world play a role. The perception of one's own identity is conditioned by different aspirations, but also by fear of or complexes from what society thinks, and therefore we claim that it is not possible to judge ourselves objectively. In the case of the Millennials, there is a strong link between virtual and real life, so we can not rule out their mutual influences. The responses were a visible

---

10   ODZIOMKOVÁ, J.: *Fotografia a sociálne siete.* [Diploma Thesis]. Trnava : FMK UCM in Trnava, 2017, p. 41-50.

11   The term "Instagram Life" is part of the unofficial slang Slovak language and refers to the method of living real life under the influence of current trends in the virtual world (remark by the auhor).

attempt to return to naturalness and individualism, which is also the current trend in the virtual world of social media, whereby we can confirm some mutual influence of reality and virtuality.

Conclusion

Due to the information era, the society's oversaturation with information and its constant fast delivery, a person is prone to attention issues and discontinuous thinking. Saturation causes fast, superficial content reception, which is a good space for creating a mask and its uncritical reception by other users. The rapidity of the flow in the digital world allows individuals in society to behave under a confident fictitious or false identity, which can cause not only personality disorders and problems with the person's ego, but also their followers' egos. We have found out that the perception of real and virtual identity may have different forms in an individual. In the case of real identity, a number of psychological aspects that are not explicitly displayed in the virtual world play a role. Perception of self-identity is a complex phenomenon that can be affected by the current emotional state, fear, or worrying about what the society thinks. For these reasons it is not possible to objectively assess our own identity, especially if there are different kinds of interactions between reality and virtuality.

References:
CEJPEK, J.: *Informace, komunikace a myšlení. Úvod do informační vědy.* Praha : Karolinum, 2005.
GÁLIK, S.: *Filozofia a médiá.* Bratislava : Iris, 2012.
GÁLIK, S. et al.: *Premeny identity človeka v kyberpriestore digitálnych médií.* Lodž : Wydawniczy Michał Koliński, 2016.
MADRO, M. et al.: *INstantnE.* Bratislava : Research paper, 2015.
ODZIOMKOVÁ, J.: *Fotografia a sociálne siete.* [Diploma Thesis]. Trnava: FMK UCM in Trnava, 2017.
ŠMAHEL D.: *Psychologie a internet – Děti dospělými, dospélí dětmi.* Praha : TRITON, 2003. VELŠIC, M.: *Digitálna priepasť v generačnej optike. Správa z výskumu.* Bratislava : Inštitút pre verejné otázky, 2014.

Contact data:
Mgr. Juliána Odziomková
University of Ss. Cyril and Methodius in Trnava
Faculty of Mass Media Communications
Námestie J. Herdu 2
917 01 Trnava
SLOVAK REPUBLIC
juliana.odziomkova@gmail.com

FACTS, RESEARCH, SEGMENTATION

Dušan Pavlů

Abstract
The paper describes the characteristics of target groups with respect to historical development of their segmentation in the first half of the 20th century and today. It examines the relationship of marketers to real facts – information about the relevant target groups – as the starting point to set out a correct marketing communication strategy. It shows data on market research in the past 10 years in the Czech Republic and on the example of two different target groups – the generation: Baby Boomers and the generation: Y/Z – documents how research surveys make it possible to analyse that target group in detail and create a sufficient thesaurus of initial findings to formulate an effective marketing communication strategy.

Key words:
Market research and public opinion polling. Marketing communication strategy. Target group.

1 Historical Hindsight

A relatively rapid development of advertising associated with the intensification of manufacturing and massification of production in the second industrial revolution at the turn of the 19th and 20th century, at first, in USA and subsequently in Europe resulted in a necessity to find a solution for a serious distribution problem: how effectively deliver bigger and bigger quantities of produce to the sales network and how effectively offer it to potential consumers. It became evident in practice very soon that the general and collective advertising offer is not working, not effective and not contributing to a smooth course of the sale of goods. So, it was necessary to look for a more elaborated and targeted forms of the communication offer alongside with improving the presentation of goods at the point of sale and the behaviour of the sales staff. A mass-scale communication at that time was possible through periodicals and posters and only at the end of the 30s with the help of advertising film and, to some extent, also radio advertising broadcast. That is why it is communication at the point of sale that is intensively used as the tool to support sales and also the art of window dressing. The Czech advertising theory at the beginning of the 20th century relatively early tries to find ways for an effective communication strategy able to effectively informatively and convincingly reach the selected main target group and lead it to the corresponding buying decision.

The first professional paying attention to this topic in the Czech specialized literature is Zdenko Šindler, the owner of the Prague advertising agency Modern Advertising.[1] In his title "Moderní reklama" (Modern Advertising) he looks into possibilities how to effectively deliver the advertising message to the consumer and who actually is the target segment he wants to address: *„Now, we know what and how we want to advertise, we have a concept or proposal prepared and have to answer a question that is equally important – **in which magazines and when to advertise?** We can hire an advertising office to show us the plan they have worked out for us and due to a constant connection with administrations would give us the cheapest prices, or, we can advertise*

---

1   More information on the topic: PAVLŮ, D.: *Reklub 1927-1949. Chapters from the History of Czechoslovak Advertising*. Praha : Professional Publishing, 2017.

on our own. Also in this case it is necessary to prepare the plan and in doing so we have to bear in mind the following questions:
- To whom do we want to recommend our products or goods? Which class of the audience?
- Which magazines does the class read most often?
- *When does it typically read?"[2]*

This thought comes out of his realization that advertising has to turn to the target group whose need can be satisfied by the offered product. In his opinion, the key element for any thought of an advertising specialist or businessman is the right choice of the medium to use for the selected target group. He emphasized: *„If we have a product suitable solely for a certain type of craft or trade (for tailors, shoemakers, breweries, etc.), we shall naturally offer it in a specialized title and also in a very widely spread daily paper. Products for a general need are advertised in some daily papers and, perhaps, also in weekly or monthly revues and also in regional papers..... So, it is necessary to consider which title is suitable for our product and how much purchasing power the readers of that title have (kaufkräftig)."[3]* Z. Šindler came out of his own advertising practice, the advertising services his advertising agency provided. The beginnings of the onset and building of advertising theory in our circumstances are a very interesting topic which proves that advertising practice is aware of the necessity to solve the basic theoretical questions of this form of commercial communication.

The same topic is studied a little later, but with a broader scope and on a more learned, generally culturological level, by Vojta Holman, the graphic artist of print ads working for the publishing house POLITIKA in Prague in the year of 1909. He describes the key characteristics of the target segment in a more precise style than Z. Šindler ever did:[4] *„ Let us get into the psychology of advertising little by little. For the biggest number of our customers political newspapers of all parties without any difference will do for advertising but specialised newspapers are not worthless for our advertising, either. Especially the ones collected and bound in volumes. Their adverts often work for many years and provide opportunity for success. On top of that, the readers of specialised newspapers are of a completely different quality as they take intense interest in their field of activity. The ones who don´t read their specialised newspapers don´t have intelligence needed for solid business, either. Deepening and getting into the mysteries of advertising is actually getting to know the most important characteristics of the condition of a shop and its ability to sell ......For each businessman or industrialist who intends to do advertising it is important not only to know the nature of his customers but also their political and social ranking and opinions and all other relationships and according to it design and implement their advertising campaign."*

He notices a diverse personality profiling of the target consumers and urgently recommends taking these differences into consideration in the strategic focus of communication as well as in its tone of voice: *„ The respectful tone of an advert works for some people and the humorous one for others. Some are impressed by science, others by art and to sense this inner fineness of all classes of the population is a real challenge*

---

2   ŠINDLER, Z.: *Moderní reklama*. Praha : F. Šimáček, 1906, p. 36.
3   Ibidem, p. 37.
4   HOLMAN, V.: *Reklama a život*. Praha : Politika, 1909, p. 39.

for the art of advertising. And here we should mention the big truth of today, that is, that the businessman can´t limit his education only to the commercial sciences but also should pay attention to all generally important matters, people´s science, art and finally also politics. By doing so, he will cultivate his skill and u n d e r s t a n d i n g regarding customers who always like to acknowledge the respect for their inner matters by the businessman and support making a deal smoothly."[5] The typical feature of the publication written by V. Holman is an effort to show a comprehensive and systemic planning, creation and implementation of advertising. He believes that only this approach can guarantee the effectiveness of any advertising activity, in his concept the **profitability of advertising**.

However, the really scientific approach to segmentation, to a more precise communication focus on the selected target group (we can sometimes see the formulation *„focusing on selling"*) comes 18 years later, in 1927, in the person of Jan Brabec.[6] Without doubt, Jan Brabec is one of the most distinctive people involved in advertising between the wars, the leading spirit of many advertising theoretical and practical acts, one of the founders o the Advertising Club of Czechoslovakia (Reklamní klub československý – Reklub) in 1927, long-term editor and later the publisher of a journal title "TYP" (Type), the spiritus agens of state promotional activities of the Reklub in 1938 and 1939 to defend the Republic. In 1927 – 1948 the author of many specialized books on advertising and marketing approach to the market (though the comprehensive manufacturing and commercial policy was not called like that then), tens of articles in the specialized press and lectures not only for professionals but also for the lay public. He enters the history of the Czechoslovak advertising in a remarkably dynamic style and considering how young he was (born in 1897 – i.e., 30 years old) extraordinarily scientifically erudite.

At the beginning of his professional career, in March 1927, he publishes a voluminous, in experience, innovative ideas, facts and examples unusually rich book titled "**Zásady výnosné obchodní reklamy – na základě amerických studií a zkušeností**" (Principles of Profitable Commercial Advertising – based on American studies and experience)**.** The book with 363 pages brings scientific information based on the latest American findings and research studies on the theory and practice of advertising, advertising going on in the country with the highest level of technological development, most elaborated methods of trade and work with the customer. The coming years proved that exactly this book formulated a decisive direction for all future thoughts, ideas and communication strategies of both the B2C and B2B sector. Because of his professional enthusiasm in cooperation with other specialists who like him, clearly saw the future of advertising as the essential factor to form the market, the effort to cultivate and make the advertising theory and practice more scientific, was met with success in 1927 – by founding a professional society: Reklub – The Advertising Club of Czechoslovakia. The Reklub verifiably formed the entire sphere of the advertising industry not only in Czechoslovakia between the wards but also for a short period of time in the years 1946-1948. The importance of the advertising industry being constituted at that time is documented by the information from 1930,

---

5   Ibidem, p. 114.
6   For more information, see: BRABEC, J: *Zásady výnosné obchodní reklamy – Na základě amerických studií a zkušeností*. Praha : Sfinx, 1927.

when the estimated costs of all types of commercial advertising in Czechoslovakia were CZK 1.5 billion and F. Munk forecast an annual increase of advertising costs of 10 – 20 %.[7]

What is typical of the thoughts and considerations of Jan Brabec regarding communication strategies is, that he was right to very fiercely and tenaciously give a priority to finding out the actual state of things, the valuable primary field information in everything that concerned advertising communication. For him it was the „hard facts" that mattered together with all additional sources of information, statistics, news from the press, etc. His theoretical basis is that, first of all, it is absolutely essential to find out facts, to carry out a *preliminary examination of the market"*, which J. Brabec divides into 5 research steps. Only after this primary data can the advertiser decide on the overall communication strategy and subsequently on the financial amount needed to implement effective advertising activities that would lead to meeting the planned goals. In his opinion, it was essential to examine the commercial field in five steps:

- Examination of goods.
- Examination of buyers of goods.
- Examination of competition.
- Examination of sales systems.
- Examination of selling channels and of sales organization.

1.1 Examination of goods

The examination of goods is oriented to finding the needs of the public and compare these needs with the market product offer. He points out at a necessity of a comprehensive analytical procedure - it is desirable to think in complex connections of consumption of that type of goods: e.g., when promoting an electrical iron, the advertising specialist should think not only about the price of the product but also consider, e.g., the level of electrification of the region, define possible income consumer groups and the predominant lifestyle. He places a great emphasis on *the analysis of goods from the point of view of the consumer* with the aim to – in the fight with competitors – *manage through his goods both in terms of performance and taste to meet as best as possible the need or needs the goods are for.* The accent J. Brabec puts on understanding the essence of an advertising communicate is also very important: *„By advertising it will turn their attention to the need at first. Will teach them to feel it very lively. And then will show them, how exactly his goods excellently fit it, how it can meet the need in a really unique way. Not the goods as such but what the goods do, what the goods can be used for and how used is decisive and consumers´ attention has to be turned to it."* [8] *„When the businessman has examined the goods, their price and packaging in the indicated manner, then it is easy to make a list of buying reasons, i.e., why should consumers buy his goods. And he will show the reasons to buy through advertising to the potential buyers."*[9]

---

7   *O dobrou reklamu.* Praha : M. A. P., Ministry of Schools and Education, 1930, p. 3.
8   BRABEC, J: *Zásady výnosné obchodní reklamy – Na základě amerických studií a zkušeností.* Praha : Sfinx, 1927, p. 79-80.
9   Ibidem, p. 83.

1.2 Examination of buyers of goods

In the contemporary language – the analysis of consumers. The author deals with the strategy to win the market, which lies in a gradual commercial territorial taking of the potential market he suggest to divide into smaller units and deal with them one by one. It is definitely necessary to take into account the buying power of that territory, consumer habits, structure of the sales network, lifestyle, etc. He points out that *education and opinions of people are often more important than the state of the economy as such* – i.e., the present living standard. In the J. Brabec´s concept, to study buyers as people is a very important condition for an effective advertising activity:[10] „*First and foremost, we need to know how they think and talk. The advertising if they are to understand it easily, and every advert that is difficult to understand is bad, it has to talk in their language, which doesn´t mean to use the language that is not nice.*" What he means is to use the standard language consumers can understand and are familiar with. „*Then we should study how the potential buyers live, how often they change their home address, what are their homes and social habits like and, mainly, what is their opinion of life, in which religion and religious warmth play a big role. Are they thrifty? What do they read? What are their health standards, how they live and what is their view of the other world, especially, of commerce? Are they independent or of rather a cattle character? Do, at least some of them, travel and where to? Do they try to make a better life or is life for them only the valley of tears, etc.? ..... Are they experts in shopping or lay persons? .... Is that purchase a matter of habit or made only rarely or under special circumstances? .... Does the buyer distinguish at the purchase the products by their name, trademark or not? ... Who has an influence on the purchase and who decides on it?*" [11]

1.3 Examination of competition

In his book, J. Brabec pays attention to the research of competitors relatively comprehensively and examines more competitive layers which describe the individual competitive possibilities: competition of goods, plants, price, quality: we would define this activity today as competitive intelligence, which in our present marketing communication reality solve a complex marketing information system with the help of information technology.

1.4 Examination of sales systems.

The author believes that every businessman selecting the sales system should decide on the basis of three key factors:
Nature of goods.
Aspect of purchase – i.e., comfort of the consumer at the purchase.
Aspect of cost – to make the purchase as comfortable as possible from the consumer´s point of view.

---

10   Ibidem, p. 89.
11   Ibidem, p. 89-90.

1.5 Examination of selling channels and sales organization

This topic concerns primarily the analysis of work performed by sales representatives; J. Brabec describes the main components of the organizational structure of selling channels – what is most important for them is to work in cooperation, under a consistent management and on the basis of clearly defined territories and rules. Advertising plays its role here as the cultivator of the selling field:

- The environment prepared by advertising receives a business proposal;
- Or, advertising is involved only after the visit paid by the sales representative and helps create demand;
- Or, it is a combination of the two approaches.

Only on the basis of carrying out the tasks in all 5 steps of market examination, after getting the needed qualitative and quantitative information, it is possible to consider the advertising budget. The author defines two possible options to set the costs of advertising:

- Percentage system.
- Budget system.

J. Brabec describes the pros and cons of the two systems for differently demanding types of advertising communication and suggests their suitability for different systems of distribution, territories, types of products, etc. A colleague of Jan Brabec and his long-term co-worker and official of the Advertising Club of Czechoslovakia, Jiří Solar – Slabý, takes a similar, comprehensive approach to defining the conditions for effective advertising. In his book "Kurs obchodní reklamy" (Course of commercial advertising) he sets out *12 key principles of good advertising*, which, naturally, is nothing else than creating and defining the conditions for its high effectiveness:[12]

- Advertising needs to talk from the standpoint of the service to the customer. „*The idea of the service is an idea of honest cooperation between the businessman and the customer and they both can benefit very much from this cooperation.*"
- Advertising needs to know people the advertising is for – the creator of the advertisement has to know exactly whom he has in front of him, for whom he is creating the advertising message.
- Advertising needs to be pleasant (polite, fair, able to flatter, able to meet the desires of people).
- Advertising should be positive – emphasize the advantages, benefits of the offered goods.
- Advertising should not talk about competitors.
- Advertising should be brief. The content of the information concise.
- Advertising text needs to be clear and demonstrative, understandable for all people for whom it is created, and written in a lively language.
- Advertising needs to be individual, turn to certain people and the creator has to identify with the role of those targeted by the advertising.
- Advertising should be convincing, present its opinion, express its standpoints.
- Advertising should be original, new, uncommon, not using corny formulations, platitudes.

---

12   SLABÝ, J.: *Kurs obchodní reklamy s četnými ilustracemi*. Praha : Masarykův lidovýchovný ústav v Prahe, 1929, p. 12-28.

- Advertising should have a goal, should intensely aim to the action. It should have a fast pace, aggressiveness, and culminate in some encouragement for activity.
- Advertising has to be true: „*I am listing the truthfulness as the last advertising principle and the reason why is that I want to give it a special position, want to highlight it. And I am saying straight away: the truthfulness of advertising is not based just on the requirement for business morale but the truthfulness of advertising pays off because it is built on the rock – on trust.*"

All four examples of the richness of thought, our marketers from the first half of the 20th century possessed, indicate that they were very well aware of the significance of a thorough knowledge of target groups. They strongly believed that without these facts and information they could not think of effective communication and marketing strategy. And their spectrum of usable media and advertising tools was conditioned by the technical communication possibilities of that time: periodical press with space for print ads, promotional film, advertising slides, hoarding spaces and posters, large-area paintings on the walls, point of sale advertising, personal selling, tools to support the sale, fairs and exhibitions, mobile advertising – cars, trams and buses as carriers of advertising, direct marketing and events.

Today
The contemporary marketer has many analytical tools at hand to enable them get a detailed knowledge of all kinds of aspects of the psyche and behaviour of target groups – the large consumer groups with a relatively homogenous behaviour on the market or in a different social environment (especially the sphere of interest of social advertising) as well as the micro groups with specific needs, ways of thinking, etc. The above is indirectly confirmed not only by many publicly published and presented results of commercial and social research surveys, public opinion studies but also by the SIMAR´s statistics which provably documents the long-term trend of a still bigger and more intensive interest of commercial and non-commercial subjects in the – in information rich - analysis of their real and potential target groups of a various profiling, size, interests and needs, motivation for behaviour, aspirations, predominant trends in thinking and evaluating the socio-economic reality, etc. The summary data on investments in market research and public opinion polling regarding various questions that are interesting to the general public as well as to many active social subjects in our country suggest that those commissioning these research surveys attach great importance to real hard data from the field. The professional association SIMAR[13] declares that market research and public opinion polling in 2016 recorded a year-on-year increase in the turnover by 7 %: from CZK 2. 447 billion to CZK 2. 645 billion. A growth was recorded primarily for the largest agencies: the TOP 5 (Kantar Insight, Ipsos, ACNielsen, GfK Czech, Nielsen Admosphere) increased their turnover by 9 %.

---

13   *Obrat výzkumného trhu – Další rok růstu.* [online]. [2017-10-10]. Available at: <http://simar.cz/zpravy-simar/obrat-vyzkumneho-trhu-dalsi-rok-rustu.html>.

Table 1: Development of turnover in the Czech market research 2006-2016

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
ČR turnover in millions of CZK	1 980	2 242	2 300	2 250	2 400	2 300	2 350	2 370	2 373	2 447	2 645
Agencies SIMAR	907	928	943	913	1 135	1 327	1 347	1 303	1 428	1 492	1 563

Source: The quoted report

When we compare the results in 2006 with those in 2016, we can see an increase of 33.6 %. It is evident that manufacturers, producers, trade organization, state agencies, non-profitable sector, cultural institutions, etc., have recognized the necessity to find and get to know the important factors of objective reality as the background for an effective management of social processes. In the fierce competition fight in all areas of our social life it is this knowledge – as our marketing predecessors knew very well – that   represents a competitive advantage. In this year SIMAR conducted a survey among its member organization in the context of the international program GRIT Report and found out a growing interest in new methods of getting to know the market and customers. Agencies and advertisers in the Czech Republic are most interested in the analysis of social media (80 %), mobile surveys (76 %), big data analytics (67 %), tracking research using the eye camera (64 %), online communities (62 %) and text analysis (also 62 %). In the international GRIT the top five new methods are similar, only mobile research is more in the front and also the method associated with the use of mobile – micro-surveys and qualitative survey on mobile phones.

The Internet as a marketing communication medium is very intensively used today, even though the visions of the internet apostles of the electronic age expecting the internet to take the role of the main carrier of commercial marketing communication and the conventional media – if they survive at all – will be used for documentary or entertainment – have not been fulfilled by now. We can witness, as we have several times in the history of marketing communication, a repeated situation that the new medium as an important competitive element of the information industry forces the existing media to more intensely redesign their content and form, look for possible competitive advantages, the coming communication predator doesn´t have for the time being.

2 Generation: Y / Z

Nevertheless, it is true that the electronic marketing communication has, in many areas, taken a dominant position which is still especially the place of a considerably qualified stay of two **generations - Y and Z,** which can be characterized by their date of birth (Y: 1974-1994 / Z: 1995 – 2012). It is the youngest generation that lives an intensive electronic, internet life. The generation Y is the first generation to perceive the electronic communication as a completely natural part of their world. They use all possibilities the global world can offer, especially, communication in real time, sharing information. The generation Z is even more interconnected via electronic networks than their older colleagues and the online community is their second family. Twitter, Facebook, blogs – are their forums to express an opinion, evaluate

the outside world. In a nutshell, many research surveys and studies reveal that these two young generations are much more hedonistically focused on experiences in their work-related and personal life than the preceding generation, want to use to the full all possibilities and options offered to them by the open society but at the same time reject to sacrifice their personal life because of it: they start to require flexible working hours, to a greater extent prefer work outside the place of business of the company, skilfully communicate through many devices – computer, mobile phone, tablet, laptop and use the diverse spectrum of wearable electronics, etc. They are considerably economically active and self-sufficient, place emphasis on personal fulfilment, long for high financial and personal rewards. They are focused on leisure time and spending it actively. They create all kinds of discussion communities and forums, comment on – often in a non-qualified way – various questions of the outside world. The generation Z – a promising consumer segment – is accompanied by the electronic world from the moment they were born – they were growing up with the World Wide Web, which started to be more available in our country after 1991.

What matters is that this young consumer segment is easily commercially reached their internet connection. A survey conducted by the agency ppm factum this year confirmed that the generation Y shops on the internet more often than the younger generation Z does.[14] The reason is apparently the fact that they have more money than their younger friends and less free time. They are already economically active and free to decide on what to buy. Products for leisure time activities have a dominant position in their life and they buy them online at least sometimes in 60 %, whereas they buy food products online only in 8 %. The research shows that the reason for it is that three quarters of Czechs – across the age generations – decide on buying a particular product only at the point of sale. The younger generation tends to buy on impulse – almost 50 % - primarily fashion items. For this generation, advertising is an important information and persuasive tool – according to the data from the research is subjectively helps (a lot and a little) the generation Y in their purchasing decision-making 36 %. The key media are SMS text messages, e-mails and information on social media. Generally applies that advertising has more influence on a less education population. It must be said that the significant dependence on the internet forms of communication doesn´t mean that television would be completely left out and forgotten. The research of MEC reveals that the decline in the generation´s Y television viewing in the central and eastern European countries varies. The researchers say that the structure of the watched programs changes, especially, for the benefit of the paid video-content. In the Czech Republic the generation Y spent on average 101 minutes a day watching TV in 2016, in Hungary it was 166, in Poland 133, in Slovakia 113 and in Lithuania 79 minutes. But e.g., in Sweden it is just 64 minutes, v Norway 83, in the Netherlands 96, in France 97 and in Germany 117 minutes. However, television as a mass medium is still an important source of information including TV advertising and predictions about the near end of television as a mass media have, so far, failed to come true.

A very interesting target group, as regards consumption, has been quickly constituted on the online social media – mums with children and pregnant women (18-34

14   *Na internetu nejčastěji nakupuje generace Y.* [online]. [2017-09-25]. Available at: <http://
        mediaguru/marketig/výzkumy/cz.htm>. Research 2017, N=2505>.

years).[15] There are about 84% of them active on Facebook (the general population makes 75 %), 77% on You Tube (the general population makes 61 %). 57 % of this target group would open their Facebook as the first contact with the world in the morning. They would shop online more than the other target groups, above all, foods, cosmetics, children products, toys, etc. The research reveals an important role played by recommendations of other mums – 59 % of female respondents say they bought the product based on this recommendation. 44 % of mums bought it because someone put a like on the net, and 38 % admitted the fact that the company informed about the product on the social media was enough for them to buy it.

3 Generation: Baby Boomers

This generation is a constantly growing segment whose importance in terms of the structure and volume of consumption is set to continue growing. It is defined by the year of birth 1946-1965. This generation is an important consumer of products and services that make their life easier – in USA this generation accounted for as much as half all expenditures on consumer goods. So we can expect a similar development will take place in our circumstances, as the senior generation 65+ will represent a third of our population in 2051.[16] In the recent 7 years there have been quite a few analyses published by researchers aiming to categorize certain target groups of the senior generation in terms of their lifestyle. E.g., the agency Opinion Window came up with the typology of 7 basic segments, which confirm a strong inner stratification[17] of this large age group: HOUSEWIVES – 19 % in the total segment 50+, OLD WOMAN WITH OLD MAN – 19 %, STILL YOUNG – 17 %, SWAGGERERS – 14 %, NICE BOYS AND GIRLS – 12 %, OLD HANDS – 10 %, SOAP OPERAS – 9 %. They used many indicators to define their attitude towards, e.g., mass media, ways of spending time, hobbies, care of the household, etc. As the names indicate it is about relatively sharply differentiated types. These typological profiles including the knowledge of their preference to the media sources are a valuable compass for marketers when planning and designing their communication activities.

The British survey[18] for the Look Fabulous Forever brand reveals, among others, that in 2017 seniors take more care of themselves than the preceding generations – in nutrition, physical activity, skin care, etc. 98% of the sample comprising 509 female respondents would welcome to see older models and celebrities in advertising communicate. In their opinion, they would much better depict the characteristic features of the older generation and help eliminate the stereotypical perception of this generation. As regards, promotional reasoning and arguments, marketers should avoid the terms associated with the old age, aging. The senior generation in the Czech society is still loyal to television as its main connecting link with the

15   *Nová generace matek propadla sociálním sítím.* [online]. [2017-09-25]. Available at: <https://www.mediaguru.cz/2013/04/nova-generace-matek-propadla-socialnim-sitim/>.
16   PAVLŮ, D.: Specifické podmínky marketingové komunikace se seniory. In BAČUVČÍK, R. et al. (eds.): *Globální a lokální v marketingové komunikaci (Protipóly marketingové komunikace).* Zlín : VeRBuM, 2013, p. 136.
17   *Ufo – přehlížená generace 50+ - vztahy, vazby, peníze.* Praha : OmnicomMediaGroup, 2011, p. 7.
18   *Seniory neosloví reklamy s mladými modelkami.* [online]. [2017-09-25]. Available at: <https //www.mediaguru.cz/2017/05/seniory-neoslovi-reklamy-s-mladymi-modelkami/>.

social surroundings.[19] 70 % of seniors in the segment 55-69 years spend their free time at television; they are most interested in news and reporting programs, films, travelogues and Czech series. The most watched channels are TV Nova, TV Prima and ČT 1. 70 % of seniors work with the internet every day (most often on their PC, less often on the mobile phone and tablet) and 20 % don´t use it at all. When on the internet, they most often use e-mail, e-shop and search for information about products; they also use internet banking. More than a third of them have their profile on the social media. Segmentation than the above typology is suggested by an OMG Research survey, which identified 6 basic segments in the target group: senior. OLD HAND – 32 %, BARGAIN HUNTER -17 %, COMPLAINER – 15 %, NICE BOY – 13 %, SPRIGHTLY – 12 %, GRANDMA DELUXE – 11 %. The individual segments are very thoroughly described in terms of their consumption, spending of free time, hobbies and activities, travel, media habits, etc.

Conclusion

The constant, intensive media pressure of the conventional and electronic media logically urges marketers to look for a more and more comprehensive set of information about their target groups, e.g., to more precisely define the key motivation for their behaviour, identify the main information sources and media. The exact segmentation is possible only on condition of a detailed knowledge of the target group with regard to more general, socio-economic, cultural and other parameters of everyday life in our society. The existing data and information confirm the importance of various types of marketing research and public opinion surveys in this respect.

References:
BRABEC, J: *Zásady výnosné obchodní reklamy – Na základě amerických studií a zkušeností.* Praha : Sfinx, 1927.
HOLMAN, V.: *Reklama a život.* Praha : Published by Politika, 1909.
Na internetu nejčastěji nakupuje generace Y. [online]. [2017-09-25]. Available at: <http://mediaguru/marketig/výzkumy/cz.htm>.
O dobrou reklamu. Prahs : M. A. P., Ministry of Schools and Education, 1930.
PAVLŮ, D.: Specifické podmínky marketingové komunikace se seniory. In BAČUVČÍK, R. et al. (eds.): *Globální a lokální v marketingové komunikaci (Protipóly marketingové komunikace).* Zlín : VeRBuM, 2013, p. 133-134.
PAVLŮ, D.: *Reklub 1927-1949. Chapters from the History of Czechoslovak Advertising*. Praha : Professional Publishing, 2017.
SLABÝ, J.: *Kurs obchodní reklamy s četnými ilustracemi.* Praha : Masarykův lidovýchovný ústav v Prahe, 1929.
ŠINDLER, Z.: *Moderní reklama.* Praha : F. Šimáček, 1906.
Ufo – přehlížená generace 50+ - vztahy, vazby, peníze. Praha : OmnicomMediaGroup, 2011.
Nová generace matek propadla sociálním sítím. [online]. [2017-09-25]. Available at: <https://www.mediaguru.cz/2013/04/nova-generace-matek-propadla-socialnim-sitim/>.

---

19   *Senioři nejvíce sledují zprávy, filmy a české seriály.* [online]. [2017-09-27]. Available at: <https://www.mediaguru.cz/2016/11/seniori-nejvice-sleduji-zpravy-filmy-a-ceske-serialy/>.

Obrat výzkumného trhu – Další rok růstu. [online]. [2017-10-10]. Available at: <http://simar.cz/zpravy-simar/obrat-vyzkumneho-trhu-dalsi-rok-rustu.html>.
Seniory neosloví reklamy s mladými modelkami. [online]. [2017-09-25]. Available at: <https //www.mediaguru.cz/2017/05/seniory-neoslovi-reklamy-s-mladymi-modelkami/>.
Senioři nejvíce sledují zprávy, filmy a české seriály. [online]. [2017-09-27]. Available at: <https://www.mediaguru.cz/2016/11/seniori-nejvice-sleduji-zpravy-filmy-a-ceske-serialy/>.

Contact data:
prof. PhDr. Dušan Pavlů, CSc.
University of Ss. Cyril and Methodius in Trnava
Faculty of Mass Media Communications
Námestie J. Herdu 2
917 01 Trnava
SLOVAK REPUBLIC
dusan.pavlu@ucm.sk

GENERATIONAL DIFFERENCES IN DIGITAL INFORMATION LITERACY

Martina Porubčinová

Abstract
This paper examines intergenerational and socio-economic differentiation in the level of digital and information competencies in specific age groups in Slovakia. Using statistical methods, we verify significance of the differences in the level of digital competencies. Based on demographic data and the findings in digital literacy we point to age-related differences in the structure of digital literacy. Differences in the assessment of the importance of digital competencies for blue and white-collar workers realized on a sample of employment agencies' workers reflect the impact of the offline social structure on digital literacy development.

Key words:
Digital competencies. Digital divide. Digital literacy. Generational divide. Information literacy.

Introduction

Based on personal experience, as well as the research focus of social scientists at present, it is now clear that the emergence of the Internet has become one of the key features defining and determining the way of life at the beginning of the millennium. Creating the Internet, a new way of communication that also transforms ways of learning, working, doing business, has become a new gift for a present time. All of us, the younger or older, children as well as parents, has met or is gradually facing the possibilities offered by the internet and social networks.[1] As we have started to recognize its advantages, requirements and risks associated with, process of socialization into the online world has become a challenge for all of us, regardless of the age or education. Social analysis does not avoid this phenomenon. On the contrary, a significant part of the authors identifies a current society today as a part of Internet era in the context of the Information society.[2] An information type society, in which technical innovations are shaped and developed in relation to the values, preferences, abilities, and talents of the individuals, creates requirements for the development of the competencies of a new kind. So, the specific period of socialization of different social groups into the digital world, of adapting to new technologies and acquiring new competencies, is taking place in society now. Specific requirements of the informational type of society include not only formal qualifications but also the set of key competences, which, according to the EU, should be strategically developed. Strategic competencies of today include also the digital competencies. According to the experts, the area of digital competence represents not only the part of the area of key informal competencies, but also a set of necessary work qualifications.[3] While the content of the most desirable competencies can change, expand and enrich over the

---

1   IMROVIČ, M.: Participation at the municipal level and social networks. In *Slovak Journal of Public Policy and Public Administration : slovenská revue pre verejnú politiku a verejnú správu.* Vol. 3, No. 2, p. 120.

2   WEBSTER, F.: *Theories of the Information Society.* London : Routledge, 2002, p. 8-20.

3   *Kompetencie podporujúce celoživotné vzdelávanie a iniciatívu „nové zručnosti pre nové pracovné miesta" z apríla 2010.* [online]. [2016-08-14]. Available at: <http:// nuczv.sk/wp-content/uploads/ST08798.SK10.pdf>.

course of life, digital competencies as such slowly become a firm and dynamic part of human capital, due to the overlapping of online and offline sociability.[4]

It is interesting to watch how different social groups are going through and managing the process of entering the digital world. Regarding the different assumptions of digital socialization, are there significant differences among the different groups when entering the digital world? How does this process evolve, how do specific groups cope with it? What factors are involved in the development of digital competences? The identification of the Internet generation of children has opened a space for the exploration of a digital participation of children for whom the digital world has been always present as the natural environment in their lives".[5] Parents, as the generation that has no lack of experience with life in the pre-Internet period, appeared before the task to accompany their children at the entrance to the digital environment. It is not surprising that the digital participation was perceived through the lens of different patterns of behavior, experiences and attitudes to the digital world in an intergenerational comparison. The different characters of the participation of children and parents in the digital environment are reflected in the concept of „*digital generational divide*".[6] As stated in digital divide studies,[7] the formation of digital participation of the Internet generation is realized in the dual optics of the personal experience of young people in the digital space that are different from adult experiences as well as in the process of cultural reproduction of the attitudes of the older generation towards digital participation. We can identify the digital divide as a "gap" in the minds of both generations, which is the result of new attitudes and patterns of behavior in the digital world typical of young people and patterns of behavior and attitudes of the older generation that persist under new conditions.[8] The authors emphasized the age-related differences in the digital skills and attitudes to the digital environment that determine an extent and forms of digital participation. Different features of children and parents' participation in the digital environment have found their reflection in the context of digital generational divide as a specific kind of digital divide.[9] In this context, the authors pointed to age-related differences in digital skills, attitudes towards digital participation, and patterns of digital competence use in practice. The digital generational divide has been defined, for

4   WOOGLAR, S: Reflexive Internet? The British Experience of New Electronic Technologies. In CASTELLS, M. et al. (ed.): *The Network Society – A Cross-cultural Perspective*. Northampton : Edward Eldar Publishing, 2004, p. 125-145.

5   For more information, see: HERRING, S. C.: Questioning the Generational Divide: Technological Exoticism and Adult Construction of Online Youth Identity. In BUCKINGHAM, D. (ed.): *Youth, Identity and Digital Media*. Cambridge, MA: The MIT Press Cambridge, 2008, p. 71-92.

6   See also: HERRING, S. C.: Questioning the Generational Divide: Technological Exoticism and Adult Construction of Online Youth Identity. In BUCKINGHAM, D. (ed.): *Youth, Identity and Digital Media*. Cambridge, MA : The MIT Press Cambridge, 2008, p. 71-92; PRENSKY, M.: Digital Natives, Digital Immigrants. In *On the Horizon*, 2001, Vol. 9, No. 5, p.2-3.

7   HERRING, S. C.: Questioning the Generational Divide: Technological Exoticism and Adult Construction of Online Youth Identity. In BUCKINGHAM, D. (ed.): *Youth, Identity and Digital Media*. Cambridge, MA : The MIT Press Cambridge, 2008, p. 71-80.

8   PRENSKY, M.: Digital Natives, Digital Immigrants. In *On the Horizon,* 2001, Vol. 9, No. 5. p. 2-3.

9   For more information, see: HERRING, S. C.: Questioning the Generational Divide: Technological Exoticism and Adult Construction of Online Youth Identity. In BUCKINGHAM, D. (ed.): *Youth, Identity and Digital Media*. Cambridge, MA : The MIT Press Cambridge, 2008, p. 71-92; PRENSKY, M.: Digital Natives, Digital Immigrants. In *On the Horizon,* 2001, Vol. 9, No. 5, p. 2-3.

example, in the form of a specific "digital language" of young people",[10] or as a "greater sociability in digital space, more practice in downloading digital media content, searching for information on the web for different goals, and greater certainty of the Internet generation of children in the digital environment compared to their teachers, parents, old parents".[11]

2 Methods

Members of the Internet generation have been identified as a specific age group with a unique status as a generation growing in the digital world since their birth. To realize the intergenerational comparison of the digital and information literacy, we tested the level of the information literacy competencies achieved in the age groups:

Gen 1: internet generation of aged 14-17 years. This age group of people we can be described as a generation DYP, i.e. digital young people.[12]

Gen 2: digital generation of parents (25-34) – currently including parents at the average age of childbearing without digital gap in the field of general digital literacy.

Gen 3: includes parents of the members of internet generation (45-54).

As the origins of the introduction of the internet in Slovakia date back to the second half of the 90s and computer rooms were set up in schools by 2004, the period of the second half of the 90s can be defined as the beginning of formation of the Internet generation of children in Slovakia – as the first children born into the digital world. In some countries - for example, the US is already the '80s. According to the demographic findings, it is possible to determine the average age of parents of the first members of the Internet generation of children in Slovakia (born around 2000 in Slovakia), currently in 2016 as well as the age group that currently is in average age of childbearing. If during the years1990-2000 the average age of women at childbirth was 26 years (ranging from 23 years to 31 years and the first to fourth order), and the average age of father was 28,6 years, the range of the age is 42-51 years (parents of the first members of the internet generation are born in 1965-1974), the average age of the parents of the period can be defined as 49-51 years. As in 2011, the average age of mothers at childbirth rose up to 28,3 years (27,7 in the first order to the fourth order of 31.6.) and the average age of fathers at the mother's birth of child was 32,14 years, the range 28,3-32 years defines the age group that is currently of the average age at childbearing.

As the digital literacy of new parental generation approaching the level of digital literacy of the age group of 14-17 (if in 2011 a group of 14 to 24 years old could be marked as the age group with the highest levels of digital literacy (98%), in 2013 the group of 14-34 years old (in which the level of digital literacy in a group of 14-

---

10   PRENSKY, M.: Digital Natives, Digital Immigrants. In *On the Horizon,* 2001, Vol. 9, No. 5, p.5..

11   HERRING, S. C.: Questioning the Generational Divide: Technological Exoticism and Adult Construction of Online Youth Identity. In BUCKINGHAM, D. (ed.): *Youth, Identity and Digital Media*. Cambridge, MA : The MIT Press Cambridge, 2008, p. 71.

12   LUKÁČ, M.: Museum visitors in the whirlpool of social and demographic changes. In ONDŘEJ, J. (ed.): *Selected problems of demographic trends*. Beroun : Nakladatelství Eva Rozkotová Publishing, 2016, p. 118-141.

17 years old achieves of 100% and in the group 18-34 years old 97%) is one of the groups with the strongest digital literacy.) we described the generation that is currently in the average age at childbearing as „the Internet generation of parents", that can accompany their children without the digital divide in the field of digital literacy. These parents born in the 80s are the first generation able to accompany their children of 10-14 years entering the digital world as the first generation of parents without the digital divide in the field of digital literacy. To compare the level of information and digital literacy competencies of the examined age groups we used the data of the representative research Digital literacy in Slovakia,[13] the study Digital Slovakia.[14] To follow the area of the overlapping of the online and offline sociability we used own empirical findings realized on a sample of recruitment agencies' s workers.[15]

3 Findings

3.1 The intergenerational comparison of digital literacy

In the next part, the level of the information literacy competencies within examined age groups is compared to verify the signs of digital generation of parents. In works of the Institute for Public Affairs, the digital literacy has been examined by 28 indicators (competencies), divided into 4 key components. Data on the level of self-assessment of competencies of the work with hardware, software, work with information and services and communication competencies are available. Within the component *work with information,* competencies as searching for the information and services on the internet, registration of the access to the information on the internet, searching for the information in LAN, searching for the information in databases and archives, filling in forms and documents, download and upload of data on the internet, internet-banking and online shopping competencies are included. According to the empirical findings on the level of the information literacy competencies among the examined age groups, **Gen 1 reaches the highest level** of competencies *searching the information on the internet, registration of the access to the internet, download and upload of the information. Gen 3 reached the lowest level and searching for the information n databases and archives. (Tab. 1)* **Gen 2** (digital parents) reaches the highest level in case of competencies *filling in forms and documents, internet-banking, online-shopping, searching for the information in LAN.* The lowest level of the examined competencies was reached by **Gen 3,** except competency internet-banking, where Gen 1 reached the lowest level. The empirical data suggest age related differences in the level of information competencies within the examined age groups.

13   VELŠIC, M.: *Digitálna gramotnosť na Slovensku.* Bratislava : IVO, 2013. [online]. [2015-10-13]. Available at: <http://www.ivo.sk/buxus/docs//publikacie/subory/Digitalna_gramotnost_2013.pdf>.

14   For more information, see: VELŠIC, M.: *Digitálna gramotnosť na Slovensku.* Bratislava: IVO, 2013. [online]. [2015-10-13]. Available at: http://www.ivo.sk/buxus/docs//publikacie/subory/Digitalna_gramotnost_2013.pdf>; *Digitálne Slovensko – výskumné dáta pre študentov.* Bratislava : IVO, 2016. [online]. [2016-08-14]. Available at: <http://www.ivo.sk/7842/sk/aktuality/digitalne-slovensko-vyskumne-data-pre-studentov>.

15   PORUBČINOVÁ, M.: Work Competencies of White and Blue-collar Workers in the Context of Information Society Development. In *Prognostické práce*, 2015, Vol. 7, No. 2, p. 115-133. [online]. [2016-08-14]. Available at: <http://www.prog.sav.sk/fileadmin/pusav/download_files/prognosticke_prace/2015/PP7_2_2015_Porubcinova_cl2>.

Table 1: Indexes of the digital competencies in the field of the work with information and services by the examined age groups

	Searching for the information and services on the internet	Registration of the access to the information and services on the internet	Internet-banking	Searching for the information in databases and archives	searching for the information in LAN	filling in forms and documents	Download and upload of the information	Online shopping
14-17	0,90	0,90	0,27	0,60	0,43	0,55	0,74	0,52
25-34	0,85	0,79	0,70	0,53	0,57	0,72	0,70	0,76
45-54	0,62	0,62	0,44	0,32	0,25	0,40	0,37	0,44

Source: Digital Slovakia, 2016

We applied nonparametric Mann Whitney U test to verify statistically significant differences in the level of information literacy competencies among the examined groups. In case the competency *searching for the information in databases and archives,* **Gen 1 reached significantly higher level** to compare both older generations Gen 2 and Gen 3 (Tab. 2). In case of competency *searching for the information in LAN,* **Gen 2 reached significantly higher** level to compare Gen 1 and significantly lower level was reached by Gen 3. In case of *using internet banking,* **Gen 1 reached significantly lower level compared to the Gen 3.** Similarly, in case of *online shopping,* the highest level was reached in Gen 2 (a group of the raising digital generation of the parents), even if there was no significant difference confirmed between them and Gen 1 (the internet generation of children). **Significantly lower level** of the competency *internet shopping* was confirmed **between Gen 3 and Gen 1.** Significantly lower level of *internet banking* of Gen 1 to compare Gen 3 indicates differences in the use of information competencies in practice in relation to the age. Due to this, older age groups may reach higher level in special information literacy competencies. This finding (and also significantly higher levels of competencies searching the data in LAN and copying and transmitting data in LAN in Gen 2 to compare Gen 1) can maintain also the thesis of the overlapping of the online and offline sociability. According to the findings on differences in the level of digital competencies from components *work with hardware, software, information literacy and communication* (Tab. 2):

Gen 1 reached significantly higher level in one competency **to compare to Gen 2** *(searching in databases and archives)*, but in case of six competencies **to compare Gen 3** *(searching for the information in databases and archives, work with scanner, install facilities to PC, searching the data in LAN and copying and transmitting data in LAN and online-shopping.* **Gen 2** reached significantly higher level to compare **to Gen 1** in case of searching in databases and archives, searching for the information in LAN and copying and transmitting the information in LAN. Gen 1 also reached lower level to compare to Gen 2 in case of filling in forms and documents, online-shopping and work, although not on significantly level. These finding supports the thesis of reducing the digital generational divide within the examined age groups. It also points to raising of the first digital generation of parents (Gen 2) that can accompany their children in digital world without significant differences in digital competencies.

Table 2: Statistical significance of the differences in digital competencies between Gen 1, Gen 2 and 3

	Internet generation (Gen 1) Aged 14-17	Internet generation of parents (Gen 2) Aged 25-34	Parents of the internet generation (Gen 3) Aged 45-54	Mann Whitney U test (p) Gen 1vs Gen 2	Mann Whitney U test (p) Gen 1vs Gen 3	Mann Whitney U test (p) Gen 2 vs Gen 3
searching for the information in databases and archives	0.60	0.70	0.32	p=0.01208*	p=0.02034*	p=0.4009
internet banking	0.27	0.60	0.44	p=0.15386	p=0.01072*	p=0.65272
online shopping	0.52	0.76	0.44	p=0.56868	p=0.03*	p=0,40654
work with scanner	0.66	0.71	0.43	p=0.20005	p=0.0151*	p=0.61006
install the facilities to PC	0.51	0.40	0.30	p=0.15854	p=0.0251*	p=0.74896
copying and transmitting the data in LAN	0.51	0.57	0.30	p=0.04136*	p=0.01046*	p=0.8493
Searching for the data in LAN	0.43	0.57	0.25	p=0.04136*	p=00734*	p=0.74864

Source: Digital Slovakia, 2016, own calculations based on Mann Whitney U test

Also, the significantly lower level of internet banking in the youngest age group and the highest level of online shopping ability at 25-44 years old may indicate age-related differences in information skills needs. Lower levels of competencies searching and copying data in LAN in Gen 1 to compare Gen 2 could suggest the significance of the practice use (or practical applicability) in developing of digital competencies in the context of the overlapping of the online and offline socialization. Statistically confirmed *age-related differences in the structure of information literacy* within the examined age groups can be explained in the context of the overlapping of the online and offline sociability - higher level of self-assessment of digital competencies in older age groups is likely to reflect the different practical applicability of these competencies in practice and partly different forms of (online and offline) activities in relation to the age. Could these findings suggest that the development of the digital intergenerational divide will not develop independently from generic distribution as such, assuming a further narrowing of differences in the level of digital literacy of the age groups?

3.2 The overlapping of online and offline sociability in relation to digital literacy

As stated by Velšic,[16] different digital competencies and experiences in a situation of applying for a job are closely related to the demands of the labor market. Similarly,

---

16 VELŠIC, M.: *Digitálna gramotnosť a trh práce na Slovensku*. Bratislava : IVO, 2010. [online]. [2015-10-13]. Available at: <http://www.ivo.sk/buxus/docs//vyskum/subor/DG_a_trh_prace.pdf>.

according to our findings (based on findings in age-related differences in the level of digital competencies, as well as the findings on the level of the importance of the digital literacy in a situation for applying for a job), the structure of social positions relates to the different set of demands even in digital competencies, that are reflected in different level of digital competencies, in relation to the age and socio-economic factors (type of work). In a study realized by a questionnaire method on a sample of the workers of 96 recruitment agencies,[17] we examined the significance of competencies specific for white collar workers and blue-collar workers, verifying the thesis of different types of the work culture specific for white and blue- collar workers by Manuel Castells.[18] The employers of the recruitment agencies were asked to assess the importance of the work competencies including digital competencies of persons in the situation of applying for a job. According to the findings of the assessment of recruitment agency workers of our sample, significance of information society competencies was explored for the workers in blue and white-collar positions in examined set of competencies specific for the information society.[19] *The results confirmed the existence of different types of the work culture in the context of information society development* as the significance of the competencies specific for the information society, including digital competencies, were significantly higher for white collar workers (Tab4). Wilcoxon non-parametric test was used to clarify the significance of differences in the esteems of work competencies exploitation realized by employment agencies workers of the sample. Significantly higher degree of importance of all examined competencies in white collars was confirmed, except competency learning to learn, which was assessed as the only key competency not significantly different for white and blue collars (8,10 white collars and 7,04 blue collars) (Wilcoxon 0,053**).

Table 3: The assessment of the importance of work competencies specific for the information society for blue and white collars and significance of differences
Respondents were asked to mark the significance of specific competencies on the scale from 10 points answering the question *According your opinion, how important are following personal competencies for job applicants and employed persons searching new job?*

17   PORUBČINOVÁ, M.: Work Competencies of White and Blue-collar Workers in the Context of Information Society Development. In *Prognostické práce*, 2015, Vol. 7, No. 2, p. 115-133. [online]. [2016-08-14]. Available at: <http://www.prog.sav.sk/fileadmin/pusav/download_files/prognosticke_prace/2015/PP7_2_2015_Porubcinova_cl2>.

18   For more information, see: CASTELLS, M.: *The Network Society a Cross-cultural Perspective.* Northampton : Edward Eldar Publishing, Inc., 2004.

19   Work competencies specific for the information society (IS) included creativity, flexibility, digital competencies, analytic competencies and abilities to process information and key (K8) competencies relevant in the context of employability on the labor market included communication skills, communication in foreign languages, mathematic skills, digital competencies, ability to learn, social competencies, leadership and cultural sensitivity (for more information, see: *Kompetencie podporujúce celoživotné vzdelávanie a iniciatívu „nové zručnosti pre nové pracovné miesta" z apríla 2010.* [online]. [2016-08-14]. Available at: <http:// nuczv.sk/wp-content/uploads/ST08798.SK10.pdf>).

	Work Competencies specific for information society	White collar workers (mean)	Blue collar workers (mean)	Wilcoxon*
Competencies IS	Creative capacity	8,30	4,07	0,00
	Flexibility	8,34	6,7	0,03
	Ability to process information	8,34	5,40	0,00
	Digital competencies	7,07	3,19	0,00
	Analytic skills	7,08	3,19	0,00
Competencies K8	Communication in mother language	8,96	5,58	0,00
	Communication in foreign languages	8,61	5,73	0,001
	Mathematic competence and basic competence in science and technology	6,19	3,58	0,00
	Digital competence	7, 08	3,19	0,00
	Social and civic competences	6,10	3,03	0,00
	Learning to learn	8,10	7, 04	0,053
	Sense of initiative and entrepreneurship	7,38	3,61	0,00
	Cultural awareness and expression	6,30	3,47	0,00

Source: Own processing

Thus, differences in the importance of the digital skills in relation to the work position could be explained in the frame of the overlapping online and offline activities by the differences in requirements that emerge within a social structure.

4 Discussion

In this work, significance of the age-related differences in the level of digital competencies was verified within specific age groups – Gen 1 – internet generation of children in Slovakia (aged 14-17), Gen 2 – digital generation of parents (aged 25-34) and Gen 3 – parents of the internet generation (aged 45-54). Based on statistical comparison of the level of information competencies and other digital competencies within the examined age groups, when Gen 1 reached significantly lower to compare to Gen 3 in case of six competencies, but in one competency to compare Gen 2, the signs of the emergence of the first *digital generation of parents* without digital gap to compare to the internet generation of children (Gen 1 aged 14-17) can be confirmed. Gen 1 reached significantly lower level to compare to Gen 3 in case of competency internet-banking, and significantly lower level to compare Gen 2 in case of searching in databases and archives, searching for the information in LAN and copying and transmitting the information in LAN. Gen 1 also reached lower level to compare to Gen 2 in case of filling in forms and documents, online-shopping and work, although not on significantly level.

Conclusion

This work followed the area of digital generational and socioeconomic divide in Slovakia. Based on the theoretical context of *digital habitus* we examined various parts of digital participation of children and their parents. According to empirical findings, significance of the digital divide in Slovakia persists in terms of socioeconomic divide, but declines in terms of intergenerational digital divide in field of digital literacy within the examined age groups. Statistically confirmed *age- related differences in the structure of information literacy* within the examined age groups can be explained in the context of the overlapping of the online and offline sociability and the differences in (online and offline) activities in relation to the age.

References:

CASTELLS, M.: *The Network Society a Cross-cultural Perspective.* Northampton : Edward Eldar Publishing, Inc., 2004.

Digitálne Slovensko – výskumné dáta pre študentov. Bratislava : IVO, 2016. [online]. [2016-08-14]. Available at: <http://www.ivo.sk/7842/sk/aktuality/digitalne-slovensko-vyskumne-data-pre-studentov>.

HERRING, S. C.: Questioning the Generational Divide: Technological Exoticism and Adult Construction of Online Youth Identity. In BUCKINGHAM, D. (ed.): *Youth, Identity and Digital Media.* Cambridge, MA : The MIT Press Cambridge, 2008, p. 71-92.

IMROVIČ, M.: Participation at the municipal level and social networks. In *Slovak Journal of Public Policy and Public Administration : slovenská revue pre verejnú politiku a verejnú správu*. Vol. 3, No. 2, p. 111-121. ISSN 1339-5637.

Kompetencie podporujúce celoživotné vzdelávanie a iniciatívu „nové zručnosti pre nové pracovné miesta" z apríla 2010. [online]. [2016-08-14]. Available at: <http:// nuczv. sk/wp-content/uploads/ST08798.SK10.pdf>.

LUKÁČ, M.: Museum visitors in the whirlpool of social and demographic changes. In ONDŘEJ, J. (ed.): *Selected problems of demographic trends*. Beroun : Nakladatelství Eva Rozkotová Publishing, 2016, p. 118-141.

PORUBČINOVÁ, M.: Work competencies of White and Blue-collar Workers in the Context of Information Society Development. In *Prognostické práce*, 2015, Vol. 7, No. 2, p. 115-133. ISSN 1338-3590. [online]. [2016-08-14]. Available at: <http://www.prog.sav.sk/fileadmin/pusav/download_files/prognosticke_ prace/2015/PP7_2_2015_Porubcinova_cl2>.

PRENSKY, M.: Digital Natives, Digital Immigrants. In *On the Horizon*, 2001, Vol. 9, No. 5, p.1-6, https://doi.org/10.1108/10748120110424816.

VELŠIC, M.: *Digitálna gramotnosť a trh práce na Slovensku.* Bratislava : IVO, 2010. [online]. [2015-10-13]. Available at: <http://www.ivo.sk/buxus/docs//vyskum/ subor/DG_a_trh_prace.pdf>.

VELŠIC, M.: *Digitálna gramotnosť na Slovensku.* Bratislava: IVO, 2013. [online]. [2015-10-13]. Available at: http://www.ivo.sk/buxus/docs//publikacie/subory/Digitalna_ gramotnost_2013.pdf>;

WEBSTER, F.: *Theories of the Information Society.* London : Routledge, 2002.

WOOGLAR, S: Reflexive Internet? The British Experience of New Electronic Technologies. In CASTELLS, M. et al. (ed.): *The Network Society – A Cross-cultural Perspective.* Northampton : Edward Eldar Publishing, 2004, p. 125-145.

Contact data:
Mgr. Martina Porubčinová, PhD.
Slovak Academy of Sciences
Centre of Social and Psychological Sciences
Šancová 56
811 05 Bratislava
SLOVAK REPUBLIC
progmpor@savba.sk

LIFESTYLE CHANGES AND SHOPPING BEHAVIOR IN THE DIGITAL ENVIRONMENT

Olga Regnerová – Marta Regnerová

Abstract
The digitization process of a society determines the changes that are gradually reflected in the life of each individual. The Internet as a product of digital technology is becoming a daily part of people's lives. Changes brought about by the digitization of a society affect and affect individuals, including their behavior in shopping in any life role. Under the influence of changes in society, the way of life of each individual changes. Gradually, the lifestyle of the society is gradually changing. The aim of the article is to show changes in consumer behavior and decision making in the digitalization process of our society. These changes are part of the external and internal conditions of society's life, in which people's lifestyle is shaped. The methodology to achieve the goal is to analyze the primary and secondary data obtained from studying the scientific and scientific studies of our and foreign authors, from our own research (questionnaire research, individual interviews) and from discussions at scientific conferences.

Key words:
Consumer. Digitization. Internet. Lifestyle. Purchasing decisions. Quality of life. Way of life.

1 Introduction

The Internet and digital technologies are a normal part of life for a large part of Europeans and they develop constantly. Even if it is used mainly for working purposes, the Internet now commonly serves people to search for information, to buy and sell goods and services and to communicate with their friends via social networks.[1] Many research surveys have shown that the Internet and digital technologies have become an everyday part of life of Czech citizens. Therefore, virtual shopping can be seen as an Internet-related innovation, which has an effect on the dynamics of customers' purchasing behaviour.[2] The use of the Internet brings new elements into a way of life. The Internet is speeding up the pace of life, increasing the standard of living of society, educating people. Using the Internet opens up other possibilities for utilizing the properties of each individual, and it changes the external and, gradually, the internal conditions of people's lives.

2 Quality of Life

Quality of life has become one of the most commonly used concepts of contemporary society, where it is considered a suitable indicator of physical, mental and social health. It significantly interferes with other concepts as a way of living, lifestyle or living conditions. The World Health Organization (WHO) defines quality of life, „Quality of life is how people perceive their position in life in the context of the culture in which he lives, and in relation to their goals, expectations, lifestyles and

---

1   *European Union's Digital Single Market Strategy.* [online]. [2015-10-12]. Available at: <http://www.euractiv.cz/obchod-a-export0/link-dossier/strategie-eu-pro-jednotny-digitalni-trh-000129#sthash.k3y7wumR.dpuf>.
2   BARKHI, R., BELANGER, F., HICKS, J.: A Model of the Determinants of Purchasing from Virtual Stores. In *Journal of Organizational Computing and Electronic Commerce*, 2008, Vol. 18, No. 3, p. 182.

interests."[3] In general, the notion of quality of life moves somewhere between living standards and satisfaction. It is in the objective pole closer to politics and economics and subjectively in medicine, sociology and psychology. The sense of well-being that stems from the physical, mental and social equilibrium of each individual is crucial for the concept of quality of life. The quality of life is determined by the subjective perception of individual living reality. Based on a self-reflective dimension, which is defined by the physical, psychological and spiritual existence of a person, one can say that health is one of the basic categories-the domain of quality of life. It is also family and family life, leisure and personal development, work and career development, the place of housing, including the community and the neighborhood[4], as shown in Figure 1.
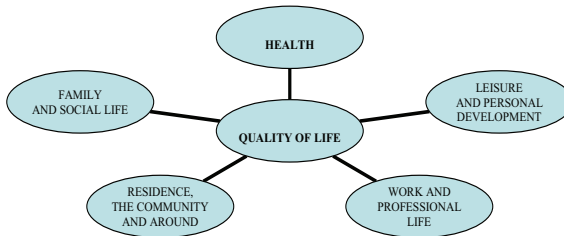
Picture 1: Five basic domains of quality of life
Source: *Review of Quality of Life Project Management*. [online]. [2016-09-14]. Available at: <http://www.dnd.ca/crs/pdfs/qol_e.pdf>.

The abovementioned domains of quality of life form essentially the outer conditions of people's lives and they influence and shape the lifestyle of people in society.

3 Way of Life and Lifestyle

The concept (category) lifestyle is a very complex phenomenon that can be explored from many points of view. It has a number of components, elements, aspects. It is influenced by a number of external and internal factors that characterize the way people live in a given stage in the development of society. Therefore, in the literature of many authors, concepts of life and lifestyle are used as a synonym. **There is no professional consensus in delimiting the concept way of life and lifestyle** and there is no consensus in defining the elements and spheres way of life and lifestyle.[5] On the other hand, therefore, many sociologists conceive the concept of life as a

---

3   *WHO 2009*. [online]. [2016-09-14]. Available at: <http://www.euro.who.int/en/health-topics/Life-stages>.

4   *Review of Quality of Life Project Management*. [online]. [2016-09-14]. Available at: <http://www.dnd.ca/crs/pdfs/qol_e.pdf>.

5   IVANOVÁ, K.: *Životní styl jako sociální determinanta zdraví*. [Rigorous Thesis]. Praha : FF UK, 2006, p. 29.

broader and supreme lifestyle concept.[6],[7],[8] Category way of life may be more general term-basis, while the category of lifestyle concretization lifestyle. „Lifestyle will be a term that marks the manifestations of the life of individual parts of society (i.e., the individual – the authors' note), while the term life style will apply to the whole society."

The way of life becomes the most general category, containing all the life manifestations of individuals, groups and society as a whole. Lifestyle can then be described as a form of expression of the lives of individuals, groups; and is much more connected to the specific conditions of their work, social life, participation in education and cultural phenomena, the use of leisure time, etc. [9] These individuals' conditions of life also include a way of purchasing goods and services to meet basic, luxury and development needs. It is possible to talk about the segmentation of lifestyle and its alignment with the behavior of consumers. This is reflected, for example, in the difference in relation to actual consumption of energy, water, housing, urban transport and the use of household appliances by individual groups of consumers (segments).[10] Lifestyle buyers in recent years, affecting even new ways, ideas, concepts business. For example, the Fair Trade[11] business concept is currently a very topical and debated issue between both the lay public and professionals. In terms of its volume, it plays a negligible role in global international trade, but its social and environmental dimensions are significant.[12]

4 The Purchase Decision Process

The purchasing decision process is the process of resolving the conflict between the actual and the desired state. It involves several phases from identifying the problem through search, rating, selection of options, purchase or refusal to purchase, and pondering behavior that feeds back to consumer predispositions.[13]

6   DUFFKOVÁ, J.: *Životní způsob/styl a jeho variantnost*. In *Aktuální problémy životního stylu. Sborník referátů a příspěvků ze semináře sekce sociologie integrálního zkoumání člověka a sekce sociologie kultury a volného času. Conference Proceedings*. Praha : Masarykova česká sociologická společnost při AV ČR, Univerzita Karlova v Praze, 2005, p. 158.
7   LINHART, J.: *Velký sociologický slovník*. Praha : Karolinum, 1996, p. 1102.
8   KUBÁTOVÁ, H.: *Sociologie životního stylu*. Olomouc : FF Univerzita Palackého, 2001, p. 45-56.
9   IVANOVÁ, K.: *Životní styl jako sociální determinanta zdraví*. [Rigorous Thesis]. Praha : FF UK, 2006, p. 45.
10   NEWTON, P., MEYER, D.: Exploring the Attitudes-Action Gap in Household Resource Consumption: Does „Environmental Lifestyle" Segmentation Align with Consumer Behaviour? In *Sustainability*, 2013, Vol. 5, No. 3, p. 1211.
11   RAYNOLDS, L. T., MURRAY, D. L., WILKINSON, J.: *Fair Trade: The Challenges of Transforming Globalization*. New York, NY : Routledge, 2007, p. 21-55.
12   NAVRÁTILOVÁ, M., BERANOVÁ, M.: Zhodnocení postavení třtinového cukru jako komodity v rámci obchodního konceptu fair trade v České republice. In *Listy cukrovarnické a řepařské*, 2017, Vol. 133, No. 7-8, p. 256.
13   HRUBÁ, D., REGNEROVÁ, M.: *Vybrané kapitoly obchodních dovedností I*. Praha : PEF ČZU Praha, 2003, p. 40-50.

Table 1: 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.* Praha : PEF ČZU Praha, 2003, p. 41.

Table 1 above provides a diagram of the 5 stages of the purchase decision process, which are potentially followed up by another stage (stage VI) 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. These phases can change in the digital environment, especially when shopping online. Therefore, they may change (shorten or prolong) in particular in Phase II. and IV. Phase V. is in turn influenced by environmental requirements for waste management, Basically, in digital environments, quantitative and qualitative changes in terms of purchasing decisions are made.

5 Purchase of Groceries on the Internet

In 2015 a research survey was carried out at the Department of Trade and Finance of the Faculty of Economics and Management of the Czech University of Life Sciences in Prague - a combined method of addressing respondents in electronic or written form using a questionnaire. Questions were asked in the questionnaire on how to make purchases using the Internet. **1343** replies were obtained. 1185 respondents, which is about 88% of 1343 respondents, had at least one internet shopping experience. Respondents, as the main reasons why buyers would move from shopping in „classic" shops to shopping online, said:
- Non-availability of goods elsewhere;
- Saving time;
- Goods delivery;
- Wide range of goods;
- Comparable / lower prices;
- Discount offer, „sale action".

Only 142 respondents from 1343 respondents made purchases of food on the Internet. This is a relatively small percentage – less than 11%. Table 2 shows what the respondents considered to be the advantages and disadvantages of shopping for groceries online. Home delivery is most often seen as an advantage while the impossibility to inspect the product as the most remarkable disadvantage. This is

logical because visual appearance is often the decisive criterion for those who buy food.[14]

Table 2: Advantages and disadvantages of shopping for groceries on the Internet
Source: Questionnaire survey by the Department of Trade and Finance, FEM, Czech University of Life Sciences Prague, and independent data processing.

Advantages	in %	Disadvantages	in %
• home delivery	64.7	• impossibility to inspect the product	74.3
• time savings	60.8	• distrust of the seller	31.6
• unlimited opening hours	48.9	• limited shelf life	31.2
• avoiding crowds	41.0	• impersonal sale	31.2
• wide range of products	34.6	• security of personal data	28.1
• competitive prices	28.7	• payment security	23.9
• access to information	11.3	• problematic delivery	19.7
• other	5.6	• violation of privacy	17.4
		• lack of clarity	14.8
		• other	12.5
			3.9

6 Wine as a Good Commodity for On-line Shopping

Wine is particularly suited to various dimensions of the internet and hence creating a brand image that will attract and retain consumers is the conundrum of the online wine retailers.[15]

Development of consumption of wine and beer in the Czech Republic in years 2007-2015
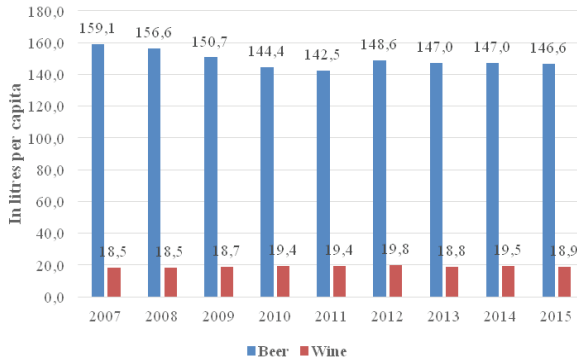
Chart 1: Development of consumption of wine and beer in the Czech Republic in years 2007-2015
Source: Own processing based on *Czech Statistical Office.* [online]. [2017-09-09]. Available at: <https://www.czso.cz/>.

---

14 ŠÁLKOVÁ, D., REGNEROVÁ, M.: Process Digitization of Society – Determinant Changes to Shopping Behavior. In MATÚŠ, J., PETRANOVÁ, D. (eds.): *Marketing Identity. Digital Life – part II. Conference Proceedings.* Trnava : FMK UCM in Trnava, 2015, p. 259-260.
15 BRUWER, J., WOOD, G.: The Australian Online Wine-buying Consumer: Motivational and Behavioural Perspectives. In *Journal of Wine Research*, 2005, Vol. 16, No. 3, p. 193-211.

As shown in the table above, wine consumption is stable in the Czech Republic. Unlike beer, whose consumption shows a decreasing trend. In the lifestyle, drinking wine is considered predominantly a cultural and cultured event. Sometimes there is a slight wine-drinking and associated health aspect. Consumers in the Czech Republic find new ways to buy wine online. The considerable advantage of particularly large online stores is the breadth of supply. Customers can choose wines from various domestic and foreign winemakers. Online wine shops also often offer more convenient and cheaper delivery through different outlets or stone shops. The average amount that Czechs spend on one purchase over the internet is CZK 500.[16]

Conclusion

Lifestyle is a complex system that is influenced, formed and shaped by the external conditions of life of the company (external factor) and the individual himself, his economic, social and psychological approach to life (intrinsic factor). An anchored lifestyle can, for example, affect both consumption and consumption behavior, including financial exhaustion.[17] Purchase of goods using the Internet positively influences the decision-making process and thus consumer behavior. There are changes in the decision process in the duration of each phase. In the digital environment, the whole process is shortened. 88% of respondents from 1343 respondents bought the goods online, but only 142 bought food, which is less than 11%. As the biggest advantage of buying food on the Internet, the respondents see the „delivery of goods to the house" and the second is saving time. The biggest disadvantage of online shopping was that respondents „could not see the product." When buying wine over the Internet, customers have the choice of more choice and better assembling of goods. When purchasing on-line from winemaking or specialist retailers, they also have a guarantee of quality assurance while maintaining the right storage and delivery conditions. Wine as a commodity is therefore suitable for on-line sales and it is expected that the proportion of wine sold will increase over the internet. The process of digitizing society as part of people's living conditions has an active role in shaping lifestyle. These examples of digital decision making and online purchasing are becoming a daily part of life-style lifestyle. It is an irreversible development that has its pros and cons. In any case, it is evidence of changes in the way of life and the specific lifestyle in the current development phase of society.

---

16   Research at the Department of Business and Finance, FEM, Czech University of Life Sciences Prague (remark by the authors).

17   MONTOYA, D. Y., SCOTT, M. L.: The Effect of Lifestyle-Based Depletion on Teen Consumer Behavior. In *Journal of Public Policy & Marketing*, 2013, Vol. 32, No. 1, p. 82-96.

References:

BARKHI, R., BELANGER, F., HICKS, J.: A Model of the Determinants of Purchasing from Virtual Stores. In *Journal of Organizational Computing and Electronic Commerce*, 2008, Vol. 18, No. 3, p. 177-196. ISSN 1091-9392.

BRUWER, J., WOOD, G.: The Australian Online Wine-buying Consumer: Motivational and Behavioural Perspectives. In *Journal of Wine Research*, 2005, Vol. 16, No. 3, p. 193-211. ISSN 0957-1264. [online]. [2007-01-23]. Available at: <http://dx.doi.org/10.1080/09571260600556666>.

Czech Statistical Office. [online]. [2017-09-09]. Available at: <https://www.czso.cz/>.

DUFFKOVÁ, J.: Životní způsob/styl a jeho variantnost. In *Aktuální problémy životního stylu. Sborník referátů a příspěvků ze semináře sekce sociologie integrálního zkoumání člověka a sekce sociologie kultury a volného času. Conference Proceedings.* Praha : Masarykova česká sociologická společnost při AV ČR, Univerzita Karlova v Praze, 2005, p. 23-40.

European Union's Digital Single Market Strategy. [online]. [2015-10-12]. Available at: <http://www.euractiv.cz/obchod-a-export0/link-dossier/strategie-eu-pro-jednotny-digitalni-trh-000129#sthash.k3y7wumR.dpuf>.

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

IVANOVÁ, K.: *Životní styl jako sociální determinanta zdraví.* [Rigorous Thesis]. Praha : FF UK, 2006.

KUBÁTOVÁ, H.: *Sociologie životního stylu*. Olomouc : FF Univerzita Palackého, 2001.

LINHART, J.: *Velký sociologický slovník.* Praha : Karolinum, 1996.

MONTOYA, D. Y., SCOTT, M. L.: The Effect of Lifestyle-Based Depletion on Teen Consumer Behavior. In *Journal of Public Policy & Marketing*, 2013, Vol. 32, No. 1, p. 82-96. ISSN 0743-9156.

NAVRÁTILOVÁ, M., BERANOVÁ, M.: Zhodnocení postavení třtinového cukru jako komodity v rámci obchodního konceptu fair trade v České republice. In *Listy cukrovarnické a řepařské*, 2017, Vol. 133, No. 7-8, p. 253-257. ISSN 1210-3306.

NEWTON, P., MEYER, D.: Exploring the Attitudes-Action Gap in Household Resource Consumption: Does „Environmental Lifestyle" Segmentation Align with Consumer Behaviour? In *Sustainability*, 2013, Vol. 5, No. 3, p. 1211-1233. ISSN 2071-1050.

RAYNOLDS, L. T., MURRAY, D. L., WILKINSON, J.: *Fair Trade: The Challenges of Transforming Globalization*. New York, NY : Routledge, 2007.

Review of Quality of Life Project Management. [online]. [2016-09-14]. Available at: <http://www.dnd.ca/crs/pdfs/qol_e.pdf>.

ŠÁLKOVÁ, D., REGNEROVÁ, M.: Process Digitization of Society – Determinant Changes to Shopping Behavior. In MATÚŠ, J., PETRANOVÁ, D. (eds.): *Marketing Identity. Digital Life – part II. Conference Proceedings*. Trnava : FMK UCM in Trnava, 2015, p. 256-263.

WHO 2009. [online]. [2016-09-14]. Available at: <http://www.euro.who.int/en/health-topics/Life-stages>.

Contact data:
Ing. Olga Regnerová
Czech University of Life Sciences Prague
Faculty of Economics and Management
Kamýcká 129
165 21 Prague 6 – Suchdol
CZECH REPUBLIC
oregnerova@pef.czu.cz

Ing. Marta Regnerová, CSc.
Czech University of Life Sciences Prague
Faculty of Economics and Management
Kamýcká 129
165 21 Prague 6 – Suchdol
CZECH REPUBLIC
regnerova@pef.czu.cz

SHARING ECONOMY AND TRANSPORTATION

Zdeněk Říha

Abstract
The sharing economy has been a significant phenomenon over the past ten years. The concept is not new, sharing has always existed. However, this area of economic relations has been recently influenced by the rapid development of information technology, and sharing has gained a whole new dynamics in many areas. The article deals primarily with shared transport and focuses on the preconditions that influence transport behavior of the population, especially in large cities.

Key words:
Costs. Passenger. Public Transport. Sharing economy. Transportation. Technology.

1 The Sharing Economy – the concept, definition

The concept of sharing economy originates in the English expression itself. Alternatively, the term "collaborative consumption" can be used, which is probably more precise in terms of the Czech language, but too long to be used widely. Nevertheless, it describes the heart of the matter more accurately - people use particular assets (which always have a particular owner, though) together. It means they consume its utility value, i.e. they share it for a fee or free of charge. Generally speaking, we can define the sharing economy as a socio-economic system where different users consume the utility value of various goods and services and contribute financially to the owner. Of course, that is nothing new in human history. Many rental shops, such as video or tool rentals, operated in the past. What is new is the extent to which this concept occurs. It is mainly due to the development of information technologies. The efficient and effective use of IT leads to a substantial reduction of so-called transaction costs. Oxford Dictionaries define "sharing economy" as *„an economic system in which assets or services are shared between private individuals, either free or for a fee, typically by means of the Internet".*[1] Apart from the term "sharing economy", there are others that often describe the same thing with little difference:
- Collaborative Economy: initiatives based on distribution networks which connect individual users or groups of users – it is the opposite of centralized societies, Collaborative Consumption: sharing different products and services as opposed to owning them,
- Peer Economy: a variety of peer-to-peer internet platforms that allow their users to trade in services and products based on mutual trust,
- Swarm Economy: the economy of the swarm of flies – because of its decentralized form it is described as a means of weakening large companies. In addition, it is an economy where everyone can have more jobs and work from any place, anytime.[2]

An important role in the sharing economy is played by intermediaries, which are basically the operators of the Internet platforms where estates and services are shared.

1   *Oxford Dictionaries*. [online]. [2013-08-31]. Available at: <https://en.oxforddictionaries.com/definition/sharing_economy>.
2   FALKVINGE, R.: *More Thoughts on the Coming Swarm Economy*. [online]. [2013-08-31]. Available at: <https://falkvinge.net/2013/08/31/more-thoughts-on-the-coming-swarm-economy/>.

Their role is much wider than only creating sufficient supply in the given sector of the economy and ensuring communication between the bidder and the buyer. In addition, they provide solutions to payments as well as all kinds of complaints. According to the provider's role, we then recognize two sharing systems:

- Internet platforms based on peer-to-peer P2P (also called C2C, or consumer to consumer, or customer to customer, or citizen to citizen): are client-to-client networks where particular users of those networks communicate. Basically, the intermediary only provides the space for sharing.
- Internet platforms consumer-to-business-to-consumer (C2B2C): where the intermediary has a more prominent role and determines the terms of sharing, such as the price of goods and services, the back-up system for rented goods, user verification, or shared goods insurance.

Rachel Botsman, an expert on the sharing economy and its impact on society, outlines the three basic areas in which sharing can be pursued:[3]

- Redistribution markets – markets with unwanted or unused goods, typical of clothing; a good example might be **ThreadUp**,
- Collaborative lifestyles – this area is based on the sharing of non-productive assets that can be used this way; a typical example is the **Landshare** project which links the owners of unused land with those who would like to grow vegetables or fruits,
- System of sharing goods – basically, it offers the possibility of accessing the product without having to own it; various car-sharing platforms are the most common.

Even the above stated structuring clearly shows that the sharing economy is nothing new. It has always in some measure existed in the economic system. Such phenomena as secondary markets for goods, a system of renting land or flats, or renting cars, or even attempts to share them (e.g., by employees of the same company on their way to and from work) have always existed. What is new is the dynamics of the whole developing process of the sharing economy as well as its dimension which is vast and still growing thanks to the Internet itself, combined with the easier Internet access. Of course, it should be stated here that this phenomenon does not overwrite economic laws. Technology is changing (as it has already been several times in history), not the economic principles.

2 The Sharing Economy in Transportation

Transportation has a tremendous potential for the sharing economy and as such will be allocated proportionally. Transportation is gradually showing trends which indicate that ownership of the means of transport is not a key issue anymore. These trends emerge in statistics of economically developed countries where some very interesting sociological studies have been conducted. First of all, there is a change in the approach to a car ownership in the upcoming generation. The car does not

---

3   BOTSMAN, R.: *Defining the Sharing Economy: What Is Collaborative Consumption – And What Isn't?* [online]. [2015-05-27]. Available at: <https://www.fastcompany.com/3046119/defining-the-sharing-economy-what-is-collaborative-consumption-and-what-isnt>.

necessarily have to be a symbol of social status, as predicted in 1990 by experts from Oxford University: *"Another possibility is that some new product could hit the market which would make the car redundant in the psychological sense. It is hard to imagine what this could be. Computers seem to be the products which come closest to satisfying the kind of psychological desires which cars cater for. Some computing product (probably portable) could maybe be produced which would cater for power, or freedom desires, although it does not seem at all likely at the moment."*[4] Statistics in this respect point to interesting changes. The first is the number of cars which indicates that motorization (the number of vehicles per capita) does not grow anymore in the developed countries. As an example, data from the US may be used; where over the past several years (also due to the financial crisis of 2008) motorized traffic fell from 1.2 to 1.15 vehicles per capita. Similarly, according to data from Eurostat, motor growth in the EU countries with higher GDP is around one, i.e. there is a change in the fleet but the absolute number of vehicles does not show any excessive growth (unlike in countries with lower GDP).
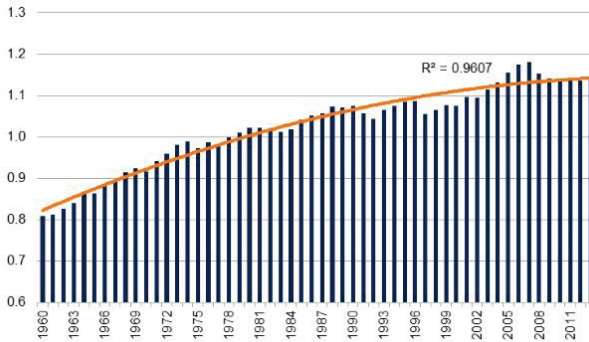
Picture 1: The average number of vehicles per capita in the US
Source: DAVIDSON, K.: *The End of the Road: Has to Developed World Reached „Peak Car".* [online]. [2015-06-02]. Available at: <http://www.schroders.com/en/uk/private-investor/insights/markets/the-end-of-the-road-has-the-developed-world-reached-peak-car/>.

Other statistics are similar. A longer-term trend can be identified from mileage data per inhabitant per year. There it is possible to see a turnaround in several countries at the beginning of the 21st century. The following figure shows these distinct features for Germany, Italy, France, Spain, Italy and the USA.

4   STOKES, G.: *Has Car Use Per Person Peaked? Age, Gender and Car Use.* [online]. [2015-05-27]. Available at: <http://www.gordonstokes.co.uk/ transport/peak_car_2012.pdf>.
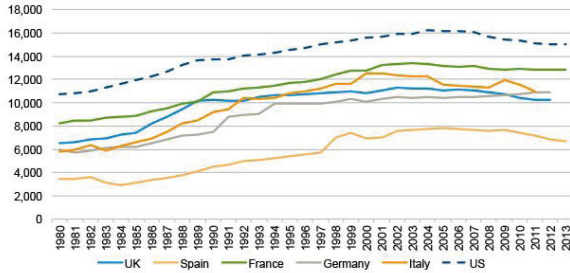
Picture 2: Miles per year per capita
Source: DAVIDSON, K.: *The End of the Road: Has to Developed World Reached „Peak Car".* [online]. [2015-06-02]. Available at: <http://www.schroders.com/en/uk/private-investor/insights/markets/the-end-of-the-road-has-the-developed-world-reached-peak-car/>.

Where to find the cause of these trends which are usually accompanied by the renaissance of public transport? It is undoubtedly the change in behavior of an upcoming generation that no longer needs to express its social status through a car. It is a smart phone generation that uses social networking more. It postpones parenthood (which is often a major reason to buy a car), and while reaching adulthood, it still remains to live with their parents. In short, "physical" mobility is largely replaced by "information" mobility. This feature is documented in statistics of using a car, depending on the age at which a person starts driving. The latter is more likely for a person to use other modes of transport while a car is less needed.
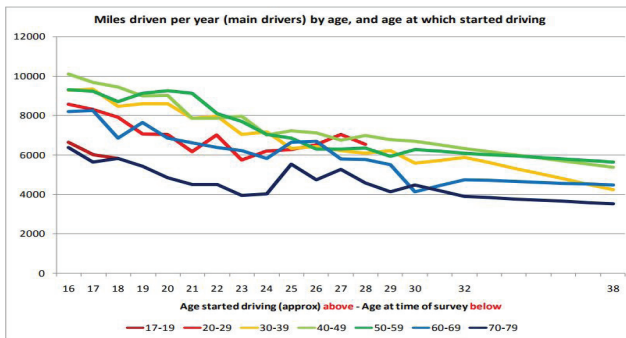
Picture 3: Using a car according to age, and age at which one started driving
Source: STOKES, G.: *Has Car Use Per Person Peaked? Age, Gender and Car Use.* [online]. [2015-05-27]. Available at: <http://www.gordonstokes.co.uk/ transport/peak_car_2012.pdf>.

What is also contributing to the phenomenon of shared transportation is the cost of running a car. Such ownership is anything but cheap. In the long run, oil prices have risen, and they have been highly unstable and unpredictable in recent years. However, other costs equally important.[5] Parking fees in the cities, tolls, road taxes, or insurance all signify a legitimate reason to discourage car ownership.

---

5   ŘÍHA, Z., TICHÝ, J.: *The Costs Calculation and Modelling In Transport.* **In** OSTAŠEVIČIUS, V. (ed.): *Transport Means 2015.* Kaunas : Kauno technologijos universitetas, 2015, p. 388.
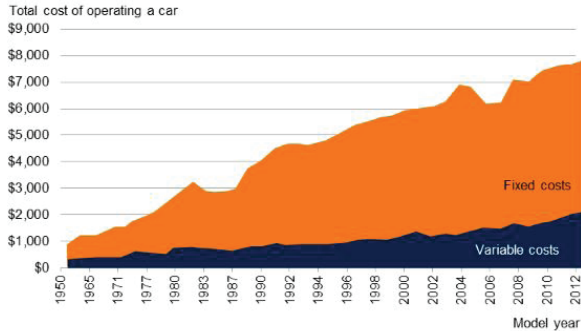
Picture 4: Total cost of operating a car
Source: DAVIDSON, K.: *The End of the Road: Has to Developed World Reached „Peak Car".* [online]. [2015-06-02]. Available at: <http://www.schroders.com/en/uk/private-investor/insights/markets/the-end-of-the-road-has-the-developed-world-reached-peak-car/>.

The shift towards public transport is not only a matter of costs in relation to the economic downturn from 2009 to 2011. An important factor is increase of the Internet utilization, especially among young people. The University of Michigan survey, for example, states that in areas where young people use the Internet and related services widely the number of driving licenses in this age group has dropped. At the same time, there was a hundred percent increase in interest in public transport within young households in the 16 – 34 age group with annual income over $ 70,000.[6] Surveys show that shared transportation has a considerable potential. And such potential is multiplied by the utilization of new information technology where sharing and organizing the system can be easily done. Of course, this potential is limited. Car sharing will not primarily be attractive for families with children or people who use their car often. In these cases, shared transportation would have neither an economic nor a qualitative advantage. On the other hand, car sharing can bring following benefits:
- reduced costs for users - fixed costs associated with a car ownership are shared among more customers;
- reducing the negative impact on the environment, above all lowering the number of cars in the cities.

The car sharing company Zipcar was established in 2000. Its concept is simple – register the car online, then unlock it with a Zipcard. Car keys are firmly attached to the starter. Afterwards, you must return the car to the designated parking spot. Zipcar has expanded mainly in the US and Canada; in terms of Europe, especially in the UK and France. The company made an interesting experiment in 2009. 250 car addicted people gave the company their car keys and used only pedestrian and public transport; the Zipcar service in the worst case. As a result, 100 people did not want their keys back after the experiment.[7] In addition to car sharing, carpooling

---

6   *Seeing the Back of the Car*. [online]. [2012-09-22]. Available at: <http://www.economist.com/node/21563280>.
7   CHIN, A., TROOP, R.: *Zipcar in the Headlines*. [online]. [2013-03-23]. Available at: <http://iveybusinessreview.ca/cms/1857/zipcar-in-the-headlights/>.

occurs, too. While car sharing is primarily about sharing one car with more users, carpooling is basically co-driving. A typical example might be of colleagues living in a quite distance from their workplace with poor public transportation infrastructure. Virtually, they agree often in advance on sharing the costs needed to buy fuel. Another common form of co-driving is advertising and subsequent accessibility of a particular route to the public at a certain time, for example through social networks or special applications. The person concerned may log in for a joint journey. Carpooling systems react to the fact that cars are occupied very inefficiently (the occupancy is about 1.5 persons per car). There were efforts to implement this service in the past, but of course, with the Internet development, it can finally become a mass issue, which is also the case of Blablacar.

Through the Internet application you can offer a route of which potential passengers are eventually notified. There are benefits for everyone, including environment protection and energy saving. The Blablacar platform was created just like many other concepts – in 2003 Francis Mazzel, a French businessman, was stroked with the idea. At that time he could not get to his family for Christmas because all train tickets were sold out. Watching the cars on the roads, however, he realized that there were lots of unoccupied seats there. He came up with solution how to connect these empty seats with the people who need to travel.[8] Nowadays, the number of members using the Blablacar platform exceeds 40 million people. Of course, there is a security risk associated with co-driving[9] – comparable to hitchhiking. Though, the application tries to prevent such a risk by building trust among Blablacar users. Individual platform members can be verified through four following factors:
- E-mail and mobile phone verification;
- Completeness of the profile;
- Ratings from other community members (3 to 5 stars = positive reviews);
- Membership - the longer, the greater the reliability.

The shared transportation is concept which evolves in many ways. The Zipcar or Blablacar projects have already been mentioned. Another phenomenon is Uber which has become a major taxi competitor. This project was established in 2009 and has gradually spread around the world. The whole Uber project is based on drivers offering their cars as taxis; they can be ordered via smartphone application. The service, however, causes strong controversy primarily on the part of regular taxi drivers who consider it to be unfair competition. In some areas, the ban on this service has been put into effect. The Uber case is likely to lead to a change in legislation mitigating the conditions for taxi services (With GPS navigation in use why should the toponymy test be requested?). In the end, innovations with economic potential have always broken through, whether it was railway or assembly line and mass production.

"Two of the most extreme examples of the suppression of innovation in France occurred shortly after the death of Colbert during the lengthy reign of Louis XIV. Button-making in

8   COWAN, M.: *BlaBlaCar Has Turned Ride-sharing Into a Multi-million-euro Business*. [online]. [2015-04-14]. Available at: <http://www.wired.co.uk/article/blablacar>.
9   PITAS, J., NEMEC, V., SOUSEK, R.: Mutual Influence of Management Processes of Stakeholders and Risk Management in Cyber Security Environment. In CALLAOS, N., HASHIMOTO, S. (eds): *WMSCI 2014 – 18th World Multi-Conference on Systemics, Cybernetics and Informatics. Conference Proceedings.* Orlando, Florida, USA : WMSCI, 2014, p. 96.

France had been controlled by various guilds, depending on the material used, the most important part belonging to the cord and button-makers guild, who made cord buttons by hand. By the 1690s, tailors and dealers launched the innovation of weaving buttons from materials used in the garment. The outrage of the inefficient hand-button-makers brought the state leaping to their defence. In the late 1690s, new buttons, and the fines were continually increased. The local guild wardens even obtained the right to search people´s houses and to arrest anyone in the street, who wore the evil and illegal buttons. In a few years, however, the state and the hand-button-makers had to give up the fight, since everyone in France was using the new buttons."[10]

Conclusions

- Due to the rapid development of information technology, there is a dynamic growth of the sharing economy, which is not a new element, though. The new feature is the dynamics of such development in recent years;
- Evolutionary emergence of different platforms of the sharing economy leads to the transfer of some transactions outside the official economy, resulting in lower tax collection, or more precisely in different market distortions. In this respect, legislative interventions limiting the sharing economy can be expected. However, they should not disrupt its innovative potential;
- The sharing economy brings more information into business and other exchange relationships. It reduces the transaction costs, thereby making the competitive environment more efficient;
- The sharing economy is a spontaneous and evolutionary environment for creating exchange relationships. It is a natural element of smart cities. The sharing economy is not limited in place, but it is logical that areas with high population density will benefit the most;
- In relation to Smart Cities, it contributes to meeting the goals of the smart cities concept. It brings more effective utilization of time and space, reduces the impact of human activities on environment and improves the quality of life.

References:

BOTSMAN, R.: *Defining the Sharing Economy: What Is Collaborative Consumption – And What Isn't?* [online]. [2015-05-27]. Available at: <https://www.fastcompany.com/3046119/defining-the-sharing-economy-what-is-collaborative-consumption-and-what-isnt>.

COWAN, M.: *BlaBlaCar Has Turned Ride-sharing Into a Multi-million-euro Business.* [online]. [2015-04-14]. Available at: <http://www.wired.co.uk/article/blablacar>.

DAVIDSON, K.: *The End of the Road: Has to Developed World Reached „Peak Car".* [online]. [2015-06-02]. Available at: <http://www.schroders.com/en/uk/private-investor/insights/markets/the-end-of-the-road-has-the-developed-world-reached-peak-car/>.

---

10   ROTHBARD, M. N.: *Economic Thougt Before Adam Smith.* Alabama, USA : Ludwig von Mises Institute, 1995, p. 218-219.

FALKVINGE, R.: *More Thoughts on the Coming Swarm Economy*. [online]. [2013-08-31]. Available at: <https://falkvinge.net/2013/08/31/more-thoughts-on-the-coming-swarm-economy/>.

CHIN, A., TROOP, R.: *Zipcar in the Headlights*. [online]. [2013-03-23]. Available at: <http://iveybusinessreview.ca/cms/1857/zipcar-in-the-headlights/>.

Oxford Dictionaries. [online]. [2015-05-27]. Available at: <https://en.oxforddictionaries.com/ definition/sharingeconomy>.

PITAS, J., NEMEC, V., SOUSEK, R.: Mutual Influence of Management Processes of Stakeholders and Risk Management in Cyber Security Environment. In CALLAOS, N., HASHIMOTO, S. (eds): *WMSCI 2014 – 18th World Multi-Conference on Systemics, Cybernetics and Informatics. Conference Proceedings.* Orlando, Florida, USA : WMSCI, 2014, p. 94-97.

ROTHBARD, M. N.: *Economic Thougt Before Adam Smith.* Alabama, USA : Ludwig von Mises Institute, 1995.

ŘÍHA, Z., TICHÝ, J.: *The Costs Calculation and Modelling In Transport.* **In** OSTAŠEVIČIUS, V. (ed.): *Transport Means 2015.* Kaunas : Kauno technologijos universitetas, 2015, p. 388-391.

Seeing the Back of the Car. [online]. [2012-09-22]. Available at: <http://www.economist.com/node/21563280>.

STOKES, G.: *Has Car Use Per Person Peaked? Age, Gender and Car Use*. [online]. [2015-05-27]. Available at: <http://www.gordonstokes.co.uk/ transport/peak_car_2012.pdf>.

Contact data:
assoc. prof. Ing. Zdeněk Říha, Ph.D.
Czech Technical University
Faculty of Transportation Sciences
Konviktská 20
110 00 Prague 1
CZECH REPUBLIC
rihazden@fd.cvut.cz

SERVQUAL MODEL USED FOR PREDICTION OF CUSTOMER SATISFACTION IN CZECH FITNESS CENTRES

Jan Šíma – Tomáš Ruda

Abstract
The aim of this study is to examine the applicability of the SERVQUAL model which predicts customer satisfaction in the area of fitness in the Czech Republic. 356 respondents from three Prague fitness centres and one fitness centre in Příbram, Central Bohemia, participated in the research. Service quality was measured by the SERVQUAL model, satisfaction was measured by the Oliver scale. Two files of data were gathered: the first with the aim to find out customer expectation with which customers attend their fitness centre and the second, with the aim to find out their quality perception. A difference of measured values was set and these results were subsequently used to predict customer satisfaction. The results of the study do not support the usage of the SERVQUAL model to predict customer satisfaction in fitness centres throughout the Czech Republic. The results indicate the need for another study of factors that determine customer satisfaction in the area of fitness in the Czech Republic.

Key words:
Oliver Scale. Recreation Centers. Services. SERVQUAL. Quality Model.

Introduction

Service quality, customer satisfaction and their loyalty are generally considered important questions in most sectors of services including sports.[1,2,3] High quality is a way to gain new customers and keep the existing ones. It is mainly in the area of fitness where sports institutions are dependent on regular and frequently repeating attendance of their members. Services are an integral part of life around us. Their production is conditioned by the necessity of meeting human needs. The level of fulfillment of such needs is a decisive factor for customer satisfaction and assessment of quality. Generally, if people are satisfied with the quality of services, they tend to use them more regularly and repeatedly. This is particularly necessary for organizations which were created to provide regular services. Fitness centers can be placed within this group of organizations. To evaluate how services meet the needs and demands of customers, managers use different measuring standards of service quality and customer satisfaction. These standards are constantly being sharpened across all related fields from practical marketing services to academia.

In recent years, experts are inclined towards the notion that service quality must be assessed by the customer for whom the service is intended. This type of evaluation is not always objective, and may not correspond with the opinion of the professional community. However, in the profit sector of the service industry, fitness centers being a good example, the satisfaction of experts or management is not necessary, in contrast

1   CROMPTON, I. L., MACKAY, K., FESENMAIER, D. R.: Identifying Dimensions of Service Quality in Public Recreation. In *Journal of Park and Recreation Administration*, 1991, Vol. 9, No. 3, p. 15-27.
2   CRONIN, J., TAYLOR, S. A.: Servperf versus Servqual: Reconciling Performance – Based and Perceptions – Minus – Expectations Measurement of Service Quality. In *Journal of Marketing*, 1994, Vol. 58, No. 1, p. 125-131.
3   ROBINSON, L.: Following the Quality Strategy: The Reasons for the Use of Quality Management in UK Public Leisure Facilities. In *Managing Leisure: An International Journal*, 1999, Vol. 4, No. 4, p. 201-217.

to that of customers themselves. Evaluating the level of service quality of sports services is generally problematic. Sports organizations have a range of characteristics which distinguish them from other service organizations. Mainly – household budgets for sports services are left to open consideration and can be considered luxurious. Secondly – customers usually take part in sports organizations in their free time – and finally – it is about their emotional investment to sports organization, such as support a sports team, be its member or go exercising and improve their physical condition. These factors can, according to Robinson,[4] lead to much higher demands or expectations from sports organizations than from other service providers.

1 Relationship between service quality and customer satisfaction

Although some authors use the concepts of service quality and customer satisfaction alternatively, most authors agree that the two concepts are somewhat different.[5],[6],[7] It involves both cognitive and functional review, while the evaluation of the quality of services is an exclusively descriptive procedure.[8] A number of studies on marketing services consider these two concepts to be highly interconnected.[9],[10],[11] Customer satisfaction is achieved when *"a product or type of service or product service itself has provided or provides a pleasant level of satisfaction of its consumption"*.[12] Customer satisfaction is the feeling when customers' needs are met and their expectations are fulfilled.[13] Satisfied customers will probably use the service again or tell other potential customers about their positive experience. Satisfaction may well be regarded as an event preceding the future intentions of the customer.[14] If the management of the organization trusts the measurement of customer satisfaction, they may assume

4   ROBINSON, L.: Customer Expectations of Sport Organizations. In *European Sport Management Quarterly*, 2006, Vol. 6, No. 1, p. 67-84.
5   PARASURAMAN, A., ZEITHAML, V. A., BERRY, L. L.: Servqual: A Multiple-Item Scale for Measuring Consumer Perceptions of Service Quality. In *Journal of Retailing*, 1988, Vol. 64, No. 1, p. 12-40.
6   SPRENG, R., MCKOY, R.: An Empirical Examination of a Model of Perceived Service Quality and Satisfaction. In *Journal of Retailing*, 1996, Vol. 72, No. 2, p. 201-214.
7   ZEITHAML, V. A., BITNER, M. J.: *Services Marketing: Integrating Customer Focus Across the Firm*. New York : McGraw-Hill, 2003, p. 328.
8   TIAN-COLE, S., CROMPTON, J.: A Conceptualization of the Relationships between Service Quality and Visitor Satisfaction, and their Links to Destination Selection. In *Leisure Studies*, 2003, Vol. 22, No. 1, p. 65-80.
9   ALEXANDRIS, K., DIMITRIADIS, D., KASIARA, A.: Behavioral Consequences of Perceived Service Quality: An Exploratory Study in the Context of Private Fitness Clubs in Greece. In *European Sport Management Quarterly*, 2001, Vol. 1, No. 4, p. 280-299.
10   CARUANA, A.: The Effects of Service Quality and the Mediating Role of Customer Satisfaction. In *European Journal of Marketing*, 2002, Vol. 36, No. 7, p. 1-14.
11   ŠÍMA, J., RUDA, T.: Conceptualization of Methods Designed to Evaluation Service Quality in Sport. In *Acta Universitatis Carolinae Kinanthropologica*, 2012, Vol. 48, No. 2, p. 146-155.
12   OLIVER, R. L.: *Satisfaction: A Behavioral Perspective on the Consumer*. Boston, MA : McGraw-Hill, 1997, p. 13.
13   PATTERSON, P. G., SPRENG, R.: Modeling the Relationship between Perceived Value, Satisfaction and Repurchase Intentions in a Business-to-Business, Services Context: An Empirical Examination. In *International Journal of Service Industry Management*, 1997, Vol. 8, No. 5, p. 414-434.
14   CRONIN, J. J., BRADY, M. K., HULT, G. T. M.: Assessing the Effects of Quality, Value, and Customer Satisfaction on Consumer Behavioral Intentions in Service Environments. In *Journal of Retailing*, 2000, Vol. 76, No. 2, p. 193-218.

that their clients will use their service in the future. This research in the area of fitness in the Czech Republic should contribute to the initiated discussion.

2 Aim

The aim of the study was to determine to what extent it is possible to predict satisfaction on the basis of service quality evaluation with the help of the Czech version of the SERVQUAL questionnaire. A partial aim was then to identify possible insufficiencies in services provision in the area of fitness.

3 Methods

There were in total 356 customers (N = 356) of four fitness centres in Prague and Central Bohemia participating in the research. They filled in questionnaires without any help of inquirers. The questionnaire consisted of items trying to find out customer expectation, their quality perception and also three separate questions evaluating customer satisfaction with their participation in fitness programmes. The questionnaire for customers combined the SERVQUAL method to determine service quality and the Oliver scale to determine customer satisfaction. Demographic characteristics are shown in table 1.

Table 1: Demographic characteristics of the sample

gender	N	%	age groups	N	%
males	162	45.5	less than 20	16	4.5
females	194	54.5	21 - 30	112	31.5
			31 – 40	156	43.8
			40 – 50	47	13.2
			50 – 60	21	5.9
			more than 60	4	1.1

Source: Own processing

4 Service quality evaluation

The SERVQUAL method comes out of an assumption that service quality is determined by five dimensions: **reliability, assurance, tangibles, empathy and responsiveness approach.** *Reliability* expresses the ability to provide the service promised reliably and accurately. *Assurance* expresses customer conviction that they will receive the services they expect. *Tangibles* express physical environment of the organization such as the interior, facilities, equipment and communication materials. *Empathy* expresses care, individual attention of the services providers' employees to customers. Finally, *responsiveness* reflects the willingness to help customers and provide them with a quick service. Each dimension is evaluated by four or five indicators, which were items in the questionnaire for customers of the fitness centre. The questionnaire has in total 2 x 22 items. The first set of questions evaluates customer expectation,

the second, how customers perceive the quality of services provided. In both cases customers express their agreement/disagreement within the Likert scale from 1 to 7 where 1 represents "strongly disagree" and 7 represents "strongly agree". The aim of the SERVQUAL questionnaire is to identify gaps between customer satisfaction and how customers, even subjectively, perceive the service provided. This way of service quality measuring is based on an assumption that a customer will only be happy when the service provided fulfils his or her expectations. These expectations of fitness centres customers vary, therefore it is not unusual if the same service is evaluated differently.

5 Customer satisfaction evaluation

Satisfaction was measured by 3 indicators; (items in the questionnaire) borrowed from the satisfaction evaluation method created by Olive.[15]Individual statements in the questionnaires were the following: "I am satisfied with my decision to attend this fitness centre." "I am satisfied with the choice of movement activity I am doing here." and "I am convinced that these movement activities can help me achieve my goals." Altogether with other statements, even with these the fitness centre customers expressed the extent of their agreement on the Likert scale from "1 – strongly disagree" to "7 – strongly agree".

Table 2: Descriptive statistics and reliability analysis for the service quality expectation, service quality perception and satisfaction

	number of items	mean	standard deviation	coefficient alpha
service quality expectation				
Reliability	5	6.12	0.87	0.73
Assurance	4	6.33	0.82	0.81
Tangibles	4	5.84	1.06	0.68
Empathy	5	6.05	0.79	0.85
Responsiveness	4	6.44	0.68	0.81
service quality perception				
Reliability	5	5.51	0.91	0.70
Assurance	4	5.77	0.84	0.76
Tangibles	4	6.09	1.12	0.53
Empathy	5	5.36	0.84	0.81
Responsiveness	4	5.90	0.97	0.84
Satisfaction	3	6.64	0.66	0.85

Source: Own processing

---

15   OLIVER, R.: A Cognitive Model of the Antecedents and Consequences of Satisfaction Decisions. In *Journal of Marketing Research*, 1980, Vol. 17, No. 4, p. 460-469.

6 Results

An average score in five followed characteristics was calculated, always for expectation and for service quality perception. Regarding customer expectation, the results showed that the highest customer expectation is connected with *responsiveness* of employees (6.44). They mainly expect that the fitness centres employees will always be willing to help customers and provide them with a quick service. The lowest expectation is within *tangibles* (5.84). It turned out that customers do not care so much about modern equipment of the fitness centre. More important is the approach of the fitness centre employees. Therefore they are more critical. Average figures of *tangibles* quality evaluation (6.09) surpassed customer expectation (5.84) and it is therefore possible to say that quality perception of organization environment surpassed customer expectation. Other characteristics observed showed opposite results. The worst evaluated was employees' *empathy* (5.36), meaning their empathizing to the needs of customers and the individual attention paid to them. It was important to identify gaps in individual characteristics of service quality and focus on room for possible improvement of the quality of services provided. Determining the size of a gap was done as a difference between average figures of customer quality perception and their satisfaction. Negative figures expressed room for services improvement because customer expectation was higher than quality perception. These figures were measured within *reliability* (-0.61), *assurance* (-0.56), *empathy* (-0.69) and *responsiveness* (-0.54). Positive figures expressed sufficient service quality because customer quality perception surpassed their expectations. These figures were measured within *tangibles* (0.25).

From the results mentioned it would be possible to conclude that the biggest "problem" customers see is how employees empathize to their needs – in this case the gap was the biggest (-0.69). However, such an interpretation of results would be misleading. It is necessary to considered that each characteristic of service quality observed is differently important for customers. That was the reason why customers were, in the end, asked to divide an imaginary one hundred points among individual characteristics according to their importance. These average figures were then used to multiply the gaps. The results in table 3 clearly show that the biggest gap is within *reliability* – characteristics expressing customer conviction that the service will be done as promised. After the scale of importance of individual characteristics was taken into consideration, the gap reached the resulting figure of -17.08.

Table 3: Scores and differences between quality expectations and perceptions scales

service quality factor	service quality perception (mean)	service quality expectation (mean)	differences between factor scores (mean)	scale of importance (rounded, in percents)	resulting differences between factor scores
reliability	5.51	6.12	- 0.61	28	**- 17.08**
assurance	5.77	6.33	- 0.56	23	**- 12.88**
tangibles	6.09	5.84	0.25	14	**3.5**

| empathy | 5.36 | 6.05 | - 0.69 | 17 | **- 11.73** |
| responsiveness | 5.90 | 6.44 | - 0.54 | 18 | **- 9.72** |

Source: Own processing

Even though negative gaps were identified within most observed service quality characteristics, service quality was perceived quite highly - on the seven-grade sale it was in the average of 5.726. Therefore it is impossible to evaluate the quantity of services provided as low-quality with respect to low figures of gaps. It is only possible to claim that customer expectation was neither fulfilled nor surpassed. However, this does not mean that customers are not satisfied. As table 4 shows the average figure expressing customer satisfaction is 6.64. This figure expresses the fact that the majority of customers indicated on the seven-grade scale the maximal possible satisfaction with their decision to attend "their" fitness centre. Most customers are also fully satisfied with their movement activity choice and are convinced that by doing this activity they will achieve their goals. The most frequent are lose weight, shape up, keep or improve their physical condition.

Table 4: Mean scores of service quality expectation, service quality perception and satisfaction

	number of items	mean	coefficient alpha
service quality expectation	22	**6.16**	0.78
service quality perception	22	**5.73**	0.73
satisfaction	3	**6.64**	0.85

Source: Own processing

The results mentioned clearly show that even though customer expectation was not completely fulfilled, customers are highly satisfied with services provided. The average figure on the seven-grade scale shows even higher figures than the average figure of quality perception by fitness centres customers is.

7 Discussion and conclusion

The aim of this study was to examine the figures of service quality in relation to possible customer satisfaction prediction in the area of four Czech fitness centres. Service quality in sports and fitness is according to many authors the key factor for customer satisfaction.[16,17,18] This fact can also be logically assumed. Customers will be satisfied if services provided are of high quality and on the contrary they will probably not

---

16   MURRAY, D., HOWAT, G.: The Relationships among Service Quality, Value, Satisfaction, and Future Intentions of Customers at an Australian Sports and Leisure Centre. In *Sport Management Review*, 2002, Vol. 5, No. 1, p. 25-43.

17   SHONK, D. J., CHELLADURAI, P.: Service Quality, Satisfaction, and Intent to Return in Event Sport Tourism. In *Journal of Sport Management*, 2008, Vol. 22, No. 5, p. 587-602.

18   ALEXANDRIS, K. et al.: An Empirical Investigation of the Relationships Among Service Quality, Customer Satisfaction and Psychological Commitment in a Health Club Context. In *European Sport Management Quarterly*, 2004, Vol. 4, No. 1, p. 36-52.

be satisfied with services that cannot be considered first-rate. This statement is not disproved by our study. Fitness centre customers subjectively consider provided services first-rate and that is apparently the reason why they are also satisfied with their decision to attend the fitness centre. They are also satisfied with the choice of movement activity and are convinced that these movement activities can help them achieve their goals. However, professional literature also defines satisfaction as a difference between customer expectation and service quality perception,[19,20] where a satisfied customer is that person whose expectations are fulfilled or even surpassed. Authors of the SERVQUAL method also prefer such a perception of customer satisfaction. Nevertheless, our study has not come up with any evidence that the SERVQUAL method is a suitable method for customer satisfaction prediction. Even though customer satisfaction was not fulfilled within most of indicators observed, customers were mostly satisfied and in the majority of cases they even marked the utmost figure expressing maximal satisfaction on the Likert scale.

Results of this study call the universal usage of the SERVQUAL model into question similarly to how some previous studies had already done.[21] The SERVQUAL model was developed and initially tested in the area of banks and health centres. However, the area of fitness is specific. One of its specificities is a fact that (unlike banks and health centres) we attend fitness centres voluntarily, with pleasure and mostly experience nice feelings such as fun, experience, enjoyment. Another fact is that if customers were not satisfied with services provided, they would probably change the service provider or would stop using fitness services. The respondents approached by this research logically belong to the group of satisfied customers who have no reason to change their service provider. This confirms the assumption that customers will be satisfied with their decision to attend "their" fitness centre regardless service quality evaluation, or rather size of gaps between their expectations and service quality perception. The results discovered indicate that the SERVQUAL model cannot serve as a predictor of customer satisfaction in the area of Czech fitness centres but can "only" serve as a tool to identify negative gaps as room for possible improvement of provided services.

References:

ALEXANDRIS, K., DIMITRIADIS, D., KASIARA, A.: Behavioral Consequences of Perceived Service Quality: An Exploratory Study in the Context of Private Fitness Clubs in Greece. In *European Sport Management Quarterly*, 2001, Vol. 1, No. 4, p. 280-299. ISSN 1618-4742.
ALEXANDRIS, K. et al.: An Empirical Investigation of the Relationships Among Service Quality, Customer Satisfaction and Psychological Commitment in a Health Club

19 PARASURAMAN, A., ZEITHAML, V. A., BERRY, L. L.: A Conceptual Model of Service Quality and Its Implication for Future Research. In *Journal of Marketing*, 1985, Vol. 49, No. 3, p. 41-50.
20 KOTLER, P., KELLER, K. L.: *Marketing Management*. 13th Edition. London : Prentice-Hall, 2009, p. 450.
21 BRADY, M. K., CRONIN, J. J.: Some New Thoughts on Conceptualizing Perceived Service Quality: A Hierarchical Approach. In *Journal of Marketing*, 2001, Vol. 65, No. 3, p. 34-49.

Context. In *European Sport Management Quarterly*, 2004, Vol. 4, No. 1, p. 36-52. ISSN 1618-4742.

BRADY, M. K., CRONIN, J. J.: Some New Thoughts on Conceptualizing Perceived Service Quality: A Hierarchical Approach. In *Journal of Marketing*, 2001, Vol. 65, No. 3, p. 34-41. ISSN 0022-2429.

CARUANA, A.: The Effects of Service Quality and the Mediating Role of Customer Satisfaction. In *European Journal of Marketing*, 2002, Vol. 36, No. 7, p. 811-828. ISSN 0022-2429.

CROMPTON, I. L., MACKAY, K., FESENMAIER, D. R.: Identifying Dimensions of Service Quality in Public Recreation. In *Journal of Park and Recreation Administration*, 1991, Vol. 9, No. 3, p. 211-220. ISSN 0735-1968.

CRONIN, J. J., BRADY, M. K., HULT, G. T. M.: Assessing the Effects of Quality, Value, and Customer Satisfaction on Consumer Behavioral Intentions in Service Environments. In *Journal of Retailing*, 2000, Vol. 76, No. 2, p. 193-218. ISSN 0022-4359.

CRONIN, J., TAYLOR, S. A.: Servperf versus Servqual: Reconciling Performance – Based and Perceptions – Minus – Expectations Measurement of Service Quality. In *Journal of Marketing*, 1994, Vol. 58, No. 1, p. 125-131. ISSN 0022-2429.

Kotler, P., Keller, K. L.: *Marketing Management*. 13th Edition. London : Prentice-Hall, 2009.

MURRAY, D., HOWAT, G.: The Relationships among Service Quality, Value, Satisfaction, and Future Intentions of Customers at an Australian Sports and Leisure Centre. In *Sport Management Review*, 2002, Vol. 5, No. 1, p. 25-43. ISSN 1441-3523.

OLIVER, R.: A Cognitive Model of the Antecedents and Consequences of Satisfaction Decisions. In *Journal of Marketing Research*, 1980, Vol. 17, No. 4, p. 460-469. ISSN 0022-2437.

OLIVER, R. L.: *Satisfaction: A Behavioral Perspective on the Consumer*. Boston, MA : McGraw-Hill, 1997.

PARASURAMAN, A., ZEITHAML, V. A., BERRY, L. L.: A Conceptual Model of Service Quality and Its Implication for Future Research. In *Journal of Marketing*, 1985, Vol. 49, No. 3, p. 41-50. ISSN 0022-2429.

PARASURAMAN, A. et al.: A Multiple-Item Scale for Measuring Consumer Perceptions of Service Quality. In *Journal of Retailing*, 1988, Vol. 64, No. 1, p. 12-40. ISSN 0022-4359.

PATTERSON, P. G., SPRENG, R.: Modeling the Relationship between Perceived Value, Satisfaction and Repurchase Intentions in a Business-to-Business, Services Context: An Empirical Examination. In *International Journal of Service Industry Management*, 1997, Vol. 8, No. 5, p. 414-434. ISSN 0956-4233.

ROBINSON, L.: Following the Quality Strategy: The Reasons for the Use of Quality Management in UK Public Leisure Facilities. In *Managing Leisure: An International Journal*, 1999, Vol. 4, No. 4, p. 201-217. ISSN 1466-450X.

ROBINSON, L.: Customer Expectations of Sport Organizations. In *European Sport Management Quarterly*, 2006, Vol. 6, No. 1, p. 67-84. ISSN 1618-4742.

SHONK, D. J., CHELLADURAI, P.: Service Quality, Satisfaction, and Intent to Return in Event Sport Tourism. In *Journal of Sport Management*, 2008, Vol. 22, No. 5, p. 587-602. ISSN 0888-4773.

SPRENG, R., MCKOY, R.: An Empirical Examination of a Model of Perceived Service Quality and Satisfaction. In *Journal of Retailing*, 1996, Vol. 72, No. 2, p. 201-214. ISSN 0022-4359.

ŠÍMA, J., RUDA, T.: Conceptualization of Methods Designed to Evaluation Service Quality in Sport. In *Acta Universitatis Carolinae Kinanthropologica*, 2012, Vol. 48, No. 2, p. 146-155. ISSN 1212-1428.

TIAN-COLE, S., CROMPTON, J.: A Conceptualization of the Relationships between Service Quality and Visitor Satisfaction, and their Links to Destination Selection. In *Leisure Studies*, 2003, Vol. 22, No. 1, p. 65-80. ISSN 1466-4496.

ZEITHAML, V. A., BITNER, M. J.: *Services Marketing: Integrating Customer Focus Across the Firm*. New York : McGraw-Hill, 2003.

Contact data:
PhDr. Jan Šíma, Ph.D
Charles University in Prague
Faculty of Physical Education and Sport
José Martího 269/31
162 52 Prague 6 – Veleslavin
CZECH REPUBLIC
sima.jan@gmail.com

Mgr. Tomáš Ruda
Charles University in Prague
Faculty of Physical Education and Sport
José Martího 269/31
162 52 Prague 6 – Veleslavin
CZECH REPUBLIC
rudatomas@gmail.com

NEW TRENDS IN MARKETING AND COMMUNICATION IN THE ITALIAN BANKING SECTOR

Jarmila Šalgovičová – Jarmila Šalgovičová Ferriero

Abstract

This article deals with the topics of new trends in marketing and communication in the Italian banking sector, features and specificities of digital consumer in Italy and expectations for the future. Marketing communication in banking sector is unique, as it is in each country, and each sector, as it depends on specific features of consumer preferences. Although consumers become increasingly digital, there are still segments that prefer conservative communication about banking products and human contact what can be an opportunity of business. This paper wants make a contribution to better understanding of the current trends, analyzing and explaining several new features of the Italian banking market in the framework of the permanent innovation process.

Key words:

Banking. Digital communication. Integrated marketing communication. Italy.

Introduction

In this paper we would like to describe several features and specificities of digital consumer behaviour in banking sector in Italy and expectations for the future and to make a contribution to better understanding of the current trends in marketing communication in the Italian banking market in the framework of the permanent innovation process.

1 Evolution of the Italian banking customer behaviour

According to recent studies about digital behavior of Italian consumers and implications for Italian banks (by McKinsey & Google)[1] focused on comparison to the rest of Europe, many assumptions about Italian digital reticence were dispelled. Italy is fastly recovering and the landscape is shifting, the result of both a generational change and the global evolution towards mobile devices. Italy is still behind its European peers in fixed broadband penetration, and overall Internet penetration, but does match the EU5 (FR, GE, SP, UK, IT) in smartphone penetration and even more importantly, Italy exceeds the rest of Europe in active internet usage. The gap with the European peer average is due to lower online activity among older Italians. As the younger generation matures, that gap will narrow and disappear. In banking, as in other sectors, digital channels play three roles in customer decision journeys: Research destinations, influencing purchasing; Sales and distribution platforms and after-sales activity, and the Exchange on customer experience.

---

1   McKINSEY: *Evolution of the Italian Banking Customers in the Digital Ecosystem.* [online]. [2017-09-05]. Available at: <https://www.mckinsey.it/idee/evolution-of-the-italian-banking-customer-behaviors-in-the-digital-ecosystem>.

2 Online Research

The study mentioned above also revealed that Italians use digital channels to make purchasing decisions in Italy at rates comparable with those of European peers and sometimes exceed European averages in online research leading to purchase off line. This is what is called "ROPO" effect: Research Online, Purchase Offline (Exhibit1) and is already significant in banking, accounting for around 30 percent of sales revenues. This role puts digital channels at the heart of the consumer purchasing decision, no matter where the purchase is finally transacted.
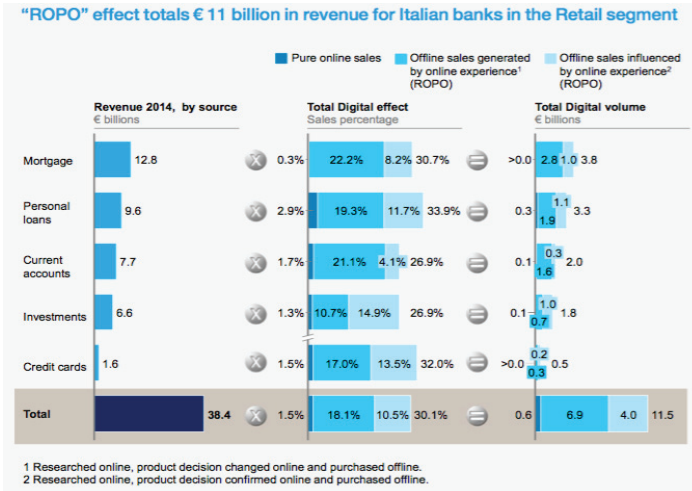
Chart 1: ROPO Effect totals: 11€ Billion in revenue for Italian Banks in the Retail Segment
Source: D.C.K. Italy McKinsey Global Banking Pools ROPO Effect total 11 billion in revenue for Italian banks in the Retail segment

The explanation could be that in banking more than other sectors, the research role of digital channels is especially important to customers. While customers buy banking products and services infrequently, these purchases require more customer reflection and engagement. In Italy, banking clients more often prefer face-to-face meeting to sign a contract, but that meeting will typically have an elaborate digital prehistory.

2.1 Online distribution and sales – integration of physical and digital

In Italy most banks have already started their digital transformation journeys by migrating customers to digital, rightsizing their branch networks and investing in new capabilities. However, many of these banks have yet to realize the full benefits of these transformations. They need to offer customers unique, convenient experiences tailored to today's fast-moving, digital lifestyles, and can do this by investing in technology creating an integrated physical & digital: "Phygital" experience.[2] Phygital,

---

2   *Accenture Marketing Blog.* [online]. [2017-08-05]. Available at: <http://distributionmarketingblog.accenture.com/embracing-a-phygital-bank-experience>.

or Omni-channel, experiences are critical to a bank's success. According to recent study of Accenture: on average, omni-channel customers generate twice as much revenue, achieve 30 percent more cross-selling, and experience one third as much churn as branch-only customers. Serving these omni-channel customers through a phygital experience should be a key component of banks' distribution strategy.

For banks, creating a truly phygital experience means building a connected customer and employee experience that brings physical and digital channels together. Rather than invest in "shiny objects" or point solutions, banks should focus on technologies that can achieve the following goals:

- Enhanced customer experience: Capabilities such as in-branch video and staff tablets will empower branch staff to provide an omni-channel experience for customers. Moreover, branches can create self-service phygital experiences by linking staff devices and digital/mobile apps to make customer journey smooth.
- Enhanced employee experience: An omni-channel CRM system can provide branch staff with single-click access to a customer's transaction history. With that knowledge, branch staff can better understand the next best opportunity to sell and provide more personalized and high quality customer support. Additionally, improved front-end systems and consistent cross-channel knowledge management tools help employees quickly access needed information.
- Increased efficiencies and cost savings: Front-office digitization and automation (through robotics), as well as new platforms that support faster account opening and servicing, decrease processing times and save on FTE cost – both in the front and back office. Where a customer previously needed to wait several days or go to the branch, service can now be instantaneous and remote. On the back end, technologies that reduce paper help save on material cost and improve accuracy.

2.2 Online after – sales and customer experience

The usage of digital channels varies in banking sector along the stages of the customer purchase funnel. As for after–sale connections with banks and exchange opinions about products, these have developed differently in Italy than in European peer countries. Italian banking consumers more often resort to unofficial websites to receive this support than do their European counterparts. The lack of adequate online support from many Italian banks has triggered a consumer migration to blogs and forums dedicated to troubleshooting and exchanging information on purchases. If digital channels are to become true end-to-end sales channels, then companies need to strengthen this part of offering in future.

2.3 Patterns of digital behaviour in Italy

Before spending several words about customer journey in Italian banking sector, it's useful to classify customers behaviour according to levels of engagement and channel preference. Although there are several different classification of digital consumers segmentations.[3] Using this in particular helps us to better understand the effect of

---

3   *Il Sole 24 ore.* [online]. [2017-09-05]. Available at: <http://www.ilsole24ore.com/art/finanza-e-mercati/2016-12-13/sono-3600-sportelli-chiudere-milioni-clienti-dovranno-migrare-193154.shtml?uuid=ADrrhiGC>.

digital age on traditional banking segmentation and its' effect on business. Based on level of engagement and channel preference we divide customers into (McKinsey Study):[4]

- Naturally digital: customers supremely comfortable on line engaged deeply with digital channels;
- Digital by convenience: customers engaged with digital channels for practical reasons due to constrains of time or location;
- Digital by choice: consumers who choose digital or offline channels depending on quality of customers experience;
- Digital by opportunity: consumers that use digital channels to widen the selection of products and services;
- Digital as add-on: consumers which prefer traditional channels, but use digital channels sparingly to complement physical channels and are willing to enter cyberspace to perform basic research.

In the breakdown for Italian banking customers, several considerations could be done: there is a higher percentage of Naturally Digital segment (12%) than the EU5 average (10%), higher share of digital ad-on consumers (33 % vs 24 % for the EU5) and a lower share of the important middle categories: digital by convenience, choice, and opportunity. These differences may be partly due to a more extensive banking branch system. In Italy there were 521 branches x million of inhabitant compared to an EU5 average of 383 in 2012, although the situation is changing as plans of downsizing in banking sector: more than 3400 branches should be closed in next 4 years[5].

2.4 The customer journey

Looking at how digital channels are used in the customer journey, we see that all consumers use these channels most frequently for research and information gathering.

4   McKINSEY: *Evolution of the Italian Banking Customers in the Digital Ecosystem.* [online]. [2017-09-05]. Available at: <https://www.mckinsey.it/idee/evolution-of-the-italian-banking-customer-behaviors-in-the-digital-ecosystem>.
5   *Engage New Video Experience: Conference.* [online]. [2017-09-06]. Available at: <http://www.engage.it/eventi/engage-conference-racconto-giornata/123908#14TMiecKMzp3iID2.97>.
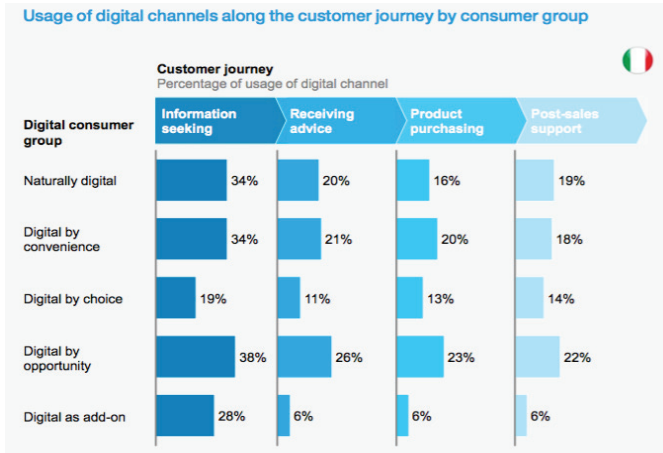
Chart 2: Usage of digital channels along the customer journey by consumer group
Source: McKinsey Multichannel Survey

In banking 30% of sale are secured with the help of the digital channels, mostly in its role of providing consumers with a platform for research and information about products and services. The research process can be complicated by comparison shopping, repeat visit to websites, and careful scanning of consumer opinions and review. The resulting decision is then most often pursued in the physical branch. Consumer behaviour online depends also on the financial product considered. For credit cards or investment products, consumer prefers official websites or aggregator sites. For mortgages, accounts and loans, also visits unofficial sites including blogs and forums. While the digital channel plays an important role in the research process, the conversion rate between information searches and purchase is lower than in its European peers and about half of the level in Nordic countries. The gap is partially due to high branch territory penetration, but to understand Italian banking consumers adequately and considering overall impact of research and the post sales phase, an additional 18% of purchasing decisions in Italian banking are made on line, even if the transaction is completed in the branch. A further 11% of offline purchases are indirectly influenced by the on line experience.

3 New trends in digital advertising in Italy and impact on banking industry

There are two main topics related to banking communication that need not be underestimated currently: digital video advertising and social media presence.

3.1 Digital Video Advertising

After 30% increase in 2016, also this year online video advertising recorded a double-digit increase in sales, confirming one of the most important growth for entire advertising market in Italy. It marks an even more important growth in 2017 +60%if we consider only mobile platform sources: Sensemakers and ComScore. Even though there are still many critical issues to be resolved, considering a perceived widespread confusion of the metrics about cross-screen scenario a new boost for the development of digital format advertising may also come in 2018 when a New Total Audience research of Auditel comes into run. As far as the offer, the digital advertising market in Italy is dominated by Google search display ads / Youtube video ads and Facebook, some new video digital advertising platforms and projects has been launched on the market recently: Total Video market place RTrmany), a single technological platform with a range of internationally available digital television channels; and Glomex Italia a "video exchange" platform headed by ProSiebenSat.1, that try to be an alternative in Europe and in Italy to the Google-Facebook duopoly.

3.2 Social and mobile media trends

According to a recent KPMG Study about usage of social media in banking sector in Italy[6] financial institutions not only consider social media as simple communication channels with the outside, made of conversations, reviews, comments and videos, but consider them as an important touch point with customers current and potential. For almost 90% of banks interviewed, presence in social media is already a reality: in particular, 80% said they were already active on social channels while 8% had plans to enter in the next 12 months. Analyzing more in detail the sample, divided into two clusters: cluster of "large banks" and "small banks" it emerges that 100% of large banks and71% of small banks are already active on social networks. On average banks are present on 5 different platforms, and update the content almost twice a day. LinkedIn, Twitter, Facebook and YouTube are most widely used by banks. The study has showed how banks in Italy use multiple social networks to achieve different goals like strengthening of the brand image and brand awareness also through the realization of cultural and social initiatives, development of the business through new channels, proposition of an innovative business alternative and support for the growth of people's financial culture also through customer service on products and services. While large banks try to develop the engagement with users, even through communication oriented to non-financial issues and activities, they concentrate on data collection and customer analysis. The small banks cluster with resources more limited, is more focused on promotion and campaign management activities. As for contents for social media Banks in Italy do not just publish postal texts on their social pages, but they use it more and more of all the range of expressive forms that the medium allows. Images and videos or other multimedia content to open dialogue and direct and simple language with the market. In addition to widespread use of various social messaging channels, Italian Banks also tend to experience the various new features made available by the platforms in which there are: bidding groups, direct streaming, chatbots.

Conclusions

At the end, as in Europe, in Italy as well, financial products are infrequently purchased and they could often have a long service life measured in decades. For this reason, once the sale is complete, customers want online access to information and services related to their purchase. The quality of that digital experience can crucially affect churn rate, cross selling, etc. That's why banks need to invest in best in class websites that enable on boarding new customers, provide deep knowledge on services and help to maintain relationships, carry consumers easily through the purchasing journey from research to after sales support and finally the website must be part of a multichannel phygital offering so that when consumers visit branches of contact call centers, their profiles are already fully updated to reflect their most recent online activity. As for digital ads, many companies and Banks still consider digital and social video ads planning as a reach extensions of TV media planning, several studies have shown how the Italian advertising market expects in particular a decisive growth of the original videos for the online and put the evidence on the following highlights for video makers in 2018:[6]
- Mobile Video first;
- One Video does not work alone, must be a part of a content strategy.

Finally the future evolution of Social media presence in banking sector in Italy might be particularly oriented to further development of financial education and engagement initiatives, also using the survey tool for large banks. On the other hand small banks will continue to be focused on promoting new business projects (such as crowd funding, peer to peer, etc.) on it, and will try to better develop social customer care.

References:

McKINSEY: *Evolution of the Italian Banking Customers in the Digital Ecosystem.* [online]. [2017-09-05]. Available at: <https://www.mckinsey.it/idee/evolution-of-the-italian-banking-customer-behaviors-in-the-digital-ecosystem>.
Accenture Marketing Blog. [online]. [2017-08-05]. Available at: <http://distributionmarketingblog.accenture.com/embracing-a-phygital-bank-experience>.
Il Sole 24 ore. [online]. [2017-09-05]. Available at: <http://www.ilsole24ore.com/art/finanza-e-mercati/2016-12-13/sono-3600-sportelli-chiudere-milioni-clienti-dovranno-migrare-193154.shtml?uuid=ADrrhiGC>.
Engage New Video Experience: Conference. [online]. [2017-09-06]. Available at: <http://www.engage.it/eventi/engage-conference-racconto-giornata/123908#14TMiecKMzp3iID2.97>.
KMPG ABI Report. [online]. [2017-09-06]. Available at: <https://www.abi.it/DOC_Mercati/Analisi/Innovazione-ricerca/Banche-social-media/Indagine_ABI_Kpmg-Banche_Social-media.pdf>.

---

6   *KMPG ABI Report.* [online]. [2017-09-06]. Available at: <https://www.abi.it/DOC_Mercati/Analisi/Innovazione-ricerca/Banche-social-media/Indagine_ABI_Kpmg-Banche_Social-media.pdf>.

Contact data:
prof. Ing. Jarmila Šalgovičová, CSc.
University of SS. Cyril and Methodius in Trnava
Faculty of Mass Media Communication
Námestie J. Herdu 2
917 01 Trnava
SLOVAK REPUBLIC
j.salgovicova@gmail.com

Dott.ssa Jarmila Šalgovičová Ferriero
Compass Banca S.p.A.
Via Caldera 21/D
210 13 Milano
ITALY
salgovicova.jarmila@gmail.com

FACTORS INFLUENCING THE SALES OF FOOD FOR SPECIAL NUTRITION − THE USE OF DIGITAL FORMS OF SALES

Daniela Šálková

Abstract
Aim: The aim of this study was to compare availability of food for consumers suffering from celiac disease with factors that most influence the purchases of these foods. **Background:** The number of people who have trouble digesting foods containing gluten keeps rising. These consumers are forced to find food that is gluten-free. In general, deglutenised foods are very expensive and economically balanced range of processed products needs to be found. **Method:** Presented data are based on a quantitative survey of the offer of gluten-free foods in the Czech Republic and Slovakia. The survey focused on selected types of retail stores and had the form of field research, monitoring factors influencing the purchase of gluten-free products, the determinants in assessing the quality of the purchased gluten-free products, the perception of prices and conditions of the sale of gluten-free foods. **Results:** Results of field research show that not every city provides satisfactory levels of availability of gluten-free food. The most important factor to celiacs in their purchasing decisions is importance for the organism suffering from celiac disease, price, good experience with the product and importance for the quality of life. One way to reach consumers with celiac disease is to use electronic forms of sales.

Key words:
Celiac disease. Consumer. Digitalization. Food. Gluten-free. Retail. Sale.

1 Introduction

The number of customers who have trouble digesting food containing gluten keeps increasing, which is why it is necessary to pay more attention to the issue in retail. Knowledge of the functional structure of consumer demand for food is a key element in the success of retail.[1] Celiac or coeliac disease is an autoimmune disorder caused by the organism's violent reaction to the presence of wheat gluten and related proteins of rye and barley in foods. It is a disorder that has genetic, environmental and immunologic components.[2] According to various authors,[3] the disease leads to inflammation, villous atrophy and crypt hyperplasia in the small intestine. In addition, celiac disease is associated with various extra-intestinal complications, including skin disease, anemia, endocrine disorders and neurologic deficits. Patients with celiac disease are also at much greater risk of osteoporosis and an increased risk of fractures.[4] Even though originally considered mostly a children's disease, it is today regarded as a disorder that is common in the general population (affecting 1 in 100 individuals).[5] Due to the improvements in screening and diagnostic methods, the disease is proving an increasingly larger problem worldwide affecting a significant

1 NAGYOVÁ, Ľ., STÁVKOVÁ, J., KADEKOVÁ, Z.: Income Disparities and Their Impact on the Level and Development of Food Expenditures of Households in Slovakia. In *Acta Universitatis Agriculturae et Silviculturae Mendelianae Brunensis*, 2003, Vol. 61, No. 7, p. 2569-2575.
2 ALAEDINI, A., GREEN, P. H. R.: Narrative Review: Celiac Disease: Understanding a Complex Autoimmune Disorder. In *Annals of Internal Medicine*, 2005, Vol. 142, No. 4, p. 289-298.
3 BRIANI, C., SAMAROO, D., ALAEDINI, A.: Celiac Disease: From Gluten to Autoimmunity. In *Autoimmunity Reviews*, 2008, Vol. 7, No. 8, p. 644-650.
4 ZANCHETTA, M. B. et al.: Significant Bone Microarchitecture Impairment in Premenopausal Women with Active Celiac Disease. In *Bone*, 2015, Vol. 76, p. 149-157.
5 VOLTA, U., VILLANACCI, V.: Celiac Disease: Diagnostic Criteria in Progress. In *Cellular and Molecular Immunology*, 2011, Vol. 8, No. 2, p. 96-102.

part of the population.[6] There are approximately 50 to 120 thousand people with this disease in the Czech Republic, corresponding to roughly 0.5–1.2% of the population (the State Agricultural and Food Inspection Authority sets the prevalence of celiac disease between 1:100 and 1:200). Epidemiological studies carried out during the last decade have revealed that coeliac disease is one of the world's most common life-long diseases.[7]

Even though various drugs that could supplement or fully replace a gluten-free diet are being tested and validated,[8] currently the only effective prevention is a strict gluten-free diet. Only strict adherence to the diet leads to a cessation of clinical symptoms of the disease.[9] It is therefore important to provide sufficient food, satisfying the requirements of gluten free diet.[10] (Not only does the diet influence the quality of life[11] including its social aspects, but it may be very difficult to adhere to it in practice, as gluten can be hidden in many food products. Furthermore an additional problem is related to cross-contamination of nominally gluten-free foods with gluten-based ones during manufacturing. To gain the confidence of consumers and prove that the product is indeed gluten-free, standardised analytical detection methods must be used.[12] One of the possible methods for determining the presence of gluten in a food product is the use of gliadin-immunochips, based on an electrochemical impedance spectroscopy transduction method.[13] In 2009, the European Commission issued Regulation No. 41/2009 concerning the composition and labelling of foodstuffs suitable for people intolerant to gluten.[14]

Intolerance to gluten fractions and increased sensitivity to a high proportion of gluten in artificially cultivated cereals is becoming a major global issue. One of the ways to reduce the enormous increase in the number people suffering from intolerance to gluten is to produce cereals with a reduced gluten content. This can be helped by the production of genetically modified crops. The EU policy against GMO will have to be modified in the near future.[15] Genetically modified crops have even earned the label of

6   TACK, G. J. et al.: Spectrum of Celiac Disease: Epidemiology, Clinical Aspects and Treatment. In *Nature Reviews Gastroenterology and Hepatology*, 2010, Vol. 7, No. 4, p. 204-213.
7   FASANO, A., TRONCONE, R., BRANSKI, D.: *Frontiers in Celiac Disease*. Basel : Karger, 2008, p. 222.
8   ANDERSON, R. P.: Coeliac Disease: Current Approach and Future Prospects. In *Internal Medicine Journal*, 2008, Vol. 38, No. 10, p. 790-799.
9   RUJNER, J., CICHANSKA, B.: *Bezlepková a mléčná dieta*. Brno : Computer Press, 2006, p. 108.
10   REGNEROVÁ, O., ŠÁLKOVÁ, D., VARVAŽOVSKÁ, P.: The Availability of Food for a Gluten-free Diet and Possibilities at Dining Establishments. In *Acta Universitatis Agriculturae et Silviculturae Mendelianae Brunensis*, 2016, Vol. 64, No. 4. p. 1365-1372.
11   KHURANA, B. et al.: Evaluation of the Impact of Celiac Disease and Its Dietary Manipulation on Children and Their Caregivers. In *Indian Journal of Gastroenterology*, 2015, Vol. 34, No. 2, p. 112-116.
12   THOMPSON, T., MÉNDEZ, E.: Commercial Assays to Assess Gluten Content of Gluten-Free Foods: Why They Are Not Created Equal. In *Journal of the American Dietetic Association*, 2008, Vol. 108, No. 10, p. 1682-1687.
13   CHIRIACÒ, M. S. et al.: Portable Gliadin-immunochip for Contamination Control on the Food Production Chain. In *Talanta*, 2015, Vol. 142, p. 57-63.
14   HARASZI, R. et al.: Analytical Methods for Detection of Gluten in Food-method Developments in Support of Food Labeling Legislation. In *Journal of AOAC International*, 2011, Vol. 94, No. 4, p. 1006-1025.
15   ŘEZBOVÁ, H., ŠKUBNA, O.: The Role of Transgenic Crops in the Future of Global Food and Feed. In *Agris On-line Papers in Economics and Informatics*, 2012, Vol. 4, No. 2, p. 49-59.

sustainable intensification in global agriculture through the vital role of science.[16] Due to changes in the lifestyle of the population, current consumption trends lean towards healthy foods that do not belong in the HFSS category (High Fat, Salt and Sugar foods). This happens mostly due to the generally growing prevalence of obesity.[17] Increased attention is paid also to other health aspects of consumed food, which includes the need to observe a special dietary regime. The importance of buying "healthy and suitable" foods is particularly strong in the case of growing and developing children who can in this way also affect their parents.[18] Organic food can be understood as a platform for long-term sustainable development as well as a tool to enhance the quality of human alimentation and life.[19] Purchasing quality, safe and wholesome food produced from quality ingredients is one of the components of following a healthy lifestyle.[20]

Household food security is a necessary condition for nutrition security. To improve the food security situation of households and communities, the efficiency of existing utilisation of resources may need to be improved through conserving and, where possible, enhancing the productive capacity of resources.[21] In the short-term period, food safety will be increased with a wider adoption of organic farming and integrated crop management approaches. The importance of specific food production for aging populations with specific dietary requirements will increase. More fruit and vegetable production will be required. And already in this period, agriculture production will need to respect cultural and ethnical diversity. The percentage of population which requires specific products is growing.[22] Despite the trend towards a healthy lifestyle, Czechs increasingly often tend to eat at one of the 26 fast food restaurant chains currently operating on the market, presumably due to the more accelerated lifestyle of the last few decades. People go to fast food restaurants in order to save time. The restaurants are open for 24 hours a day; as a consequence, people use them for meetings with friends or for business meetings.[23] The aim of this study was to compare availability of food for consumers suffering from celiac disease with factors that most influence the purchases of these foods.

16   RAVEN, P.: Does the Use of Transgenic Plants Diminish or Promote Biodiversity? In *New Biotechnology*, 2010, No. 27, p. 601-606.

17   OGBA, I., JOHNSON. R.: How Packaging Affects the Product Preferences of Children and the Buyer Behaviour of Their Parents in the Food Industry. In *Young Consumers*, 2010, Vol. 11, No. 1, p. 11-29.

18   BALCAROVÁ, T., POKORNÁ, J., PILAŘ, L.: The Influence of Children on the Parents Buying Behavior: Food Purchase in the Czech Republic. In *Agris On-line Papers in Economics and Informatics*, 2012, Vol. 6, No. 2, p. 49-59.

19   DĚDINA, D., ŠÁNOVÁ, P., KADEŘÁVKOVÁ, A.: Parents' Attitudes to Introduction of Organic Food in School Catering. In *Agris On-line Papers in Economics and Informatics*, 2014, Vol. 6, No. 2, p. 21-30.

20   ŠÁLKOVÁ, D., KUČERA, P., MORAVEC L.: Effect of Introducing Second Reduced Rate of VAT on Consumer Purchase Behaviour with Gluten-free Food. In *Acta Universitatis Agriculturae et Silviculturae Mendelianae Brunensis*, 2017, Vol. 65, No. 3, p. 1045-1053.

21   For more information, see: BOKELOH, G.: Actions/Interventions to Improve Food and Nutrition Security at Meso and Micro Level. In BOKELOH, G., GERSTER-BENTAYA, M. (eds.): *Achieving Food and Nutrition Security Actions to Meet the Global Challenge. A Training Course Reader*. *Internationale Weiterbildung GmbH Capacity Building International*. Germany : Germany Division Rural Development, Food and Consumer Protection Feldafing, 2009.

22   CHARVÁT, K., GNIP, P., MAYER. W.: FutureFarm Vision. In *Agris On-line Papers in Economics and Informatics*, 2009, Vol. 1, No. 2, p. 45-57.

23   ŠŘEDL, K., MIKHALKINA, E.: Competition among Companies in the Fast Food Market in the Czech Republic. In *Agris On-line Papers in Economics and Informatics*, 2014, Vol. 6, No. 4, p. 161-174.

2 Material and Methods

The research of the availability of food for the target group of consumers suffering from celiac disease focused on the offer of special nutrition foods by retailers (including importers) and manufacturers, examining the factors that most influence the target group in its decisions. A substantial portion of the data is based on a quantitative survey of the offer of gluten-free foods in the Czech Republic and Slovakia, implemented in two stages in 2012 to 2014. The survey focused on selected types of retail stores and had the form of field research, monitoring selected factors influencing the purchase of specific gluten-free products, the determinants in assessing the quality of the purchased gluten-free products, the perception of prices and conditions of the sale of gluten-free foods. The research in the Czech Republic involved students of the Czech University of Life Sciences Prague; the processed results are based on 223 survey records from the years 2012 and 2014 – field investigation of the offer directly in retail stores, 137 responses to a 2013 questionnaire titled "Consumer preferences when purchasing food for consumers with a gluten-free diet" and the conclusions of 20 semestral papers from 2013/14 (Table 1). The survey in Slovakia involved students of the Slovak University of Agriculture in Nitra who processed 289 questionnaires implemented in retail stores based on a random sample of respondents (Table 2). All participants provided verbal informed consent. The selected factors were treated as categorical data that are not directly measurable and are expressed verbally. Structured tables were created from the measurable data using a quantitative evaluation of the frequency of answers for each specific factor. With factors that cannot be quantitatively measured, the employed method was an analogy based on the results of earlier qualitative research.

Table 1: Characteristics of respondents in the Czech Republic (age, %)

	number	%	under 20	%	20–40	%	40–60	%	60–80	%	over 80
Male	27	19.71	3	2.19	17	12.41	6	4.38	1	0.73	0
Female	110	80.29	12	8.76	75	54.74	22	16.06	1	0.73	0
Total	137	100	15	10.95	92	67.15	28	20.44	2	1.46	0

Source: Own processing

Table 2: Characteristics of respondents in the Slovak Republic (%)

Gender		Education		Economic activity	
male	25	primary school	6	student	40
female	75	secondary school	54	employed	52
		tertiary school	39	retired	2
		other	1	other	6
Age		Region			
under 20 years	13	Nitriansky	43	Žilinský	10
20–40 years	63	Bratislavský	6	Prešovský	3
41–60 years	21	Trnavský	15	Košický	2
61–80 years	3	Trenčiansky	17	Banskobystrický	4

Source: Own processing

For the purposes of this article, results of the measurements were formulated into synthetical factual reports and conclusions.

3 Results and Discussion

The consumer and the gluten-free market

It is important to determine where celiacs prefer to shop for gluten-free food and how they perceive the current offer. Results of field research in the Czech Republic show that not every randomly selected city in the Czech Republic provides satisfactory levels of availability of gluten-free food. Individual outlets such as hypermarkets or supermarkets are sufficient, providing regular as well as gluten-free products, and so are stores specialising in goods suitable for a gluten-free diet. Less satisfactory are superettes[24] and grocery stores, the numbers of which are growing particularly through franchising, but which are not evenly distributed across the country. The best offer of gluten-free products is available to people living in larger cities and regional centres; the worst availability of gluten-free food is in smaller towns and particularly municipalities under 10,000 inhabitants where the offer is very limited. People living in such areas have to make their purchases in larger cities, which generally requires them to drive their own vehicle. The elderly and ill people in such municipalities are therefore dependent on outside help (relatives, social workers etc.). The most often criticised factors of the sale of gluten-free food include:
- High price of gluten-free food which is often beyond the reach of the purchasing power of celiac patients;
- Small or inadequate range of products, incapable of fully satisfying their needs;
- Insufficient availability; the food needs to be purchased at relatively remote locations, often outside the region where the celiacs live;
- Large stores have shelves with gluten-free products, but there are no ceiling signs showing where they are located;
- Information for consumers is often printed on the packaging in very small and poorly legible type, not meeting the requirements of the Regulation (EC) No. 41/2009.

In Slovakia, gluten-free products are sold both in specialised healthy food stores and in supermarkets (hypermarkets), often providing a variously large selection of products depending on their floor area. A wide selection of food products for people with gluten intolerance is also sold at pharmacies where they are also available on prescription. A current list of gluten-free products and the quantitative limits for health insurance coverage are provided on the website of the Slovak Ministry of Health; this however only applies to Slovak citizens. In e-commerce, most stores selling gluten-free products are online pharmacies or companies supplying gluten-free food to retailers. The advantages of internet-based stores are a sufficiently extensive range of foodstuffs (including various new products) and the convenient

---

24   Superettes are stores providing a wide selection of food; meat does not have to be represented, or only with packaged meat products; prices are at the medium level with a medium to higher quality of goods; the stores are found in residential areas and are relatively small, providing self-service on a total area under 400 m² (remark by the author).

delivery of selected goods to the consumer's home by a courier. The disadvantage are the shipping and handling costs which significantly increase the price of smaller orders, bringing it close to the prices in retail stores.

Most celiacs in Slovakia (45%) prefer to purchase gluten-free food in specialised stores, primarily due to their wide range or products, freshness and quality at acceptable prices. 40% of respondents mention retail stores such as supermarkets (18 %), hypermarkets (18 %) and superettes (4%) which offer a different range of products. 5% of respondents purchase food online. A relatively large proportion of respondents (10%) responded with "other", indicating that this means the purchase of gluten-free food in pharmacies. This is also influenced by the option to purchase selected gluten-free foods on prescription. The choice of retailer in Slovakia is primarily influenced by the offered selection of products. Some stores do not have a special section for celiacs and stock gluten-free products on shelves next to other products of the same type without any special labelling. Sometimes consumers can find several products suitable also for a gluten-free diet in the section for diabetics. Village stores typically stock very few gluten-free products (usually only those with a very long shelf life) or none at all. Stores see little benefit in providing more gluten-free products, which means that people in Slovakia also have to rely on making their purchases in larger cities and specialised stores.[25] In the questionnaire survey described above, respondents had the option to evaluate factors which they consider important in their purchasing decisions about a specific gluten-free product. The most important factor to celiacs is "importance for the organism suffering from celiac disease". Other important factors included price, good experience with the product and importance for improving the quality of life. There is good availability of GF food in regular and high-quality supermarkets as well as online, but it remains significantly more expensive.[26] One of the least important factors was advertising.

Most respondents in both countries (249 respondents in total) assess the quality of the purchased gluten-free product on the basis of good previous experience. The second most important attribute in determining quality is the list of ingredients. More and more consumers read the composition of the products they want to purchase, but doing so is almost mandatory for celiacs. Adequate and appropriate labelling of potential allergens in foods is a key factor in improving the quality of life of people with celiac disease, as has been confirmed by Roma.[27] Fortunately, the number of gluten-free products on the market keeps increasing. The composition of the product often provides the only information about its quality in relation to price, and it is generally the case that high-quality food carries an adequate price. A lower quality increases the risk factor, reducing food safety and often threatening the consumer's life. Other factors that can help celiacs assess the quality of gluten-free products are various quality certificates, mentioned by 172 respondents. According to the results of the questionnaire survey, up to one third of respondents follow recommendations of their friends or family, showing the strength of word of mouth marketing in this area. Most respondents (88%) consider the prices of gluten-free products in the Czech

25 HES, A. et al.: *Maloobchod s bezlepkovými potravinam*i. Prague : Powerprint, 2014, p. 60.
26 BURDEN, M. et al.: Cost and Availability of Gluten-free Food in the UK: In Store and Online. In *Postgraduate Medical Journal*, 2015, Vol. 91, No. 1081, p. 622-626.
27 ROMA, E. et al.: Dietary Compliance and Life Style of Children with Coeliac Disease. In *Journal of Human Nutrition and Dietetics*, 2010, Vol. 23, No. 2, p. 176-182.

Republic and Slovakia to be too high; discounts or reduced prices are however only partially important to more than one half of the surveyed purchasers of gluten-free products (57%) who claim that these products are not discounted very often (Chart 1). The high price of gluten-free products is often the limiting factor. This is despite the fact that effectively helping patients with gluten intolerance cover the costs of their purchases of appropriate food is just as important as understanding the basics of a gluten-free diet, as confirmed by Cureton.[28]
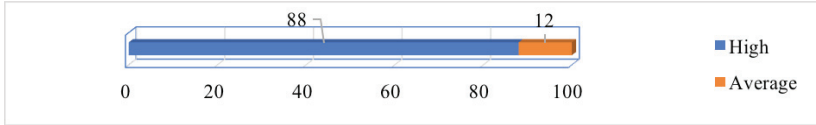
Chart 1: Perception of prices of gluten-free products with respect to the total expenses on food (%)
Source: Own processing

The variety of offered gluten-free products is unsatisfactory for 70% of respondents in both countries – they unfortunately cannot select among brands from various manufacturers at different price levels as other people can. These products are relatively marginal, representing only a small percentage of sales of individual stores (Chart 2).
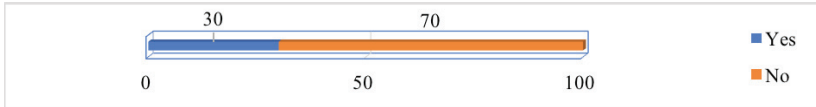
Chart 2: Perception of the offer of gluten-free products (%)
Source: Own processing

It needs to be said, however, that the offer of products for celiacs keeps expanding. There is gluten-free flour, mixtures for the preparation of dumplings, pancakes or cakes, pasta, spaghetti, bread and pastry, tortillas, cereals and various types of biscuits. Their sensory characteristics also keep improving and even gluten-free products can have an excellent taste. Tasty alternative gluten-free products are necessary to help patients adhere to a gluten-free diet, as confirmed by Cureton.[29] The number of people with celiac disease around the world keeps growing, which is why the entire modern and advanced society should pay more attention to their needs and try to achieve their satisfaction by offering high quality products at a reasonable price.

The products intended for a gluten-free diet are generally more expensive than regular products containing gluten, as confirmed by Singh and Whelan,[30] which has a negative impact on people trying to follow a gluten-free diet. According to a study by Svens and

---

28   CURETON, P.: The Gluten-free Diet: Can Your Patient Afford It? In *Practical Gastroenterology*, 2007, Vol. 31, No. 4, p. 75-84.
29   CURETON, P.: The Gluten-free Diet: Can Your Patient Afford It? In *Practical Gastroenterology*, 2007, Vol. 31, No. 4, p. 75-84.
30   SINGH, J., WHELAN K.: Limited Availability and Higher Cost of Gluten-free Foods. In *Journal of Human Nutrition and Dietetics*, 2011, Vol. 24, No. 5, p. 479-486.

Rashid,[31] gluten-free foodstuffs were 242% more expensive than regular products. It is also necessary to take celiacs into account when establishing various catering businesses (restaurants or food stalls), as confirmed by Roma.[32] According to a study by Lee and Newman (2003), visiting a restaurant is risky for 86% of celiacs, and for 82% of them, travelling or eating out is equally risky. It is necessary to determine whether respondents would welcome a new store offering products for people with various food restrictions in their neighbourhood. Most respondents (89%) say that they would welcome such stores, and most of them (71%) would prefer a self-service type of store. The availability of gluten-free products in the retail network is considered insufficient not only in the Czech Republic and Slovakia, but also in other countries, such as England, as stated by Burden.[33] The mentioned issues include the difficulties of dining out (86%), travel (82%), impact on family (67%) and less of a negative impact on career or work (41%).
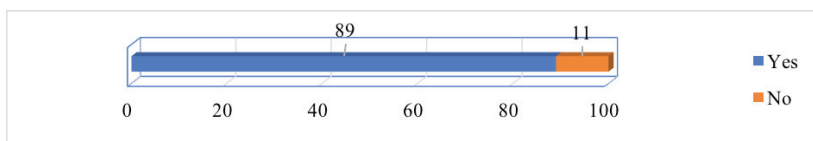
Chart 3: Welcoming a new store offering related products in the neighbourhood (%)
Source: Own processing

The questionnaire asked a sample of 289 respondents, primarily people who purchase gluten-free products for their own need (83%) or for a family member (17%). The questionnaire included a question on which gluten-free products celiacs purchase most often; the respondents were asked for their spontaneous recollection of a product name, brand or manufacturer, including the country of origin. A total of 289 respondents from both countries submitted 905 answers. In terms of categories, most frequently mentioned products were gluten-free flour and flour mixtures (240 respondents), gluten-free biscuits (230 respondents) and gluten-free pasta (189 respondents). The inclusion of alternative cereal products is very important for improving the nutritional value of a gluten free diet, as confirmed by Lee.[34] The results show that celiacs pay higher attention to their selection of gluten-free food. They primarily focus on gluten-free raw ingredients and basic foodstuffs. This suggests that consumers cook their own gluten-free food, primarily because they see ready-to-eat gluten-free products as very expensive and poorly available.

31   STEVENS, L., RASHID, M.: Gluten-free and Regular Foods: A Cost Comparison. In *Canadian Journal of Dietetic Practice and Research*, 2008, Vol. 69, No. 3, p. 147-150.
32   ROMA, E. et al.: Dietary Compliance and Life Style of Children with Coeliac Disease. In *Journal of Human Nutrition and Dietetics*, 2010, Vol. 23, No. 2, p. 176-182.
33   BURDEN, M. et al.: Cost and Availability of Gluten-free Food in the UK: In Store and Online. In *Postgraduate Medical Journal*, 2015, Vol. 91, No. 1081, p. 622-626.
34   LEE, A. R. et al.: The Effect of Substituting Alternative Grains in the Diet on the Nutritional Profile of the Gluten-free Diet. In *Journal of Human Nutrition and Dietetics*, 2009, Vol. 22, No. 4, p. 359-363.

Conclusion

Consumers who have a trouble digesting foods containing gluten represent an increasingly important customer segment for the manufacturers and distributors of gluten-free food. This motivates manufacturers and traders to focus more on the production, processing and sales of gluten-free ingredients, semi-finished products and finished products. As the survey discussed above shows, celiacs have legislative support in the Regulation (EC) No. 41/2009, defining the requirements for food designated for particular nutritional uses as well as for normal consumption foods. As the overview of prevalence shows, the number of celiacs in Europe, including the Czech Republic and Slovakia, is on the rise. The most important factors influencing the purchase of specific gluten-free products mentioned by respondents include the following: the importance of the gluten-free product for the organism, price and personal experience. This confirms the statement above that celiacs do not decide based on brand, advertising, origin or recommendations, but rather the quality of products and purchasing power corresponding to the composition and higher prices of gluten-free food. According to the survey, the strongest determinants of their perception of the quality of purchased gluten-free products include good experience, product composition and a quality certificate. This way, the respondents are sending a signal to manufacturers that the quality and composition of products are important for them when selecting gluten-free products, because they fear that a reduced quality lowers also the safety of the food, threatening the health of the consumer suffering from celiac disease.

The price of gluten-free food is a crucial factor for celiacs, depending on their purchasing power. Up to 88% of respondents consider the prices of gluten-free food in both countries (Czech Republic, Slovakia) to be too high. The survey also shows that the prices of gluten-free products are only rarely reduced. It also proved the increasing disparity between the income of celiac patients and the prices of gluten-free products – celiac disease is becoming increasingly more prevalent among children who do not make any money. Everything therefore depends on the parents' income, which can increase social tensions in the household. The same applies to elderly celiacs who are dependent on their retirement income. The next analysed factor, the offered range and availability of gluten-free foods, is unsatisfactory both in the Czech Republic and in Slovakia. The products are best represented in retail chains (hypermarkets, supermarkets) found in shopping centres on the outskirts of larger cities and regional centres. The offer of gluten-free food is unevenly distributed across the country, being only limited in smaller towns and completely lacking in villages. The respondents say (89%) that they would welcome new specialised stores with a higher availability of gluten-free products, including fresh products. The analysis of which gluten-free products are purchased most often indicates that the most represented products by far are gluten-free flour and flour mixtures, biscuits, pasta and bread. This proves that celiacs purchase gluten-free products as ingredients for their own cooking, as well as basic foodstuffs and delicatessen. The results of the survey show that the offer of gluten-free food on the Czech and Slovak market is very unsatisfactory. Celiacs in both the Czech Republic and Slovakia must spend much more effort, money and time to provide for themselves at least the basic nutritional level comparable to the conventional means of nutrition in accordance with the contemporary lifestyle of

modern advanced societies. One way to reach consumers with celiac disease is to use electronic forms of sales.

References:

ALAEDINI, A., GREEN, P. H. R.: Narrative Review: Celiac Disease: Understanding a Complex Autoimmune Disorder. In *Annals of Internal Medicine*, 2005, Vol. 142, No. 4, p. 289-298. ISSN 0003-4819.

ANDERSON, R. P.: Coeliac Disease: Current Approach and Future Prospects. In *Internal Medicine Journal*, 2008, Vol. 38, No. 10, p. 790-799. ISSN 1445-5994.

BALCAROVÁ, T., POKORNÁ, J., PILAŘ, L.: The Influence of Children on the Parents Buying Behavior: Food Purchase in the Czech Republic. In *Agris On-line Papers in Economics and Informatics*, 2014, Vol. 6, No. 2, p. 11-19. ISSN 1804-1930.

BOKELOH, G.: Actions/Interventions to Improve Food and Nutrition Security at Meso and Micro Level. In BOKELOH, G., GERSTER-BENTAYA, M. (eds.): *Achieving Food and Nutrition Security Actions to Meet the Global Challenge. A Training Course Reader. Internationale Weiterbildung GmbH Capacity Building International.* Germany : Germany Division Rural Development, Food and Consumer Protection Feldafing, 2009, p. 129-203.

BRIANI, C., SAMAROO, D., ALAEDINI, A.: Celiac Disease: From Gluten to Autoimmunity. In *Autoimmunity Reviews*, 2008, Vol. 7, No. 8, p. 644-650. ISSN 1568-9972.

BURDEN, M. et al.: Cost and Availability of Gluten-free Food in the UK: In Store and Online. In *Postgraduate Medical Journal*, 2015, Vol. 91, No. 1081, p. 622-626. ISSN 0032-5473.

CURETON, P.: The Gluten-free Diet: Can Your Patient Afford It? In *Practical Gastroenterology*, 2007, Vol. 31, No. 4, p. 75-84. ISSN 0277-4208.

DĚDINA, D., ŠÁNOVÁ, P., KADEŘÁVKOVÁ, A.: Parents' Attitudes to Introduction of Organic Food in School Catering. In *Agris On-line Papers in Economics and Informatics*, 2014, Vol. 6, No. 2, p. 21-30. ISSN 1804-1930.

FASANO, A., TRONCONE, R., BRANSKI, D.: *Frontiers in Celiac Disease*. Basel : Karger, 2008.

HARASZI, R. et al.: Analytical Methods for Detection of Gluten in Food-method Developments in Support of Food Labeling Legislation. In *Journal of AOAC International*, 2011, Vol. 94, No. 4, p. 1006-1025. ISSN 1006-1025.

HES, A. et al.: *Maloobchod s bezlepkovými potravinami*. Prague : Powerprint, 2014.

CHARVÁT, K., GNIP, P., MAYER, W.: FutureFarm Vision. In *Agris On-line Papers in Economics and Informatics*, 2009, Vol. 1, No. 2, p. 45-57. ISSN 1804-1930.

CHIRIACÒ, M. S. et al.: Portable Gliadin-immunochip for Contamination Control on the Food Production Chain. In *Talanta*, 2015, Vol. 142, p. 57-63. ISSN 0039-9140.

KHURANA, B. et al.: Evaluation of the Impact of Celiac Disease and Its Dietary Manipulation on Children and Their Caregivers. In *Indian Journal of Gastroenterology*, 2015, Vol. 34, No. 2, p. 112-116. ISSN 0254-8860.

LEE, A. R. et al.: The Effect of Substituting Alternative Grains in the Diet on the Nutritional Profile of the Gluten-free Diet. In *Journal of Human Nutrition and Dietetics*, 2009, Vol. 22, No. 4, p. 359-363. ISSN 1365-277X.

LEE, A., NEWMAN, J. M.: Celiac Diet: Its Impact on Quality of Life. In *Journal of the American Dietetic Association*, 2003, Vol. 103, No. 11, p. 1533-1535. ISSN 0002-8223.

NAGYOVÁ, Ľ., STÁVKOVÁ, J., KADEKOVÁ, Z.: Income Disparities and Their Impact on the Level and Development of Food Expenditures of Households in Slovakia. In *Acta Universitatis Agriculturae et Silviculturae Mendelianae Brunensis*, 2003, Vol. 61, No. 7, p. 2569-2575. ISSN 1211-8516.

OGBA, I., JOHNSON. R.: How Packaging Affects the Product Preferences of Children and the Buyer Behaviour of Their Parents in the Food Industry. In *Young Consumers*, 2010, Vol. 11, No. 1, p. 11-29. ISSN 1747-3616.

RAVEN, P.: Does the Use of Transgenic Plants Diminish or Promote Biodiversity? In *New Biotechnology*, 2010, Vol. 27, No. 5, p. 528-533. ISSN 1871-6784.

REGNEROVÁ, O., ŠÁLKOVÁ, D., VARVAŽOVSKÁ, P.: The Availability of Food for a Gluten-free Diet and Possibilities at Dining Establishments. In *Acta Universitatis Agriculturae et Silviculturae Mendelianae Brunensis*, 2016, Vol. 64, No. 4. p. 1365-1372. ISSN 1211-8516.

ROMA, E. et al.: Dietary Compliance and Life Style of Children with Coeliac Disease. In *Journal of Human Nutrition and Dietetics*, 2010, Vol. 23, No. 2, p. 176-182. ISSN 1365-277X.

RUJNER, J., CICHANSKA, B.: *Bezlepková a mléčná dieta*. Brno : Computer Press, 2006.

ŘEZBOVÁ, H., ŠKUBNA, O.: The Role of Transgenic Crops in the Future of Global Food and Feed. In *Agris On-line Papers in Economics and Informatics*, 2012, Vol. 4, No. 2, p. 49-59. ISSN 1804-1930.

STEVENS, L., RASHID, M.: Gluten-free and Regular Foods: A Cost Comparison. In *Canadian Journal of Dietetic Practice and Research*, 2008, Vol. 69, No. 3, p. 147-150. ISSN 2292-9592.

SINGH, J., WHELAN K.: Limited Availability and Higher Cost of Gluten-free Foods. In *Journal of Human Nutrition and Dietetics*, 2011, Vol. 24, No. 5, p. 479-486. ISSN 1365-277X.

ŠÁLKOVÁ, D., KUČERA, P., MORAVEC L.: Effect of Introducing Second Reduced Rate of VAT on Consumer Purchase Behaviour with Gluten free Food. In *Acta Universitatis Agriculturae et Silviculturae Mendelianae Brunensis*, 2017, Vol. 65. No. 3, p. 1045-1053. ISSN 1211-8516.

ŠRÉDL, K., MIKHALKINA, E.: Competition among Companies in the Fast Food Market in the Czech Republic. In *Agris On-line Papers in Economics and Informatics*, 2014, Vol. 6, No. 4, p. 161-174. ISSN 1804-1930.

TACK, G. J. et al.: Spectrum of Celiac Disease: Epidemiology, Clinical Aspects and Treatment. In *Nature Reviews Gastroenterology and Hepatology*, 2010, Vol. 7, No. 4, p. 204-213. ISSN 1759-5045.

THOMPSON, T., MÉNDEZ, E.: Commercial Assays to Assess Gluten Content of Gluten-Free Foods: Why They Are Not Created Equal. In *Journal of the American Dietetic Association*, 2008, Vol. 108, No. 10, p. 1682-1687. ISSN 0002-8223.

VOLTA, U., VILLANACCI, V.: Celiac Disease: Diagnostic Criteria in Progress. In *Cellular & Molecular Immunology*, 2011, Vol. 8, No. 2, p. 96-102. ISSN 2042-0226.

ZANCHETTA, M. B. et al.: Significant Bone Microarchitecture Impairment in Premenopausal Women with Active Celiac Disease. In *Bone*, 2015, Vol. 76, p. 149-157. ISSN 8756-3282.

Contact data:
Ing. Daniela Šálková, Ph.D.
Czech University of Life Sciences Prague
Faculty of Economics and Management
Kamýcká 129
165 00 Prague 6 – Suchdol
CZECH REPUBLIC
salkova@pef.czu.cz

FACTORS AFFECTING ONLINE SHOPPING BEHAVIOUR

Andrej Trnka

Abstract
There are a several factors that affect online shopping behaviour, which may not coincide with factors affecting normal buying behaviour. Notwithstanding the Maslow pyramid of needs, online shopping behaviour is influenced by the current rapid increase in e-shops, their security, and especially the convenience of buying. The rapid development and availability of smart devices only support this trend. To simplify access to e-shops, consumers can use a variety of applications to purchase goods or services from anywhere. In the research we have used data form Pricemania. We have examined the impact of several factors on the frequency of online shopping

Key words:
Customer behaviour. E-shop. Multinomial logistic regression.

1 Introduction

Factors affecting online shopping behaviour might be one of the most important issues of e-commerce and marketing field. There was very limited knowledge about online consumer behaviour, a few years ago. Nowadays, online shopping behaviour is the research's goal in countries with middle-income economies. According to Ben-Shabat, e-commerce has grown nearly to $694,8 billions in year 2013. It was estimated to increase to $1506 billions in 2018. Perhaps the biggest expression of this boom was in the stock markets, which gave e-commerce companies skyrocketing valuations.[1] The pioneer of online shopping was Michael Aldrich in 1979. His system connected a modified TV to a real-time transaction processing computer via a telephone line.[2] On 11th August 1994, the world's first secure e-commerce transaction took place, with a Sting CD selling in the States to the value of $12,48.[3] The most expensive item ever sold online was a 123,4 m yacht featuring 14 multi-level VIP suites, bushes, grass and a helicopter platform – basically a floating island fortress. A company known as Fort Yacht sold it on auction for the ridiculous price of $168 million.[4]

---

1   BEN-SHABAT, H. et al.: *The 2015 Retail E-commerce Index: Global Retail E-commerce Keeps on Clicking*. Chicago : A.T. Kearney, 2015, p. 2.
2   ALDRICH, M. J.: *Videotext Communication*. [online]. [2017-10-05]. Available at: <http://www.aldricharchive.com/papers/1982/Videotex%20Communications%20Dec'82.pdf>.
3   *Shop Direct Celebrates 20 Years of Online Shopping*. [online]. [2017-10-05]. Available at: <https://www.shopdirect.com/shop-direct-celebrates-20-years-online-shopping/>.
4   *20 Most Expensive Things Ever Sold On The Internet (And RL)*. [online]. [2017-10-05]. Available at: <https://www.buzzfeed.com/alltimetops/20-most-expensive-things-ever-sold-on-the-internet-155a5?utm_term=.an07KN7mWY#.flELZzLKRE>.

Picture 1: The most expensive item ever sold online.
Source: *20 Most Expensive Things Ever Sold On The Internet (And RL).* [online]. [2017-10-05]. Available at: <https://www.buzzfeed.com/alltimetops/20-most-expensive-things-ever-sold-on-the-internet-155a5?utm_term=.an07KN7mWY#.flELZzLKRE>.

In our region (Slovak republic) can be online shopping behaviour different compared to the whole world. In our study we used dataset, which was collected by company Pricemania in 2015.

2 Research methods

We used multinomial logistic regression for data analysis. Multinomial logistic regression is the extension for the (binary) logistic regression when the categorical dependent outcome has more than two levels.[5] Multinomial logistic regression is used to predict categorical placement in or the probability of category membership on a dependent variable based on multiple independent variables. The independent variables can be either dichotomous or continuous.[6] For partial results we used chi-square test and descriptive statistical methods. As a software tool we used IBM SPSS Statistics, which provides a lot of statistical application. When we are processing the research, we can store data with several possibilities.[7]

3 Results

The primary dataset contained 5210 records. For our research we filtered respondents from these age categories:
- less than 12 years,
- more than 80 years.

Our previously research has proved, that these age categories are not significant. After this step, dataset has contained 5179 respondents. The basic statistical analysis (view) to dataset is in Table 1– Table 2.

---

5   CHAN, Y. H.: Biostatistics 305. Multinomial Logistic Regression. In *Singapore Med J*, 2005, Vol. 46, No. 6, p. 259.
6   STARKWEATHER, J., MOSKE, A. K.: *Multinomial Logistic Regression*. [online]. [2017-11-01]. Available at: <https://it.unt.edu/sites/default/files/mlr_jds_aug2011.pdf>.
7   HALENÁR, R.: Archiving Documents in Form of Image Using Matlaband Photoshop. In MATÚŠ, J., PETRANOVÁ, D. (eds.): *International Scientific Conference on Marketing Identity – DigitalLife. Conference Proceedings*. Trnava : FMK UCM in Trnava, 2015, p. 350.

Table 1: Frequencies of gender

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	man	2835	54,7	54,7	54,7
	woman	2344	45,3	45,3	100,0
	Total	5179	100,0	100,0	

Source: Own processing

Table 2: Frequencies of age categories

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	13 – 18 years	266	5,1	5,1	5,1
	19 – 30 years	1536	29,7	29,7	34,8
	31 – 40 years	1487	28,7	28,7	63,5
	41 – 60 years	1626	31,4	31,4	94,9
	61 – 80 years	264	5,1	5,1	100,0
	Total	5179	100,0	100,0	

Source: Own processing

As we can see in Table 2, the most represented age category is between 41 and 60 years. But the sum of two age categories above (19 – 30 and 31 – 40) is 58,4 %. The relative ratio between gender in Slovak Republic is 48,77 % male and 51,23 % female.[8] Table 1 shows the ratio of gender in our dataset and Table 3 shows chi-square test applied to gender. Expected counts in Table 3 correspond in gender ratio in Slovak Republic.

Table 3: Chi-square test of gender

	Observed N	Expected N	Residual
male	2835	2526,0	309,0
female	2344	2653,0	-309,0
Total	5179		

Source: Own processing

The asymptotic significance of previously chi-square test is equal 0,000. It means, our dataset does not correspond to the gender ratio in Slovak Republic. So, we can claim, that the customer ratio (by gender) is unrelated to gender ratio in Slovak Republic. For our statistical analysis of factors affecting online behaviour, we have chosen *product selection criteria* as the factors and the dependent variable was chosen *frequency of online shopping*. Product selection criteria consist of the following variables:

- price,
- reviews,
- special offer,
- availability,

---

8   *Počet obyvateľov podľa pohlavia – SR, oblasti, kraje, okresy, mesto, vidiek (ročne).* [online]. [2017-11-06]. Available at: <https://slovak.statistics.sk>.

- brand,
- properties and parameters,
- other.

The dependent variable (frequency of online shopping) consist of these categories:
- daily,
- several times a week,
- several times a month,
- several times a year,
- do not buy in e-shops.

Table 4 shows categories frequency of dependent variables.

Table 4: Frequencies of dependent variable

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	daily	74	1,4	1,4	1,4
	several times a week	248	4,8	4,8	6,2
	several times a month	1822	35,2	35,2	41,4
	several times a year	2895	55,9	55,9	97,3
	do not buy in e-shops	140	2,7	2,7	100,0
	Total	5179	100,0	100,0	

Source: Own processing

As we can see in Table 4, the most preferred categories are *several times a month* and *several times a year*. For multinomial logistic regression we have chosen as a reference category *do not buy in e-shops*. With this category we have compared other categories in dependent variable. The case processing summary is shown in Table 5.

Table 5: Case Processing Summary

		N	Marginal Percentage
on-line shopping frequency	daily	74	1,4%
	several times a week	248	4,8%
	several times a month	1822	35,2%
	several times a year	2895	55,9%
	do not buy in e-shops	140	2,7%
price	yes	2854	55,1%
	no	2325	44,9%
reviews	yes	3039	58,7%
	no	2140	41,3%
special offer	yes	994	19,2%
	no	4185	80,8%

availability	yes	407	7,9%
	no	4772	92,1%
brand	yes	915	17,7%
	no	4264	82,3%
properties and parameters	yes	2554	49,3%
	no	2625	50,7%
other	yes	55	1,1%
	no	5124	98,9%
Valid		5179	100,0%
Missing		0	
Total		5179	
Subpopulation		80ᵃ	

a. The dependent variable has only one value observed in 19 (23,8%) subpopulations.

Source: Own processing

Table 6: Model Fitting Information

	Model Fitting Criteria	Likelihood Ratio Tests		
Model	-2 Log Likelihood	Chi-Square	df	Sig.
Intercept Only	793,167			
Final	691,168	101,999	28	,000

Source: Own processing

In Table 6 we can see whether our model gives significant result compared to the Null model (Intercept Only). In Final model, the factors are impacting the dependent variable. The null hypothesis says, that there is no significant difference between Null model and Final model. Null model does not consist of any factors and Final model consists of all factors. If the significance is less than 0,05, the model is fit. We can conclude, that the null hypothesis is rejected, and the Final model is fit.It means, that the Final model is more significant than Null model.

Table 7: Goodness of fit

	Chi-Square	df	Sig.
Pearson	274,927	288	,700
Deviance	223,433	288	,998

Source: Own processing

The information in Table 7 is about the fit of Final model, too. The null hypothesis says, that our model is fit. When the Pearson significance is more than 0,05, the model is fit. Significances in Table 6 and Table 7 indicates, that our model is good.

Table 8: Likelihoodratio test

Effect	Model Fitting Criteria -2 Log Likelihood of Reduced Model	Likelihood Ratio Tests Chi-Square	df	Sig.
Intercept	691,168	,000	0	.
price	692,172	1,005	4	,909
reviews	747,113	55,945	4	,000
special offer	692,712	1,544	4	,819
availability	697,639	6,472	4	,167
brand	694,421	3,253	4	,516
properties and parameters	720,795	29,627	4	,000
other	693,663	2,495	4	,645

Source: Own processing

From Table 8 we can see, that significant impact on dependent variable have only two factors – *reviews* and *properties and parameters*. When the significance is more than 0,05, we must not consider these factors in the analysis.

Table 9: Parameter estimates (only significant results)

on-line shopping frequency [a]		B	Std. Error	Wald	df	Sig.	Exp(B)	95% Confidence Interval for Exp(B) Lower Bound	Upper Bound
daily	[reviews =1]	,885	,299	8,767	1	,003	2,424	1,349	4,355
several times a week	[reviews =1]	1,223	,227	28,967	1	,000	3,398	2,177	5,305
several times a month	[reviews =1]	1,308	,191	46,858	1	,000	3,700	2,544	5,381
	[properties and parameters =1]	,661	,187	12,544	1	,000	1,936	1,343	2,791
several times a year	[reviews =1]	1,096	,188	33,835	1	,000	2,993	2,069	4,331
	[properties and parameters =1]	,640	,184	12,067	1	,001	1,896	1,321	2,719

a. The reference category is: do not buy in e-shops.

Source: Own processing

The nominal order of all variables is shown in Table 5. For all factors, *yes=1* and *no=2*, the comparison will be *yes* to *no*. In our case, category of dependent variable *do not*

buy in e-shops was taken as a reference category. We have compared on-line shopping frequency:
- *daily* to *do not buy in e-shops*,
- *several times a week* to *do not buy in e-shops*,
- *several times a month* to *do not buy in e-shops*,
- *several times a year* to *do not buy in e-shops*.

From significant results in Table 9 we can conclude:
- customers, who read reviews compared to customers, who do not read reviews, are more likely to shop **daily** than do not buy (OR = 2,424),
- customers, who read reviews compared to customers, who do not read reviews, are more likely to shop **several times a week** than do not buy (OR = 3,398),
- customers, who read reviews compared to customers, who do not read reviews, are more likely to shop **several times a month** than do not buy (OR = 3,700),
- customers, who are interested in properties and parameters compared to customers, who are not interested in properties and parameters, are more likely to shop **several times a month** than do not buy (OR = 1,936),
- customers, who read reviews compared to customers, who do not read reviews, are more likely to shop **several times a year** than do not buy (OR = 2,993),
- customers, who are interested in properties and parameters compared to customers, who are not interested in properties and parameters, are more likely to shop **several times a year** than do not buy (OR = 1,896).

Conclusion

With multinomial logistic regression model, we have identified significant factors, that affect online shopping behaviour. We have used one dependent variable and seven independent factors. For further research is possible to use another factors or covariates from dataset. As we can see in Table 9 overall percentage of Final model is 55,9 %.

Table 10: Classification table

Observed	daily	Predicted several times a week	several times a month	several times a year	do not buy in e-shops	Percent Correct
daily	0	0	1	73	0	0,0%
several times a week	0	0	0	248	0	0,0%
several times a month	0	0	7	1815	0	0,4%
several times a year	0	0	7	2888	0	99,8%
do not buy in e-shops	0	0	0	140	0	0,0%
Overall Percentage	0,0%	0,0%	0,3%	99,7%	0,0%	55,9%

Source: Own processing

Otherwise, model of multinomial logistic regression has classified only customers who shop several times a year as a customer who shop several times a year. This category is most common in dataset and represents typical frequency of online shopping in Slovak Republic.

References:

20 Most Expensive Things Ever Sold On The Internet (And RL). [online]. [2017-10-05]. Available at: <https://www.buzzfeed.com/alltimetops/20-most-expensive-things-ever-sold-on-the-internet-155a5?utm_term=.an07KN7mWY#.flELZzLKRE>.

ALDRICH, M. J.: *Videotext Communication.* [online]. [2017-10-05]. Available at: <http://www.aldricharchive.com/papers/1982/Videotex%20Communications%20 Dec'82.pdf>.

BEN-SHABAT, H. et al.: *The 2015 Retail E-commerce Index: Global Retail E-commerce Keeps on Clicking*. Chicago : A.T. Kearney, 2015.

CHAN, Y. H.: Biostatistics 305. Multinomial Logistic Regression. In *Singapore Med J*, 2005, Vol. 46, No. 6, p. 259-269. ISSN 0037-5675.

HALENÁR, R.: Archiving Documents in Form of Image Using Matlaband Photoshop. In MATÚŠ, J., PETRANOVÁ, D. (eds.): *International Scientific Conference on Marketing Identity – Digital Life. Conference Proceedings*. Trnava : FMK UCM in Trnava, 2015, p. 348-354.

Shop Direct Celebrates 20 Years of Online Shopping. [online]. [2017-10-05]. Available at: <https://www.shopdirect.com/shop-direct-celebrates-20-years-online-shopping/>.

Počet obyvateľov podľa pohlavia – SR, oblasti, kraje, okresy, mesto, vidiek (ročne). [online]. [2017-11-06]. Available at: <https://slovak.statistics.sk>.

STARKWEATHER, J., MOSKE, A. K.: *Multinomial Logistic Regression*. [online]. [2017-11-01]. Available at: <https://it.unt.edu/sites/default/files/mlr_jds_aug2011.pdf>.

Contact data:
assoc. prof. Ing. Andrej Trnka, PhD.
University of SS. Cyril and Methodius in Trnava
Faculty of Mass Media Communication
Námestie J. Herdu 2
917 01 Trnava
SLOVAK REPUBLIC
andrej.trnka@ucm.sk

MARKETING
IDENTITY
2017

Section
#strategies and
campaigns

PRAGMATICS OF MARKETING MESSAGES

Dominika Čmehýlová-Rašová

Abstract
The paper deals with the theoretical definition of the position of marketing tools among the messages and from the pragmatic-communication aspect it solves the issue of the construction, effectiveness and function of these messages. The basic premises of the pragmatic assessment of marketing communications are presented in relation to semiotics, semantics, linguistic pragmatics and grammar and those pragmatic-communication factors, which contribute to the creation of interaction conditions suitable for successful marketing communication.

Key words:
Billboard. Grammar. Language. Logo. Marketing. Persuasion. Pragmatics. Slogan.

1 Way from meaning to sense

Language is a systematised and systematic tool for communication. In the area of marketing, it acquires specific communication functions and fulfills certain pragmatic tasks. The pragmatic-communication approach accentuates the real user of the language and perceives the language in the position of the social-communication system. In the semiotic sense, if a user acts through a sign, he acts pragmatically, i.e. in the use of the sign he projects his relationship to the sign. Therefore, the inseparability of the language system from the functionality and intentionality of the used sign cannot be denied. This statement was inspired by the ground-breaking proposition of L. Wittgenstein, „*language is a form of life.*"[1] Wittgenstein talks about the impossibility to isolate language from its users because the meanings of the used language signs can only be defined in accordance with our intention and context. Marketing communication is a form of intentional and consumer oriented behaviour that is subject to certain rules and strategies of text construction.

There are typical linguistic features and principles of their connection, many of which are constant, and are based on certain pragmatic-communicative rules.[2] these strategies include a sphere of syntactic (formal relationships between language signs), semantic (relationships between language signs and the objects and services offered) and pragmatic rules (the relationship of the language sign to the user and the interpreter). Although the syntax perfectly reflects the relationship of thinking and language,[3] the dominance of pragmatics cannot be denied, because it depends on the user and his intentions what meaning the language sign will have (semantics), how it will be formally encoded (grammar) and what it will actually refer to (pragmatics). Grammar can indicate the real intentions of the maker of marketing message. It is a tool of pragmatics, which means that the expression serves the purpose, and in the marketing communication it is twice as much true. When observing marketing products, it is therefore necessary to create sharp boundaries between the semantic

---

1   WITTGENSTEIN, L.: *Tractatus logico-philosophicus*. Praha : ISE Svoboda-Libertas, 2003, p. 25.
2   RAŠOVÁ, D.: *Pragmatika jazykových javov v masmediálnej komunikácii. Kontrastívna štúdia na materiáli v slovenčine a v nemčine.* Krakov : Spolok Slovákov v Poľsku, 2013, p. 13.
3   For more information, see: NIŽNÍKOVÁ, J.: *Vetné modely v slovenčine*. Prešov : Filozofická fakulta Prešovskej univerzity v Prešove, 2001.

and pragmatic area of the language. Otherwise, it may endanger the understanding of the real meaning of the discourse that is directly related to the communication framework – the context, the situation, and the intention of the maker of the marketing message. In relation to pragmatics, semantics is a dictionary matter, abstraction, which describes the meaning of the word apart from the context. Grammar, pragmatics and semantics are in terms of units and principles autonomous files, but in the use of language they are in immediate interaction.

Table 1: Divergence of semantic and pragmatic meaning

Pragmatic meaning / sense	Semantic meaning
Dependent on context	Independent on context
Resency/related to situation	Potetionality
What is the intention of the author?	**What does the statement mean?**
Intention	Convention

Source: Own processing

The deliberate choice of means of expression refers to the pragmatic approach of the author of the marketing message. The effectiveness of this choice depends on the level of **pragmatic competence** of the author, but also of the interpreter who must infer - gather the pragmatic meaning / sense of the statement. Knowing the marketing communications pragmatics is based on gradual identification of:

- the communication situation,
- the intention,
- the relationship of the user and (non)language sign, which is encoded in the grammar structure (so called grammaticalization of the relationship),
- the ambivalence of the signs in the context,
- the relationships and interactions between communication partners,
- the sense of the marketing message.

2 Functions of the advertisement messages

Marketing goals are typically achieved on the basis of specific marketing tools, such as **product, price, distribution, and marketing communication.** (see Borden, 1964). According to J. Tellis the marketing communication consists of advertising and sales support.[4] Other authors think of this term also as of personal sales and public relations. Maintaining the synergy of these communication tools is an extremely demanding marketing and communication activity, requiring clear, convincing and consistent reporting on the company and the product. „*During the communication, a message results from the information exchange between the partners, which is formed by means of a communication code and is transmitted through a communication channel and a communication medium.*"[5] Basic messages of marketing interaction include advertising (advertising communication) defined by P. Kotler and G. Armstrong as any form of impersonal paid presentation and support for the sale of products, services or ideas of a particular subject.[6] „*This is communication between the advertiser and the*

---

4   See also: TELLIS, J. G.: *Reklama a podpora prodeje*. Praha : Grada Publishing, 2000.
5   ŠKVARENINOVÁ, O.: *Rečová komunikácia.* 3rd Edition. Trnava : FMK UCM in Trnava, 2014, p. 20.
6   KOTLER, P., ARMSTRONG, G.: *Marketing.* Praha : Grada Publishing, 2007, p. 630.

person to whom the goods or service are offered, through a medium with a commercial goal."[7] Advertising message is a type of propagation or propaganda.[8] The primary communication objective of the advertising message is to inform, persuade, attract attention and get the attention of recipients. For this broad range of targeting, it is practically impossible to categorize advertising messages based on a functional language style. Advertising rhetoric uses the heterogeneous diapazon of the means of expression, which is why it is very vague to include it only in the journalistic style. The primary function of advertising messages is a communicative function that is subject to a communication intention. The communicative functions of marketing communications vary, depending on communication goals and intentions.[9] In this context, J. Klincková speaks of an initiating and reactionary function. *„Initiating functions create stimuli for verbal or nonverbal acting of the addressee, they are formulated in form of questions, offers or orders, and reactionary functions are caused by the verbal or non-verbal action of the producer and the addressee responds to them by their response, promise, reproach, etc."*[10]

In connection with the divergent understanding of the semantic and pragmatic meanings of the means of expression, the advertising message is characterized by a high level of meanings to be inferred. Therefore, **the pragmatic features of the advertising message cannot be denied**. Advertising text does not reveal everything that is hidden in it. It is precisely this hidden meaning that is supposed to evoke impressions, elicit emotions by the recipients, and thus move them to the desired goal. In addition to the primary information function, advertising messages have a persuasive function and a complementary connotative-appelative function. This definition also correlates with the following definition of the types of advertisements and advertising goals.

Table 2: Types of advertisements and advertising goals

Informative advertisement	• informs the market about new products • informs about the possibilities of new use of the product • informs the market about price changes • explains how the product works	• provides information about the services offered • corrects misconceptions about the goods offered • dispels consumer´s fears
Persuasive advertisement	• increases the brand preference • supports consumer´s decisions for brand change • changes the perception of some useful properties of the goods	• encourages the consumer to purchase immediately • convinces the consumer to be accessible to the company's telephone contact
Reminding function	• reminds the consumer that he might need the goods soon • reminds the consumer of where it is possible to buy the goods	• keeps product awareness even out of season • keeps the product well-known

Source: KOTLER, P., ARMSTRONG, G.: *Marketing*. Praha : Grada Publishing, 2007, p. 641.

7   VYSEKALOVÁ, J., MIKEŠ, J.: *Reklama: Jak dělat reklamu.* 2nd Edition. Praha : Grada Publishing, 2007, p. 13.
8   PRACHÁR, J.: *Reklama.* Bratislava : Edičné stredisko EUBA, 1993, p. 5.
9   For more information, see: JAKOBSON, R.: *Poetická funkce*. Jinočany : H&H, 1990.
10   KLINCKOVÁ, J.: Language of Billboards. In *Polarity, paralely a prieniky jazykovej komunikácie: Zborník príspevkov z 8. medzinárodnej vedeckej konferencie o komunikácii. Conference Proceedings*. Banská Bystrica : Vydavateľstvo Univerzity Mateja Bela – Belanium, 2014, p. 93.

From a pragmatic point of view, a persuasive function (persuasion meaning call to action, assuming a change in the addressee's attitudes in favour of the vendor or himself) comes to the fore. The use of language is based primarily on the purposeful search for appropriate means to achieve goals (e.g. impersonal expressions, factual account, generalization, limiting and indefinitive pronouns, slangisms, alusions, 1st and 2nd person plural, personifications, WH-questions, inclusive plural, non-verbal factors, etc.). Although many authors do not recommend using vague, polysemantic and homonymous expressions, clichés, it turns out that these tools are a guarantee of success. However, not only many positive but also negative influences of language have been recorded, when the language, under certain conditions, made the communication interaction in marketing communication difficult or limited the effect of marketing communication. This is especially true for cases where the quantity of information prevails at the expense of quality in forms typical for manipulation techniques of the message. Most often, there is manipulation through appeals to tradition, to a multitude of people with a certain attitude, to expertness, argumentation is realized by emphasizing quantity and by repeated appeals to generalized values and wishes.[11] Linguistic manipulation is usually done using indefinite terms (all, unlimited, each), evaluating adjectives and superlatives (most preferred, most popular, the most) or negative words (do not be fooled, thank you for not selling me cigarettes). Provoking verbal and non-verbal responses on the recipient's side is caused by the connotative-appelative function. The connotativeness of the advertising text moves recipients to a certain activity and appelativeness manifests itself in the form of advice, suggestions or requests. It is usually done through an imperative statement addressed to an anonymous addressee (Do Not Buy! Adopt!) or through modal verbs or ellipses.

3 Structure of the advertising messages

The involvement of language in achieving the main goal of marketing communication is significant because it can also influence the benefit of the user and the seller's profit. The success of marketing communication from the consumer's point of view (recipient, interpreter) is also positively influenced by the creation of a marketing message in the „consumer´s" language, *„which makes it possible to create occasional bridges between product language and real life".*[12] From the point of view of semiotics, however, marketing communication works not only with the language as the richest and most advanced set of signs, but is also capable of using a heterogeneous system of paralinguistic, extra-linguistic signs, symbols and signals or sound systems.[13] Verbal means - words, sentences, texts - work together with, or immediately link to paralinguistic means (paralinguistic means perceived by hearing and visually). Extra-linguistic (situational) means may not be visible but constantly determine the course of communication. Of these, traditions and cultural values, space, time and sound effects are particularly important. *"The logical and clear structure of the message is subject to the primary communication goal - marketing success."*[14] The composition of

---

11   DANIELOVÁ, K.: Jakou příležitost, komu a jak nabízí přímý prodej? In *Od slova k modelu jazyka: Sborník z 13. Mezinárodního setkání mladých lingvistů. Conference Proceedings.* Olomouc : Univerzita Palackého v Olomouci, 2013, p. 388.
12   Ibidem.
13   Ibidem, p. 381.
14   Ibidem, p. 388.

advertising messages should address the addressee visually, acoustically, graphically, composingly and colorfully. Equally important is the convincing and appealing content of the advertising message. Expressive vocabulary is a typical example of deliberate effect on the recipient and a negative pragmatic effect. If there are multiple coding systems encountered in the advertising message, it is not unusual when evaluating means of expression that *"colours and graphics may say more than words, they are perceived as primary bearers of information while verbal expressions fulfill a complementary function."*[15] Such advertising messages include, for example, a billboard, a logo(type), or a slogan that coexists with one another.

Bilboard as an optical-visual form of communication, *„addresses the addressee by graphic language (font, images, colours, composition) and unique, comprehensible and easily memorable content. Selection of graphical verbal means, in addition to the topic, the communication purpose, and the function, is fundamentally affected by the target group of the addressee"*[16] Finally, pragmatic targeting is also seen in the location of this billboard with outdoor advertising, typically on roads and motorways with the goal to *„provide mobile information to the recipient, which he isn´t looking for."* **Logo(type)**[17] is another form of so-called corporate identity as *„a set of all forms of communication by which the subject is presented to the public and the purpose of which is to reliably identify the company, brand, goods, and its unmistakable (unified) image".*[18] It consists of either a graphic part or a mixture of graphic verbal components. Since there are several encoding signs in the logo(type) and it is associated with a particular communication situation (promotion), it can be labeled as an advertising message. From a pragmatic point of view, the effect by the perception of the logo is influenced by its construction. **Slogan** is an advertising promotional password. Even in its original meaning (Scottish a „war cry"), it had a manifestation and agitation character. The slogan, like the logo, helps build brand awareness and also has an identifying function as it becomes a long-term part of corporate identity. However, an effective communication strategy requires slogans that meet the criteria of accuracy, simplicity, comprehensibility, brevity, and memorability.

All these advertising texts are considered to be **art of abbreviation**,[19] they must be clearly readable and concise. Typical are agramatics and ellipses, symbols, graphemes, acronyms, abbreviations, associations, metonymies, metaphors. The communication effect of the advertising text ensures that it is published at the right time and in the right place. Based on the communication function of the advertising text, it is possible to distinguish between advertising texts that present some information in the long term, that present information with limited validity or the information is short-lived and up-to-date. The advertising text's topicality is consistent with the genre of the information model structure, and the time and space boundaries are typical for it.

15   KLINCKOVÁ, J.: Language of Billboards. In *Polarity, paralely a prieniky jazykovej komunikácie: Zborník príspevkov z 8. medzinárodnej vedeckej konferencie o komunikácii. Conference Proceedings.* Banská Bystrica : Vydavateľstvo Univerzity Mateja Bela – Belanium, 2014, p. 90.

16   Ibidem, p. 81.

17   Logo představuje grafický znak prezentujúci istý subjekt a logotyp je znak z písmen alebo pozostáva z kombinácie grafického prvku písomnej značky (remark by the authors).

18   For more information, see: HORŇÁK, P.: *Reklama – propagácia – public relations v médiách.* Bratislava : Slovenská spoločnosť pre propagáciu, 1998.

19   KŘÍŽEK, Z., CRHA, I.: *Jak psát reklamní text.* Praha : Grada Publishing, 2012, p. 56.

Ad texts have a high communication potential. The synergy of all components of advertising messages may not always be a guarantee of effective communication. Any communication noise of different origins may occur in the transmission of information:[20]

- Technical origin – results from poor graphic resolution, bad acoustic conditions or poor combination of colours.
- Social origin – it follows from the ambiguity of the advertising message, the accompanying phenomenon can be a racist, sexist, extremist, radicalist touch-tinge.
- Language origin – it results from an „unhappy" combination or position of words, with ambiguous boundaries between words changing interpretation of meaning.

The effect of the information provided can be enhanced by typography (font texture), colour (visual effect, psychological effect, physiological effect, symbolic effect), photography, drawing and image (emotionality, informality). These tools may not only have a complementary but also a dominant position in advertising messages. In particular, the image helps simplify acceptance of the content of the advertising text by offering information that the addressee will notice first. The images have a high information value that promotes their connotative and convincing function. Reception, interpreting the meaning and effect of advertising messages is effected, in particular, by **the time period** in which the recipient is to be addressed. Its **cognitive abilities**, which determine the creation of memory tracks and fix information, are also essential. Although at the moment simple and memorable messages are trendy, their oversaturation and iconicity incite many addressees to **the passive perception and interpretation** of the mission of message, or their contents are not at all interesting for them or even bothering. For this reason, it is necessary to enhance the requested message by adequate formal processing and thus to attract the attention, interest, desire and action of the addressees (Model AIDA (A - Attention, I - Interest, D - Desire, A –action).[21] It depends on the communication factors to what extent they affect the effect of the transmitted information. The pragmatic system, as an effective way of using the signs connected by certain relationships, consists in repeated ways of realizing the communication intention, in a similar interactional participation and pragmatic segmentation of the message. Awareness of such expression conventions helps recipients to find a sense of statement, because the meaning of expression may not necessarily change depending on how the world around us changes.[22]

References:

DANIELOVÁ, K.: Jakou příležitost, komu a jak nabízí přímý prodej? In *Od slova k modelu jazyka: Sborník z 13. Mezinárodního setkání mladých lingvistů. Conference Proceedings.* Olomouc : Univerzita Palackého v Olomouci, 2013, p. 380-392.

---

20   GÁLISOVÁ, A.: Logo(typ) ako komunikát. In *Varia XX : zborník príspevkov z XX. kolokvia mladých jazykovedcov. Conference Proceedings.* Bratislava : Slovenská jazykovedná spoločnosť pri Jazykovednom ústave Ľudovíta Štúra SAV, 2012, p. 133.

21   ROSTÁŠOVÁ, M.: Nástroje marketingovej komunikácie. In *Efekt*, 2006, 1/2006, p. 30.

22   SVOBODA, V., PEREGRIN, J.: *Od jazyka k logice : filozofický úvod do moderní logiky.* Praha : Academia, 2009. p. 274

HORŇÁK, P.: *Reklama – propagácia – public relations v médiách.* Bratislava : Slovenská spoločnosť pre propagáciu, 1998.

GÁLISOVÁ, A.: Logo(typ) ako komunikát. In *Varia XX: zborník príspevkov z XX. kolokvia mladých jazykovedcov. Conference Proceedings.* Bratislava : Slovenská jazykovedná spoločnosť pri Jazykovednom ústave Ľudovíta Štúra SAV, 2012, p. 132-141.

JAKOBSON, R.: *Poetická funkce.* Jinočany : H&H, 1990.

KLINCKOVÁ, J.: Language of Billboards. In *Polarity, paralely a prieniky jazykovej komunikácie: Zborník príspevkov z 8. medzinárodnej vedeckej konferencie o komunikácii. Conference Proceedings.* Banská Bystrica : Vydavateľstvo Univerzity Mateja Bela – Belarium, 2014, p. 88-102.

KŘÍŽEK, Z., CRHA, I.: *Jak psát reklamní text.* Praha : Grada Publishing, 2012.

KOTLER, P., ARMSTRONG, G.: *Marketing.* Praha : Grada Publishing, 2007.

NIŽNÍKOVÁ, J.: *Vetné modely v slovenčine.* Prešov : Filozofická fakulta Prešovskej univerzity v Prešove, 2001.

PRACHÁR, J.: *Reklama.* Bratislava : Edičné stredisko EUBA, 1993.

RAŠOVÁ, D. : *Pragmatika jazykových javov v masmediálnej komunikácii. Kontrastívna štúdia na materiáli v slovenčine a v nemčine.* Krakov : Spolok Slovákov v Poľsku, 2013.

ROSTÁŠOVÁ, M.: Nástroje marketingovej komunikácie. In *Efekt*, 2006, 1/2006, p. 30-33. ISSN 1336-3344.

ŠKVARENINOVÁ, O.: *Rečová komunikácia.* 3rd Edition. Trnava : FMK UCM in Trnava, 2014.

TELLIS, J. G.: *Reklama a podpora prodeje.* Praha : Grada Publishing, 2000.

VYSEKALOVÁ, J., MIKEŠ, J.: *Reklama: Jak dělat reklamu.* 2nd Edition. Praha : Grada Publishing, 2007.

WITTGENSTEIN, L.: *Tractatus logico-philossophicus.* Praha : ISE Svoboda-Libertas, 2003.

Contact data:
Mgr. Dominika Čmehýlová-Rašová, PhD.
University of Ss. Cyril and Methodius in Trnava
Faculty of Mass Media Communications
Námestie J. Herdu 2
917 01 Trnava
SLOVAK REPUBLIC
dominika.cmehylova.rasova@ucm.sk

THE ROLE OF KATOWICE SPECIAL ECONOMIC ZONE CO. MARKETING CONSISTENT WITH THE "PROGRAMME FOR SILESIA"

Ewa Dudzic – Wiktor Widera

Abstract

The aim of the article is to indicate the role of marketing, consistent with the *Programme for Silesia* in the functioning of the Katowice Special Economic Zone Co. The Katowice Special Economic Zone Co. manages the Katowice Special Economic Zone, which is one of the Special Economic Zones set up in the period of economic and political change in Poland to activate the region and eliminate unemployment. In the *Strategy for Responsible Development*, adopted in Poland by the Council of Ministers on 14 February 2017, Silesia is recognized as one of the key areas requiring support from the national level. The *Programme for Silesia*, listed as one of strategic plans in the *Strategy for Responsible Development* has been in consultation process with the economic and social entities. The consultation draft of the *Programme for Silesia* made the Katowice Special Economic Zone Co. consider carrying out new tasks that might fit into its implementation. These tasks would require professional marketing effort and introduction of additional points in Katowice Special Economic Zone Co. Operational Plan for coming years.

Key words:

Katowice Special Economic Zone Co. Marketing. Programme for Silesia. Regional development. Responsible Development Strategy.

1 The importance of KSEZ Co. to development of Silesia Region

A Special Economic Zone (SEZ) in Poland is defined as „an uninhabited area of the Republic of Poland separated pursuant to the Law where business activity may be run according to principles defined herein"[1]. The Special Economic Zones Act brought the SEZs in Poland to life and they were established „to accelerate economic development of a part of the territory of the State, especially by means of:

1. development of specific fields of the business activity,
2. development of new technical and technological solutions and their application in the national economy,
3. development of export,
4. increase of competitiveness of products and services offered,
5. use of the existing industrial assets and economic infrastructure,
6. establishment of new workplaces,
7. use of unutilised natural resources observing ecological balance principles."[2]

Over many years of existence of SEZs in Poland, there have been some major amendments made to both general legislation and regulations on specific zones. The first SEZ was established in Mielec in 1995. Following years resulted in more SEZs. Since 2011, there have been 14 SEZs operating in Poland and according to the decision of Council of Ministers as of 23 July 2013, they are to operate until 31 December 2026.[3]

---

1   Article 2, Act of 20 October 1994 on Special Economic Zones. In *Journal of Laws*, 2007, No. 42, Item 274, p. 1. [online]. [2017-09-30]. Available at: <http://prawo.sejm.gov.pl/isap.nsf/download.xsp/WDU20070420274/U/D20070274Lj.pdf>.

2   Ibidem.

3   *Poland – A True Special Economic Zone*. [online]. [2017-09-30]. Available at: <http://www.ksse.

Picture 1: Special Economic Zones – Registered Offices in Poland
Source: *Colliers International.* [online]. [2017-09-20]. Available at: <http://www.colliers.com/en-pl/-/
media/files/emea/poland/reports/2016/Colliers_Report_Special_Economic_Zones_Poland_EN.pdf>.

The Katowice Special Economic Zone (KSEZ) was established by the Ordinance of the
Council of Ministers of the 18th of June 1996.[4] The Zone is managed by the Katowice
Special Economic Zone Co. (KSEZ Co.) with the head office in Katowice. Among main
tasks of KSEZ Co. there is „promotion of the region, searching for new investor, sales of
properties included in the Zone, granting the permits to run business activity within
the Zone that give the right to income tax relief, help investors run their business
activity - legal and tax advisory service" Apart from these tasks, there are also
additional services which KSEZ Co. is taking care of. They include:
- "active mediation in property market dealings in the Zone surroundings;
- consulting services and training related to special economic zone operation;
- maintaining the database of potential contractors, as a support for the
  investments to be carried out within KSEZ;
- „one-stop-shop" (comprehensive investor support);
- office and storage space rental;
- support in the scope of regional cooperation;
- human resource consulting and human resource training provided by the
  Personnel Development Centre in the Tychy sub-zone;
- services in scope of occupational medicine".[5]

Both the Silesian region and the KSEZ are well known for their investment
attractiveness. To start with, according to the voivodships ranking in terms of

com.pl/ files/ page/Centrum%20prasowe/Raporty/EY.pdf>.
4   *KSSE.* [online]. [2017-09-30]. Available at: <http://invest-ksse.com/about-us,31>.
5   Ibidem.

investment attractiveness developed by the Gdańsk Insitute for Market Economic (IBnGR), Silesian Voivodeship ranks first. It is followed by Lower Silesian, Masovian, Lesser Poland and Greater Poland having the 5th position (Figure 2). The biggest assets of Silesia include among others extensive labor resources, highly developed economic and social infrastructure, the scope – the second largest market in Poland, as well as high activity of the region towards investors.[6]
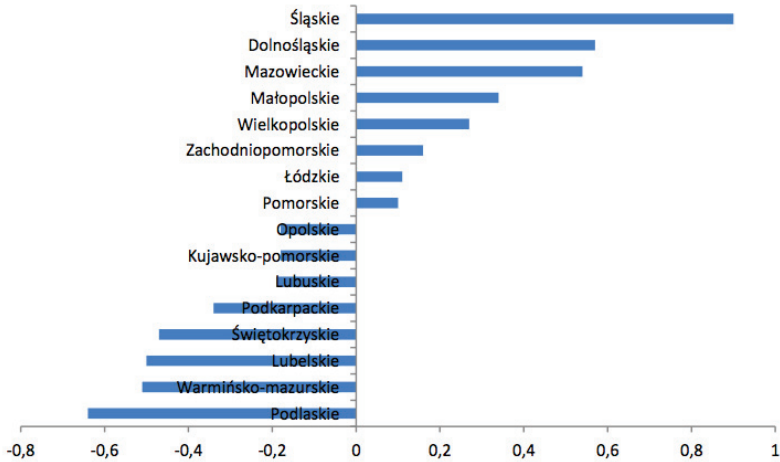
Chart 1: Voivodships ranking in terms of investment attractiveness
Source: BOROWICZ, A. et al.: *Atrakcyjność Inwestycyjna Województw i Podregionów Polski 2016*. Gdańsk : Instytut Badań Nad Gospodarką Rynkową, 2016, p. 9.

The KSEZ holds a stable and strong position among other Polish SEZs. Accordingly, fDi Business Financial Times recognized the KSEZ as the best free zone in Europe in 2015, 2016 and 2017.[7] The KSEZ not only received the top award for the Europe regional category, but was also highly commended global winner according to fDi'sGlobal Free Zones of the Year Awards 2015.[8] The KSEZ is second largest SEZ in Poland, with the 2 614.3965 ha in terms of surface area, out of which 61.88% is already used by investors.[9] Moreover, there were 27 permits granted by the KSEZ Co. in 2016 what accounted for nearly 11% of all Polish SEZs permits. Furthermore, as of year-end 2016 the KSEZ was the largest employer of all SEZs in Poland, with 18.1% share of total employment. It created 29 586 new workplaces and sustained 30 378.[10] The significance of the KSEZ in terms of new job creation can be seen not only within the

---

6   BOROWICZ, A. et al.: *Atrakcyjność Inwestycyjna Województw i Podregionów Polski 2016*. Gdańsk : Instytut Badań Nad Gospodarką Rynkową, 2016, p. 9.

7   *fDi Intelligence – Rankings*. [online]. [2017-09-21]. Available at: <http://www.fdiintelligence.com/Rankings>.

8   *fDi Intelligence – Locations*. [online]. [2017-09-21]. Available at: <http://www.fdiintelligence.com/Locations/fDi-Global-Free-Zones-of-the-Year-2015-Winners>.

9   *Informacja o realizacji ustawy o specjalnych strefach ekonomicznych. Stan na 31 grudnia 2016 r.* [online]. [2017-09-30]. Available at: <http://orka.sejm.gov.pl/Druki8ka.nsf/0/E4D7ABF05E358DA0C 12581320034249F/%24File/1589.pdf>.

10   Ibidem.

zone but also in the whole region, as economic analyses carried by the KSEZ estimate that 2-3 jobs around the zone are generated by one new job within the zone.[11]

2 Programme for Silesia

The *Programme for Silesia* (*Program dla Śląska*)[12] is one of the strategic projects listed in the *Strategy for Responsible Development* (*Strategia Odpowiedzialnego Rozwoju* – SOR), adopted in Poland by the Council of Ministers on 14 February 2017. The Operational Objective 1.2.: *Support for enhancing investment attractiveness of Silesia and promotion of structural changes* was devoted to the Silesian Region. Addressed to Silesia, *Programme for Silesia* aims at achieving a long-term (2030) change in the economic profile of the region and gradually replacing traditional sectors of the economy, such as mining and metallurgy, with new ventures in more productive, innovative and technologically advanced sectors.[13] The *Programme for Silesia* is the implementation of SOR's announcement and the first proposal to respond to the challenges facing the region, such as the "creation of an innovative regional economy, the quality of human and social capital, the prevention of environmental degradation, the technical foundations for the development of the new economy and the functioning of the regional community; counteracting the developmental diversification and urban sprawl as well as restoring the investment attractiveness of the region and degraded areas".[14]

Possible future actions undertaken by the KSEZ Co. should "fit in the identified key changes in the economic profile of the region, i.e. development challenges justified by the most important diagnostic elements referred to, in the government document, as challenges:
1. Building an innovative regional economy with the use of industrial sectors.
2. Ensuring high quality human and social capital for the needs of changes in the labour market.
3. Preventing environmental degradation in the region.
4. Provide technical basis for the development of the new economy and the functioning of the regional community.
5. Countering the diversity of the metropolis's development and spillover.
6. Restoration of socio-economic and investment values of degraded areas, including post-industrial areas".[15]

11   CIEPŁY, L.: Katowice Special Ecomonic Zone Co.-investor Acquiring and Supporting Institution. In SMYCZEK, S., GLOWIK, M.: *Consumer Behaviour and Marketing Strategies of Companies in the European Market.* Katowice : Publisher of the University of Economics in Katowice, 2010, p. 165.
12   The document referred in the article as the *Programme for Silesia* is a Polish Ministry of Development document published for consultation process with the economic and social entities. It was presented on 28th July 2017 in Katowice by Jerzy Kwieciński, the Minister of Development, during the Plenary Session of Voivodship Council for Social Dialogue (remark by the authors).
13   *Ministerstwo Rozwoju.* [online]. [2017-09-25]. Available at: <https://www.mr.gov.pl/strony/ aktualnosci/ projekt-programu-dla-slaska-w-konsultacjach-ze-strona-gospodarcza-i-spoleczna/>.
14   MINISTERSTWO ROZWOJU: *Program dla Śląska.* Warszawa : Ministerstwo Rozwoju, 2017, p. 3.
15   Ibidem, p. 5.

To start with, in terms of the *Programme for Silesia* challenge 1: "Building an innovative regional economy with the use of industrial sectors", of particular importance seem to be actions connected with the area described in point 6: "Successive growth of entities with foreign capital – in 2015, 218 foreign investors invested more than 1 mln USD with predominance in the metalworking industry (50 investors) and production and sale of means of transport (33)." With reference to challenge 1, the proposed KSEZ Co. actions should aim at a continuous improvement in the quality of service offered to investors. Such as improvement could be achieved in particular, by observing trends in the global market when it comes to the methods for the potential investors monitoring. In addition, it is essential to intensify the activities of professionally conducted marketing to potential investors, with constantly improved promotion of the region. These activities should be grounded in regional potential i.e. large consumer market in the region, the availability of well qualified staff, the presence of highly ranked universities, the existing infrastructure, including the high quality of medical, cultural and residential services. Undoubtedly, more than 20 years of KSEZ Co. experience in meeting investor expectations is an excellent basis for professionalization of marketing operations.

What is more, the strong position of KSEZ Co. in cooperation with higher education institutions is seen as a good foundation for initiating, supporting and carrying out activities in the area of innovation. Therefore, KSEZ Co. could be a strong partner in finding and building relationships with innovation centres in Europe and beyond. It might be worth considering introducing activities aimed at launching the KSEZ Co. staff development program in building relations with potential foreign investors. Taking into account cost rationalization, an alternative to the concept of staff development would be co-operation with foreign investment promotion agencies that function to attract investors. Moreover, undertaking actions to increase the competitiveness of Silesia and ensuring its independence from traditional sectors, including the mining sector, would increase Silesia role in international cooperation. What is more, the leading role of the Silesia region would favour the interest of foreign investors. The constant presence of the KSEZ Co. in places where the exchange of business experience occurs would, in a long-term perspective, facilitate the process of attracting investors as well as involving Polish entities in the activities of multinational corporations.

In terms of: Challenge 2: "Ensuring high quality human and social capital for the needs created by the changes in the labor market", of particular importance for KSEZ Co. engagement seems to be promoting activities in areas described in points 3 and 6. According to point 3, there is "a large labor market with a high share of industry in the employment structure (mining, metallurgy and automotive industry), but with a downward trend in the number of employees: in 2015, about 1.76 million people were employed in the Silesian Voivodship (i.e. about 10.9% of total employment in the country) and it was 90 thousand people less, compared to the previous year". Such a situation provides ground for an increased involvement in the search for new areas of professional activity of the region's inhabitants. The participation of KSEZ Co. could thus aim not only at creating conditions for investors, but also cooperation with municipalities and intensifying relations with areas of effective development, especially in regions that have evolved in new directions of development. In the context of the issues that the challenges described by *Programme for Silesia* address,

it is important to reflect if the strategy and specific activities of the KSEZ, and thus other zones, should be modified. Accordingly, attempting to use the experience gained by cooperation with foreign entities, could be a starting point for consideration if and how the SEZs could become a strong partner for regional agencies specializing in attracting foreign investment, or perform their functions.

When point 6 is considered: "The low value of the European Social Development Index places the Silesian Voivodeship 250 (the last among other polish regions) out of the 272 surveyed territorial units," the perspective appears, to create and implement, particularly in cooperation with municipalities, the regional program on economic operators' commitment to social development. Emphasizing and highlighting effective management by business entities that directly affect the social environment and generate added value in the environment is also linked with this perspective. Furthermore, it is particularly important to consider benchmarking activities so that the level of the European Index of Social Development would raise. Responding to Challenge 3: "Counteracting environmental degradation in the region", the KSEZ Co. contribution could be considered as the participation in the focus groups in this thematic area and enriching them with experience gained in expanding foreign relations.

As to the Challenge 4: "Ensuring the technical foundations for the development of a new type of economy and the functioning of the regional community", it is considered essential for the KSEZ Co. to prepare for the possible expectations from organizations responsible for this task. These expectations should be satisfied by organizing actions aimed at attracting certain, desired investors to the KSEZ. Furthermore, when Challenge 5: "Counteracting developmental diversification and spillover of metropolis" is concerned; it presents the need to support building a strong position of the Upper Silesian Metropolis. Accordingly, it is seen as important to use the Metropolis in the promotion of the region, especially in actions aimed at attracting investors. A possible field of involvement for the KSEZ Co. could be active building of the Metropolis, and thus exploiting the synergies of the municipalities, which together create much greater opportunities. Accordingly, it is easier to find a buyer to a product such as Metropolis, than single municipality. Last but not least, regarding Challenge 6: "Restoring the socio-economic and investment values of degraded areas, including post-industrial areas", it could be addressed by the presence of the KSEZ Co. in programs related to this area, with a view to determine the potential location and support for such programs.

3 KSEZ's marketing activity within the *Programme for Silesia*

Many academics and practitioners have been involved in marketing studies and published their definitions of marketing. According to the American Marketing Association, "marketing is the activity, set of institutions, and processes for creating, communicating, delivering, and exchanging offerings that have value for customers, clients, partners, and society at large"[16]. Philip Kotler, author of many famous

---

16   *American Marketing Association.* [online]. [2017-09-30]. Available at: <https://www.ama.org/ AboutAMA/ Pages/Definition-of-Marketing.aspx>.

publications on marketing, together with Amstrong, Saunders and Wong understands marketing as "a social and managerial process by which individuals and groups obtain what they need and want through creating and exchanging products and value with others"[17]. Peter Drucker, in Management: Tasks, Responsibilities, Practices elaborated on the aim of marketing. "There will always, one can assume, be need for some selling. But the aim of marketing is to make selling superfluous. The aim of marketing is to know and understand the customer so well that the product or service fits him and sells itself. Ideally, marketing should result in a customer who is ready to buy. All that should be needed then is to make the product or service available".[18] Being aware of what marketing is does not necessarily mean that the organization knows how to manage marketing processes. According to Kotler et al. marketing management requires the "analysis, planning, implementation and control of programmes designed to create, build and maintain beneficial exchanges with target buyers for the purpose of achieving organizational objectives"[19].

An inherent element of strategy is the use of marketing tools, that the firm adopts to pursue its marketing objectives. "The set of controllable, tactical marketing tools" is, according to Philip Kotler and Gary Armstrong, the marketing mix.[20] An American marketing professor Edmund McCarthy is the author of the 4 P's marketing mix (product, price, promotion and place)[21]. He defined the marketing mix as a combination of all of the factors at a marketing manger's command to satisfy the target market.[22] A modern company manages a complex marketing communication system as it needs to communicate with its intermediaries, consumers and various publics and they in turn communicate with their consumers and publics. "A company's total marketing communications mix - called its promotion mix consists of the specific blend of advertising, personal selling, sales promotion and public relations tools that the company uses to pursue its advertising and marketing objectives".[23] KSEZ Co. annual Operational Plan[24] contains among others the promotion and marketing directions for KSEZ Co. and presents new directions for marketing efforts for the upcoming years. Marketing activity consistent with the *Programme for Silesia* might encourage KSEZ Co. to undertake additional marketing tasks. Those marketing activities should be based on the concept of marketing mix tools as well as professionally implemented marketing communication.

Those marketing activities should involve both regional and national as well as international focus. Accordingly, the marketing activities should aim at increasing competitiveness of Silesia and strengthening its independence from traditional sectors. This could be achieved by establishing promotion and marketing of KSEZ Co. among firms that belong to sectors that so far have not been in the main focus

---

17   KOTLER, P. et al.: *Principles of Marketing*. New Jersey, USA : Prentice Hall Inc., 1994, p. 10.
18   DRUCKER, P.: *Management: Tasks, Responsibilities, Practices*. New York : Harper and Row, 1973, p. 64-65.
19   KOTLER, P. et al.: *Principles of Marketing*. New Jersey, USA : Prentice Hall Inc., 1994, p. 16.
20   KOTLER, P., ARMSTRONG, G.: *Principles of marketing*. 12th Edition. Upper Saddle River : N.J. Pearson Prentice Hall, 2008, p. 50.
21   McCARTHY, E. J.: *Basic Marketing*. Homewood, IL : Richard D. Irwin, 1964, p. 38.
22   Ibidem, p. 35.
23   KOTLER, P. et al.: *Principles of Marketing*. New Jersey, USA : Prentice Hall Inc., 1994, p. 756.
24   KSEZ Co. Annual Operational Plan is an internal KSEZ Co. document (remark by the authors).

of KSEZ Co. Thus, KSEZ Co. marketing should target the life science as well as other high tech, innovative sectors. Moreover, KSEZ Co. marketing activity should directly aim at international entities, rather than rely on national intermediaries to attract and build such international relations. Developing additional marketing tools would help making the KSEZ Co. a leading entity in the region when it comes to both national and international investor service. Such marketing focus might become of significance if the new formula for the operation of SEZs, introduced by the Prime Minister Morawiecki during the Economic Forum in Krynica in September 2017, will be adopted.[25] Finally, the additional directions for KSEZ Co. marketing activities, consistent with the challenges listed in the *Programme for Silesia,* are linked with adopting benchmarking to evaluate the currently adopted marketing strategy. Thus, applying benchmarking marketing with reference to the marketing communication activity might contribute to strengthening KSEZ Co. own marketing communication strategy. This strategy is considered as essential in establishing and expanding international relations.

Conclusion

To conclude, the possible participation of the KSEZ Co. in the implementation of the *Programme for Silesia* is based on Article 3 of the Act of 20 October 1994 on SEZs that lists the tasks for the zones, which are designed to accelerate the economic development of a part of the territory of the country. These tasks include among others:
- "development of specific areas of economic activity;
- development of new technical and technological solutions and their use in the national economy;
- export development;
- increasing the competitiveness of manufactured goods and services;
- development of existing industrial assets and economic infrastructure;
- creating new jobs;
- utilization of untapped natural resources in an environmentally sustainable manner".[26]

The above indicated actions have been still valid for SEZ in Poland and their undertaking fits in well with the challenges listed in the *Programme for Silesia*. Nevertheless, two particular contexts require consideration. The first one is an increased in presence of KSEZ Co. in branches that are absent, and which may be of particular importance for the development of the region and strengthening its modern image. Such presence could be achieved by shifting the activity focus from the current presence of investors, e.g. automotive industry, to knowledge-intensive and high-tech investments. This could be lined to medicine, life sciences, biology, biotechnology, genomics, proteomics, pharmacy, biomedicine, bioinformatics and bioengineering. Such an

---

25 *Emerging Europe.* [online]. [2017-10-02]. Available at: <http://emerging-europe.com/regions/ poland/poland-is-set-to-become-a-large-economic-zone/>.

26 Article 2, Act of 20 October 1994 on Special Economic Zones. In *Journal of Laws*, 2007, No. 42, Item 274, p. 1. [online]. [2017-09-30]. Available at: <http://prawo.sejm.gov.pl/isap.nsf/ download.xsp/WDU20070420274/U/D20070274Lj.pdf>.

opening up to the new profile of investment would help developing the region in the direction of innovation and modern technologies. The second perspective suggests using the existing KSEZ Co. resources to increase its activity in building relations with foreign investors and entities. This could be achieved by KSEZ Co. specializing in creative search for the best models for development of regions and consequently applying them in Silesia. Authors suggest that that the evolution in understanding of the KSEZ Co. importance in the regional development lies in a new angle of looking at KSEZ strategy and modernization of its marketing tools. Last but not least, it can be assumed that the new formula for the operation of SEZs, indicated by the Prime Minister Morawiecki during the Economic Forum in Krynica in September 2017 can be strengthened by the grassroots initiative of individual SEZs. If taken, this initiative could include setting of goals related to the needs of regions and introducing professional benchmarking activities.

References:

Article 2, Act of 20 October 1994 on Special Economic Zones. In *Journal of Laws*, 2007, No. 42, Item 274, p. 1-11. ISSN N/A. [online]. [2017-09-30]. Available at: <http://prawo.sejm.gov.pl/isap.nsf/download.xsp/WDU20070420274/U/D20070274Lj.pdf>.

American Marketing Association. [online]. [2017-09-30]. Available at: <https://www.ama.org/AboutAMA/Pages/Definition-of-Marketing.aspx>.

BOROWICZ, A. et al.: *Atrakcyjność Inwestycyjna Województw i Podregionów Polski 2016.* Gdańsk : Instytut Badań Nad Gospodarką Rynkową, 2016.

CIEPŁY, L.: Katowice Special Ecomonic Zone Co.-investor Acquiring and Supporting Institution. In SMYCZEK, S., GLOWIK, M.: *Consumer Behaviour and Markeitng Strategies of Companies in the European Market*. Katowice : Publisher of the University of Economics in Katowice, 2010, p.159-169.

Colliers International. [online]. [2017-09-20]. Available at: <http://www.colliers.com/en-pl/-/media/files/emea/poland/reports/2016/Colliers_Report_Special_Economic_Zones_Poland_EN.pdf>.

DRUCKER, P.: *Management: Tasks, Responsibilities, Practices*. New York : Harper and Row, 1973.

Emerging Europe. [online]. [2017-10-02]. Available at: <http://emerging-europe.com/regions/ poland/poland-is-set-to-become-a-large-economic-zone/>.

fDi Intelligence – Locations. [online]. [2017-09-21]. Available at: <http://www.fdiintelligence.com/ Locations/fDi-Global-Free-Zones-of-the-Year-2015-Winners>.

fDi Intelligence – Rankings. [online]. [2017-09-21]. Available at: <http://www.fdiintelligence.com/ Rankings>.

Informacja o realizacji ustawy o specjalnych strefach ekonomicznych. Stan na 31 grudnia 2016 r. [online]. [2017-09-30]. Available at: <http://orka.sejm.gov.pl/Druki8ka.nsf/0/ E4D7ABF05E358DA0C12581320034249F/%24File/1589.pdf>.

KOTLER, P., ARMSTRONG, G.: *Principles of marketing*. 12th Edition. Upper Saddle River : N.J. Pearson Prentice Hall, 2008.

KOTLER, P. et al.: *Principles of Marketing.* Prentice Hall Inc. : New Jersey, USA, 1994.

KSSE. [online]. [2017-09-30]. Available at: <http://invest-ksse.com/about-us,31>.

McCARTHY, E. J.: *Basic Marketing.* Homewood, IL : Richard D. Irwin, 1964.

MINISTERSTWO ROZWOJU: *Program dla Śląska.* Warszawa : Ministerstwo Rozwoju, 2017.
Ministerstwo Rozwoju. [online]. [2017-09-25]. Available at: <https://www.mr.gov.pl/strony/   aktualnosci/projekt-programu-dla-slaska-w-konsultacjach-ze-strona-gospodarcza-i-spoleczna/>.
Poland – A True Special Economic Zone. [online]. [2017-09-30]. Available at: <http://www.ksse.com.pl/files/page/Centrum%20prasowe/Raporty/EY.pdf>.

Contact data:
MSc. Ewa Dudzic
University of Economics in Katowice
Faculty of Informatics and Communication
1 Maja 50
40 287 Katowice
POLAND
edudzic@gmail.com

MA Wiktor Widera
University of Economics in Katowice
Faculty of Informatics and Communication
1 Maja 50
40 287 Katowice
POLAND
wiktor@widera.pl

MARKETING MANAGEMENT OF SOCIAL SERVICES IN THE REGION

Irina Ershova – Alexandra Devyatilova – Daria Kvashnina – Elizaveta Ershova

Abstract
The article reveals peculiarities of functioning of the sphere of state and municipal social services. The study aims to identify the elements of marketing system of state and municipal social institutions, the role of which increases in conditions of transition to normative financing of municipalities. Characterized marketing functions of the state, municipal and private social services, and the relationship with other types of marketing activities. The obtained results allow to propose the main components of the economic mechanism of management of process of the provision of municipal social services and the coordination of interests of economic subjects.

Key words:
Marketing management. Social marketing services. Social services.

Introduction

Sphere of social services -is a set of service industries, providing the formation and the development of human capital and its reproduction. Social service industries (health, culture, education, physical education) form the person as an employee, as a basic factor of production, ensure its continuous operation and a full recovery. State (municipal) social services should be understood, providing basic guarantees to meet major social needs of the population, provided free of charge in the public sector at the expense of budget funds. Social services have certain characteristics:

- from an economic point of view, social services are aimed on forming and improving the quality of human capital, creating the conditions for reproduction;
- in the course of providing the services are carried out by quality of application object;
- at the same time, there is a providing of service and consumption;
- there is a possibility of multiple consumption created social service effect based on the use of information technology (electronic tutorials, techniques, and programs of medical examinations);
- the diversity takes place in social services (for example, in the case of improving the quality of human capital we can talk about the positive outcome of social services, and if this quality is worsening, for example as a result of the reorganization, improper treatment, education, social services);
- social services constitute intangible action often with the use of material goods, but the result is an intangible benefit;[1]
- there is a strong dependence of the quality of the generated intangible benefits (health, education, culture) not only from the manufacturer facilities, but also from the consumer (lifestyle, hereditary characteristics, physiological and psychological condition, age, perception, motivation, and other psychological characteristics);
- high degree of the State (public) participation in the provision of social services;

---

1   KEYNES, J.: *General Theory of Employment, Percent and Money.* London : Macmillan, 2007, p. 263.

- social services should be seen as a process of production and consumption of services, as well as the accumulation of human capital;[2]
- the results of social services in future used productively, bringing income to the owner of human capital;
- the results of social services also include non-economic effects (changing social situation, emotional with-standing, etc.);
- the effectiveness of social services for society depends on the individual, in particular from the duration of employment.[3]

1 Results and Discussion

State and municipal social services belong to socially significant benefits are essentially budget organizations in accordance with the public interest, they vary in composition, mode, depending on the country, the municipality of social policy.[4] Functioning of social services includes two components:

1. Management of public, municipal and private social services provided by property owners within a single type of service.
2. State regulation of the provision of municipal social services, private social services agencies for sale state and municipal government as the external impact on the owner.

The provision of social services is carried out using three kinds of economic mechanism:

- market mechanism to harmonize the interests of direct producers and consumers to provide social services;
- non-market (institutional) mechanism for providing a guaranteed set of social services at the level of States and municipalities;
- mixed mechanism, involving a combination of market mechanism and the institutional mechanism (Government Regulation), for example the use of grants, subsidies, subventions or sponsors, social partnership.[5]

Marketing concept in the functioning of the economic mechanism of management of social services plays an important role. The evolution of content marketing concept is characterized by the proliferation of it on non-commercial sphere, the emergence of social marketing, marketing for non-profit organizations, marketing, non-profit organizations and others, covering activities which are not related to profits. Marketing approach allows you to meet the challenges more effectively, not only of organizations whose primary purpose is profit, but also subjects which are relating

2   FRISCH, R.: Econometrics in the World of Today. In HARROD, R.: *Induction, Growth and Trade*: *Essays in Honour of Sir Roy Harrod*. Gloucestershire : Clarendon Press, 1970, p. 152-166.
3   ANDROSOVA, I.: Innovative Approach to Strategic Management of Machine-building Enterprises. In *Економічний часопис-XXI*, 2016, Vol. 157, No. 3-4, p. 94-96.
4   ERSHOVA, I.: Public-private Partnerships in the Implementation of Cluster Initiatives. In ERSHOVA, I., SOGACHEVA, O., DEVYATILOVA, A.: *Innovation Management and Education Excellence Vision 2020: From Regional Development Sustainability to Global Economic Growth. The 27th IBIMA conference in Milan. Conference Proceedings*. Milan : IBIMA, 2016, p. 1119-1125.
5   BERTALANFFY, L. V.: The Academy of Management Journal. In *General Systems Theory*, 1972, Vol. 15, No. 4, p. 407-426.

to social services, designed to meet the social needs of the society.[6] The task of the State and municipal government is to create conditions conducive to coordination strategies for socio-economic development of the territories and marketing strategies by Member States and non-State, non-profit and for-profit organizations, social services with a view of creating the necessary conditions for the formation of human capital and its reproduction. Under the marketing of public and municipal social services refers to activities aimed at meeting the social and collective needs of specific consumer groups in the formation and development of human capital.[7]

The marketing system of State (municipal) institutions has certain characteristics. To State and municipal organizations of the social sphere of services and their quality sets the owner (State, municipality), taking into account the needs of the population in accordance with government commitments. Therefore, the marketing system of State and municipal institutions, providing social services, goes outside and includes the administering authorities of the State or municipality.[8] The marketing system of State and municipal institutions in the social sphere has a significant contrast to the marketing system of the commercial organization. If a commercial entity of State and municipal government bodies are considered as external element Wednesday, the budget-funded agency social workers are included into the Interior Wednesday, are actively involved in marketing activities (define the range of possible consumers, regulate the quality of services, etc.). Relationship marketing social services with other types of marketing reflects the Fig. 1. Bodies of State and municipal administration in the process of strategic planning, determine goals, objectives and strategies for the development of industries and social services organizations. The importance of accurate demand forecasts for the planning of social services particularly strong due to the fact that they are not tangible, their production and consumption occur simultaneously and create reserves services impossible.[9]

6   ERSHOVA, I.: Development of a Strategy of Import Substitution. In *Procedia Economics and Finance*, 2016, No. 39, p. 620-624.

7   For mor information, see: TINBERGEN, J.: *Economic Policy: Principles and Objectives*. Amsterdam : North-Holland Publishing Company, 1956.

8   ANDROSOVA, I.: Innovative Approach to Strategic Management of Machine-building Enterprises. In *Економічний часопис-XXI*, 2016, Vol. 157, No. 3-4, p. 94-96.

9   LUCAS, R.: An Equilibrium Model of the Business Cycle. In *Journal of Political Economy*, 1975, Vol. 83, p. 1113-1144.
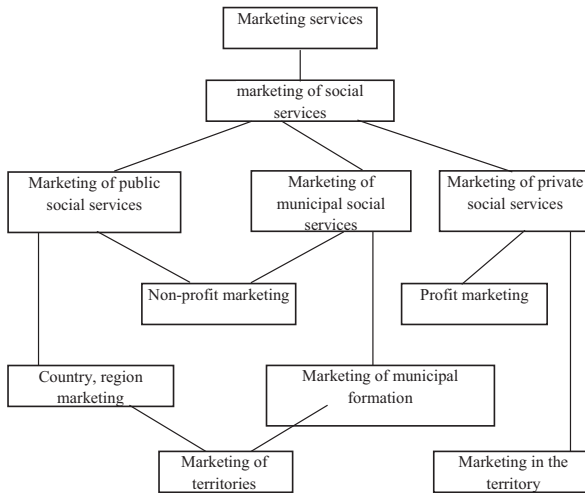
Picture 1: Relationship marketing of social services with other types of marketing
Source: Own processing

The effectiveness of the marketing activities of the budget-funded agency social workers depends on other components of the Interior Wednesday, such as organizational structure, characteristics of the strategy of the Organization, methods of control. With limited resources, the task of marketing the State and municipal non-profit organizations becomes rational use of budgetary resources. Budgetary organizations providing State and municipal social services (free services), through marketing management achieve cost reductions in the delivery of social services.[10] The task of the municipal institutions of the social sphere is to provide free services higher than the minimum guaranteed level, on the basis of their own financial resources of municipality. Nowadays, it is necessary to coordinate\accord business strategy with requirements of environment, firstly with of with the needs of consumers of manufactured goods and services. From the standpoint of the marketing approach, set of actions on research and shaping of demand for municipal social service, on consumer research, segments of the population, social groups, their opinions and needs in social services - medical, educational, and others is very important. Data from table 1 represents the content of functions of three types of marketing of social services. Collection and analysis of information about the level of satisfaction of needs in certain services, about real monetary income and its relation with Costs of living, about the portion of costs on satisfaction of basis needs, about level of education, health condition are regarded as the main stage of marketing researches within Marketing of municipal social services. Studying of inner environment allows

---

10   ERSHOVA, I.: Public-private Partnerships in the Implementation of Cluster Initiatives. In ERSHOVA, I., SOGACHEVA, O., DEVYATILOVA, A.: *Innovation Management and Education Excellence Vision 2020: From Regional Development Sustainability to Global Economic Growth. The 27th IBIMA conference in Milan. Conference Proceedings.* Milan : IBIMA, 2016, p. 1119-1125.

to evaluate the opportunities of organizations, which represent municipal social services, its equipment and location.

**Table 1: The content of functions of social services marketing**

Marketing of State Social Services	Marketing of Municipal Social Services	Marketing of Private Social Services
Marketing research of consumers of social services, the social services marketing the country	Marketing research of consumers of social services, the market of social services in the municipality	Marketing researches of external and internal environment
Segmentation of consumers	Segmentation of consumers	Researching of consumers in the market of social services
Designation of state and regional minimal social standards of territorial segments	Designation of municipal minimal social standards	Segmentation of consumers
Developing of marketing complex	Developing of marketing complex	Designation of quantity and quality of social services of Social Services Market's segments
Estimation of economical efficiency of marketing activity and level of culture of population , level of health of population , level of satisfaction of needs in social-important services in the country)	Estimation of economical efficiency of marketing activity (educational, professional and cultural level of population in municipalitylevel of satisfaction of needs in social-important services in the municipality)	Estimation of economical efficiency of marketing activity (level of satisfaction of payable population demand in social services, changing of sales and profit)

Source: Own processing

The study of demand is based on the segmentation, i.e. on deriving of uniform groups of consumers of social services according to different criteria- geographical, demographic, economical, behavioral etc. Result of segmentation is a formation of destination market of municipal office. Market includes segments of social services market, which are chosen for marketing activity and consist of consumers, who is mostly in extremely support from municipal government.[11] Regarding of current trends in development of social services market, it is better to carefully relate to the strengthening of market mechanisms in this sphere because it leads to negative affect on reproduction processes, the principle of equal access to social services is not performed, stratification of society occurs, social resource is concentrated in certain sectors and groups. At the heart of the economic mechanism of social services management there is a coordination of economic interests, which provide social services management area (Fig. 1) The economic mechanism of management of the provision of municipal social services includes the following elements: objectives, functions, management principles, methods and economic levers.The purpose of managing of providing municipal social services - ensuring a guaranteed minimum of municipal social services to the population of the municipality. Functions of management of social services sphere: programming; strategic planning; current

---

11   POLOZHENTSEVA, Y.: Forming a Philosophy of Project Management of Cultural Development. In *3rd International Multidisciplinary Scientific Conference On Social Sciences and Arts SGEM 2016 "Economics and Tourism". Conference Proceedings.* Sofia : STEF92 Technology, 2016, p. 281-288.

planning (normative per capita); government funding; extra budgetary funding; marketing management; property management.
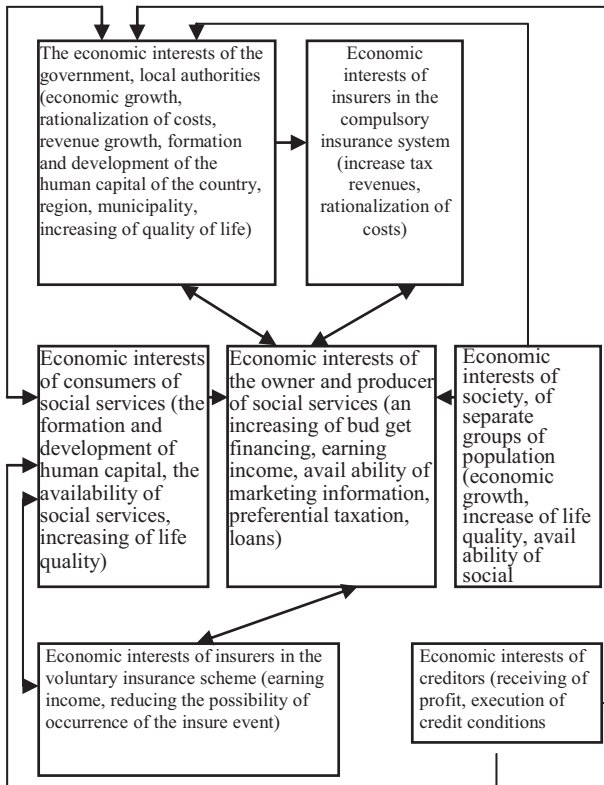
Picture 2: Scheme of the coordination of economic interests of subjects of social services
Source: Own processing

Principles of control of providing services in the municipal education:
  • Focus on the wishes and opinions of consumers;
  • Application of the criteria of quality of social services;
  • Using of optimal methods of organization of providing municipal social services;
  • Development of market mechanisms in the field of social services, the promotion of entrepreneurship in the field of social services, competition in the market of social services;
  • Creation of conditions for the getting of social services over guaranteed minimum by their own;[12]

_____
12   Sozinova, A. A., Androsova, I. V., Abramov, V. L., Tikhomirov, E. A., Redin, D. V. (remark by the author).

- Interaction with the population about the provision of social services (joint order of social services, marketing research of consumers, concession agreements);
- Using of the register of expenditure commitments;
- Providing of state and municipal services is carried out only when there is no interest of the private producer.[13]

Economic methods and controls of social services include: program-targeted methods of medium-term planning, standards (national, regional and municipal), budgeting, which is oriented for result, the register of expenditure obligations, methods of analysis and monitoring, and others. The condition for the effective functioning of the economic mechanism is legal, informational, analytical and resource provision.

Conclusion

Thus, the marketing system involves the creation of a system of marketing information, which is required for management decision-making, the formation of the social sphere of marketing services in government and municipal institutions, which coordinates the activities of all structural units. In a complex of non-commercial marketing of budget institution of social services, commodity politics, which is aimed at developing of social services, its characteristics, definition of costs on providing of service. In a system of marketing communications, which ensure the formation of the demand for services and stimulation of its sales, the most wide spreading had prestigious advertising, usage of the media to influence on consumer opinion, meeting with them.[14] The importance of marketing is increasing in terms of reforming the social sphere, the transition to normative targeted financing, after the solving problem of the concentration of financial resources on satisfaction of social needs of individual consumers, rather than on the content of public institutions. Transition to the normative method of financing the social sphere drastically increases requirements to the quality of management of organization's activity. Necessity in usage of marketing approach appears as well as optimization of resource requirements by types of activity, certain types of services, including marketing activities. Using the concept of marketing in the management of state and municipal social services agencies will ensure better alignment of their social mission, enhance the effectiveness of the reform of the social sphere.

13   VERTAKOVA, Y.: Clustering of Socio-economic Space: Theoretical Approaches and Russian Experience. In *Procedia Economics and Finance*, 2015, No. 27, p. 538-547.
14   VERTAKOVA, Y.: Directions of Human Potential Development in Russia. In *Procedia Economics and Finance*, 2015, No. 23, p. 495-500.

References:

ANDROSOVA, I.: Innovative Approach to Strategic Management of Machine-building Enterprises. In *Економічний часопис-XXI*, 2016, Vol. 157, No. 3-4, p. 94-96. ISSN 1728-6220.

BERTALANFFY, L. V.: The Academy of Management Journal. In *General Systems Theory*, 1972, Vol. 15, No. 4, p. 407-426. ISSN 978-0-306-45944-3.

ERSHOVA, I.: Development of a Strategy of Import Substitution. In ERSHOVA, I., ERSHOV, A.: *Procedia Economics and Finance*, 2016, No. 39, p. 620-624. ISSN 2212-5671.

ERSHOVA, I.: Public-private Partnerships in the Implementation of Cluster Initiatives. In ERSHOVA, I., SOGACHEVA, O., DEVYATILOVA, A.: *Innovation Management and Education Excellence Vision 2020: From Regional Development Sustainability to Global Economic Growth, The 27th IBIMA conference in Milan. Conference Proceedings.* Milan : IBIMA, 2016, p. 1119-1125.

FRISCH, R.: Econometrics in the World of Today. In HARROD, R.: *Induction, Growth and Trade*: *Essays in Honour of Sir Roy Harrod*. Gloucestershire : Clarendon Press, 1970, p. 152-166.

KEYNES, J.: *General Theory of Employment, Percent and Money.* London : Macmillan, 2007.

LUCAS, R.: An Equilibrium Model of the Business Cycle. In *Journal of Political Economy*, 1975, Vol. 83, p. 1113-1144. ISSN 0022-3808.

POLOZHENTSEVA, Y.: Forming a Philosophy of Project Management of Cultural Development. In POLOZHENTSEVA, Y. (eds.): *3rd International Multidisciplinary Scientific Conference On Social Sciences and Arts SGEM 2016 "Economics and Tourism". Conference Proceedings.* Sofia : STEF92 Technology, 2016, p. 281-288.

SOZINOVA, A. A., OGANESYAN, T. L.: Formation of the New Forms of Management Systems Spatially Localized Economies in the Paradigm of the Cluster Approach. In SOZINOVA, A. A., ANDROSOVA, I. V. (eds.): *International Review Of Management And Marketing*, 2016, Vol. 6, No. 1, p. 52-56. ISSN 2146-4138.

TINBERGEN, J.: *Economic Policy: Principles and Objectives*. Amsterdam : North-Holland Publishing Company, 1956.

VERTAKOVA, Y.: Clustering of Socio-economic Space: Theoretical Approaches and Russian Experience. In *Procedia Economics and Finance*, 2015, No. 27, p. 538-547. ISSN 2212-5671.

VERTAKOVA, Y.: Directions of Human Potential Development in Russia. In *Procedia Economics and Finance*, 2015, No. 23, p. 495-500. ISSN 2212-5671.

Contact data:
prof. Irina Ershova
Southwest State University in Kursk
Department of Regional Economics and Management
50 let Oktyabrya str. 94
305 040 Kursk
RUSSIA
ershovairgen@yandex.ru

assist. prof. Alexandra Devyatilova
Southwest State University in Kursk
Department of Regional Economics and Management
50 let Oktyabrya str. 94
305 040 Kursk
RUSSIA
a.devyatilova@mail.ru

assist. prof. Daria Kvashnina
Southwest State University in Kursk
Department of Regional Economics and Management
50 let Oktyabrya str. 94
305 040 Kursk
RUSSIA
kaznacheeva.d@mail.ru

assist. prof. Ershova Elizaveta
Southwest State University in Kursk
Department of Regional Economics and Management
50 let Oktyabrya str. 94
305 040 Kursk
RUSSIA
ersho.elizaveta@yandex.ru

ONLINE RULEZ

Jana Hubinová

Abstract
Rules are the ones that at the same time set and limit our actions. Rules line up attainment of our goals. Judgement upon one´s success is based on certain rules that are considered to be success definition in various environment. This paper tends to specify a few rules that should simplify online marketing for companies not yet well settled in the environment of online marketing as a branch of digital marketing. The point of our article is to gather simplified data, here so-called rules on how to settle down the ground stones of promotion of one´s company via online marketing tools. The set of rules here provided is a very basic one and shall serve as the starting point for online identity creation. Definitely it shall not be taken for granted as a tutorial leading to inevitable success.

Key words:
Digital marketing. Goods. Online marketing. Rules.

1 Business has changed

Consumer´s behaviour has changed immensely in time. Since barter trading, business has incredibly advanced and both, the range of products and services has become nearly unlimited as well as capabilities of sellers to trick customers into buying their goods. This matter of fact approach to business is well-known in the business world as marketing and is an eligible means of goods´[1] promotion. Most likely, there exists nothing that cannot be bought or sold (even though in some cases, this might be a pity as weirder and weirder things are being traded). While in barter no medium of exchange was needed, now, except of money, there are numerous media functioning on currency principle that serve the sell-buy financial process. Except of such a common payment method as bank transfer, there are many more enabling simple and convenient one-click transaction that can even secure one´s money unless the actual transaction is logistically really completed. All kinds of digital payments exist: Direct Debit, Payment by Credit or Debit Card, PayPal... Immediacy, security, simplicity, no delay in time, reciprocality. All of these are the key notions in the process of online business. This article tends to search for the key conditions of online marketing taking into account the basic business aims such as profit, economical growth of the company, reputation and goodwill. All possible means of online media based on the Internet are taken into account, such as webs, applications, digital games, social networks. Their functionality seems to be simple, however their actual usage becomes a matter of marketing background knowledge and further business education. There exist social media guru, digital games creators, web copywriters, etc. and all these people are constantly being supervised by their company´s higher principle enforcers going hand in hand with the comapny´s vision and mission.

2 Identifying clients´ needs is no longer sufficient

„The purpose of business is to gain and maintain the customers. As such, business has two basic functions- marketing and inovation. The principal function of marketing is

---

1   For the purpose of this article, the term goods is often used to represent all products and services that may be traded by sellers (remark by the author).

to attract and maintaina customer as the main benefit."[2] The groundstone of business making was cliens and their needs identification. With a more sophisticated approach to marketing that was developped in years, this simple advice did not any longer work out in practice. Suddently, there were many products of the same kind and the list of their attributes somehow overlapped no mater who did produce them. Everything was sorted, branded and what did stand out as a sole difference became the price. Marketers of such products understood all at once that their incomes would drop once their price is not the lowest as well as they would start to loose profit if they decrease the price on the level of their competitors. The only way how to avoid this situation was to make their product unique, one of a kind and irreplaceable by any other. Some companies have succeeded to trade improved functionality, others special design or their brand name. Here, we still speak about having the advantage over competitors. Then, a good seller shall come up with at least one more advantage that lies basically on the shoulders of product marketer. The producers shall attain potential customers´ attention by creating a special advantage of their goods suited especially for their customers. An interesting research of Harvard Business Review[3] conducted a few years ago has shown that some decades ago, the sellers of goods had one exceptional advantage over their customers. The customers whom were in most of the cases already pretty aware of their needs (here the researchers identified them as problems of any kind such as lack of something or the feeling of need, etc.) were not yet able to identify a solution for these. By offering the client not only the product but the overall service being sold as solution for their issue, the market was ever growing. This has been at first applied by the B2B selling and then even in the sphere of B2C sales. Though, this approach is no longer sufficient now as nearly every product comes up with a service included. Usually the service is represented by either a direct telephone contact at seller´s helpdesk call center (the call usually is free of charge), their e-mail contact or even a supportive application where online ASAP help is provided in any kind of need of their clients. Such applications usually provide not only the introductory course to the product and its usage but also tricks and tips for possible issues that might in time occur, there is client´s service included, too. The support tends to be intuitive such as by means of a direct chat (or a chatbot that directs the client step by step towards solution); no need to mention that the service is rarely other than 24/7.

„Strategy is a tool that is used by business to attain their aims. A strategy determines longterm targets of business, the operations how to attain these are chosen and resources for their fulfillment are allocated. Tobe able to fully comprehend the principles of strategy, two terms are critical:

- ***Extraordinary competencies*** *- extraordinary abilities: these represent all that the business is good at and they can do it exceptionally good compared to their competitors,*
- ***Competitive advantage*** *- is represented by a unique position that the businessholds on the market compared to their competitors by means of special competences utilization and / or their decisions concerning goods (products and services)."*[4]

2   DRUCKER, P. F.: *The Practice of Management*. Burlington : Routledge, 2016, p. 12.
3   ADAMSON, B., DIXON, M., TOMAN, N.: *The End of Solution Sales*. [online]. [2017-11-02]. Available at: <https://hbr.org/2012/07/the-end-of-solution-sales>.
4   LESÁKOVÁ, D. et al.: *Strategický marketingový manažment*. Bratislava : Sprint, 2001, p. 12.

The study from 2012 reveals that more than 60% of typical purchasing decision is made before the actual purchase at supplier´s site[5] (no matter if we speak of a real spot or a web site). At this point, the fact if we are concerned about B2B or B2C sales does not create much difference. The paths overlap at certain stages. What differs is the level of client´s involvement in the decision making process. The process may be simplified to the following steps:

- The need is recognized;
- Information about the product is gathered;
- Product is evaluated and competive products are compared;
- Product is chosen and purchased;
- Product is used and its evaluation is in process of creation;
- Client´s fidelity question is raised.[6]

As it is clear from the above mentioned points, the decision making process cut short consists of need identification, the product/service evaluation, the actual purchase and the willingness to buy the goods again. Prior to digitalized procurement, five out of all six stages required one´s physical presence at the sellers´ sites. Thanks to mostly digitalized procurement personal involvement at the seller´s site is commonly limited to deal making (the actual brunch for physical signiture of the contract). The visit of the shop itself is unnecessary in B2C buying process and direct input from the procurement agent such as a call or an e-mail to the sales representative of the supplier usually is sufficient in B2B purchasing process. Given all that, a real input that a seller (and their marketers) may introduce to (potential) clients is limited to minimum and the opportunity of ´meeting´ and influencing a client in virtuall space is more challenging than ever before.

3 Digital marketing

The stages that each and every marketing strategy planning has to run through are the following ones:

- **Planning**- a complicated process that can be assigned as the pre-phase of the actual act. The market needs to be targeted and well. Known. Especially the competitors on the market needs to be recognized. The analysis are done and prognosis for the future are set. Then i tis needed to set the targets and consider all possible variants that are available and likely to happen. Finally, the final plano f realization is made,
- **Realisation**- this is the stage when new measures are taken, activities and processes that will link the plan with its actual execution in real conditions of the institution, so-called aplication into practice. The main aim here is to attain all at once or to constantnly attain previously set aims from the first stage,
- **Control**- this stage is somehow concerned with the actual evaluation of the overall process. It compares ambitions with their actual realisation. At this stage

---

5   ADAMSON, B., DIXON, M., TOMAN, N.: *The End of Solution Sales.* [online]. [2017-11-02]. Available at: <https://hbr.org/2012/07/the-end-of-solution-sales>.
6   *3.2 Low Involvement Versus High-Involvement Buying Decisions and the Customer´s Decision-Making Process.* [online]. [2017-11-02]. Available at: <https://2012books.lardbucket.org/books/marketing-principles-v2.0/s06-02-low-involvement-versus-high-in.html>.

false assumptions are identified and eliminated. Subsequently, such measures are taken so that the attainments of aims is optimalizes.[7]

Online, or digital marketing is the key notion of marketing goods to generation Y. Offline marketing, though still somehow attractive thanks to its long-lasting tradition, is costy and sometimes does not manage to reach wished results in numbers. Billboards or outdoor teasers can probably call for public´s attention, though, they do not usually result in any immense increase in orders or brands´ awareness increase among the actual clients (as proven by company researches). Digital marketing tends to promote the goods or the brand itself via electronic media, most commonly starting up with the company setting up their own 2.0 Web site listing their goods and consequently social media accounts, making their goods visible to their potential customers as well as general public. Some companies then invest in their service perfection by acquiring new platformas such as support via various applications or client service support via numerous online means. The process of digitalization is linked with relatively new marketing model re-considering marketing model taking into consideration ever-rising trend of internet marketing as an important tool of strategic planning. The author of this model is Efthymios Constantinides, a profesor of digital marketing in Netherlandswho proposed a solution for the issues arisen in terms pof complexity of marketing in the Internet environment. The old-school models 4P and 4C did not succee to fully correspond to the technological progress that is driving marketing nowadays. Internet marketing and immense possibilities it provides could not be anylonger overseen. Marketing tools of this environment must have been at last identified. Model 4S, accrding to its author, identifies 4 critical factors having direct influence on web marketing. Here are the tools:
- Strategy,
- Operations,
- Organization,
- Technical equipement.[8]

Being good in online marketing comprises of as many points as being good in marketing in general. Still, one simple rule shall be applied especially by companies who do not have enough finances to spend them on hiring a professional marketer or to bring up a specialist within their own structures and devote the person to online marketing only. We simplify the rules to the following set:
- **Continual learning** – May You want to shoot for the stars, You should learn all about them. A good online marketer is always updated on new marketing trends and not only knows the terminology but also profits from the usage of marketing tools in practice. One shall know about the field they try to make a break through in. Get expertized!
- **Build up a personalized approach** – Online marketing target group may correspond to a segment of company´s overall target group in the online and offline environment together. Sure thing, that this shall navigate the marketer towards specific communication means and marketing tools usage based on

7   HORÁKOVÁ, H.: *Strategický marketing.* 2nd Edition. Praha : Grada Publishing, 2003, p. 46.
8   CONSTANTINIDES, E.: The 4S Web-Marketing Mix Model. In *Electronic Commerce Research and Applications*, 2002, Vol. 1, No. 1, p. 62. [online]. [2016-01-19]. Available at: <http://citeseerx.ist. psu.edu/viewdoc/ download?doi=10.1.1.194.5260&rep=rep1&type=pdf>.

the audience, though, the overall message, or the personalized approach of the company to their customers shall have the same traits that shall persist in any marketing environment. The concept may slightly vary, but at first shall not be completely rebuilt as it might happen then that the customers would be mixed up, not being able to identify with the company´s vision.

- **Become a part of network** – Networking counts. Wide-spread, ever-present, ever-green (online) web-based comunities may enter the marketing game as they have at disposal an incredible possibility to share. All types of networks are good for the business as each and every platform has its specific users who prefer it. What matters for the marketer are the numbers of their target group comprised in this or that networking cluster.
- **Set the goals** – Speaking about online marketing, setting SMART goals is a real challenge and sometimes even a mission impossible. Online world does not care much about Specific markers that shall be at the same time Measurable, Atteinable, Relevant and Time-bound. Online tends to be often misinterpreted for something surreal, bizarre, unmeasurable and unpredictable. Especially the condition of setting measurable goals may be troublesome. At first, it is always better to set a goal such as ´Brand awareness increase´ and to attain it. The check may be as simple as a questionaire for chosen target group as a sample.
- **Be good at everything and master one skill**– The advice is as simple as this: Do not be a Jack of all trades but master of none; rather specialize in one field and make it Your proficiency.[9]

Online world provides as many chances as menaces and for the purpose not to miss the chances and avoid the menaces one needs to be eager to continualy learn about new trends. Keeping the pace with trends and being always updated on what is new is essential to standing a chance in online environment. Another very important approach is to get to know Your own personalized style and use it basically in all online platforms that the company uses. Visibly, the target groups of various communication channels may vary tremendously, though, the style of communication shall in its essentials stay the same and unshaken. It creates the brand´s image and recipients of the online content then easily link the trade mark with its expression style. Then, in online marketing, it may seem to be very difficult to set measurable goals, however especially at the beginning, it is something that may help the online marketer to stay focused and aware of some metrics. At the beginning, setting a KPI and reach it counts more than having a good feeling out of Your marketing efforts that may seem to lead nowhere. Later on, certain online marketing tools can be used to support other marketing tools in use; here the principle of mastering one sphere in online marketing applies.

4 Web site rules

Creating a good web site is in the digitalized environment when one click may decide upon Your profits, contracts and business relationships an absolute must. Actually the truth is that many self-dependent CEOs do not spend much time and will on creating

9   *10 Tips on How to Kick-Start Your Digital Marketing Career.* [online]. [2017-11-02]. Available at: <https://digitalmarketinginstitute.com/blog/10-tips-digital-marketing-career-advice>.

a really outstanding web site. It is surprising that creating first time (visit) experience for potential and actual customers influences their overall view of the company. Here are a few hints how to ensure the website is created good enough for standing a fair point on the market of online marketers:

- **Get to know Your target group** – be aware of Your clients´ lifestyle, their preferences, especially the ones that result from company´s CDM (Customer Data Management). Getting to know who You sell to makes it easier to set marketing vision as well as optimize the product (service). Based on the target group, communication shall be specialized. Generation Y is segmented, it cannot be approached as a bunch. It needs to be personalized and fit individual client´s needs. At least it may seem so.
- **Offer THE product or THE service & Create a unique added value** – approach Your own offer from the point of view of Your product users. At first, make sure Your offer is clear to any, even first time visitor of Your web page. Do not disguise; do not try to make Your product alike any other already on sale. Be unique, if You can. And the most important of all – do not exaggerate; rather rely on Your customers´ evaluation. At last, but not least, create something unique. Come up with an extra service provided at Zour web site, pay an extra service of mobile phones availability and simplicity. Be mobile!
- **Simplify it all** - as it has prooven many times in search engine surveys, people want to get to the point the shortest way possible. They value their time and appreciate a seller who enables them to make their purchase within a few simple clicks). Do not complicate the purchase; rather rely on estabilished and functioning ways of product selling per one click than securing low budget purchases by complicating the transaction. Financially secure transactions are a must; not the benefit for the customer.
- **Web design it well!** – You cannot sell luxorious cars in a horse barn. The same way that You cannot sell horses in a two-floor shopping center. You would not meet the customers who are interested in Your product if You do not enter their living environment. The web design is the very first attribute that differentiates You at first sight from Your competitors.
- **Be available** – ensure Your company contact data are all available and linked to popular applications (Google Search, Google Earth...) and referenced on social media so that people can share Your basic data. May You provide a specialized product or service, being known about and available is all You may wish for.

The online world of marketing seems to be created exactly for the purpose of attracting new clients and business partners. Digital marketing combines use of various electronic media for the purpose of becoming channels for the information the marketer wants to be spread and ideally shared e.g. via social networks the impact of which is immense. The point is in creating either guerrila or viral marketing that have the overwhelming ability to be both less costy and impactful. The concept of guerilla marketing comes from very limited budget on advertising (or marketing in general) and depends on creativity and the ability of marketers to shock. The shock of something unexpected may also be the initial driver of viral sharing. While speaking about viral marketing that profits from company´s already existing communication channels, the company usually wishes to attain some short term and easily measurable goals such as creating a buzz about a newly launched product. The

truth is also that such marketing is in today´s competitive environment of creative marketing catchy, though not long lasting. The effect is only short-term and in ideal cases may be probably counted to weeks.

5 Being social and moral rocks

It does not necessarily mean that once You figure out the right formula of digital marketing means, the frequency of marketing and non-marketing contributions to the online world that You could simply switch of the real world where the real products are used, events are created and offline relations are flourishing. Certainly, ensuring customer´s satisfaction ideally via online tools – interactive chat based customer service, robotic support, etc. is a great advantage, though, still only an advantage to otherwise well built customer oriented base. People are by nature social creatures. We tend to socially interact with each other and most of the fields of our activity are carried out in mutual cooperation. We enter into relationships of various kinds with other people and usually, certain outcomes of our activities are expected or even required. The society seeks for certain standards that people should stick to make their relationships, especially the business ones, worth their time, efforts and expectations. Business activities are the ones that must be meaningful and shall lead to accomplishment of set goals (which for business actually is the profit). While speaking about business rules, the marketing ones are no exception. We have to first of all understand well and accept the role of rules in this field of activity. Applying wrongly set, so that immoral, mistaken or incorrect rules may result, especially in business, in serious damage to business relationships, as well as financial resources.

Rules, as we understand the notion rule for the purpose of this article, are certain principles and consequently regulations of conduct of human beings. In business world, the importance of rules application during the process of making a business is sometimes more important than applying the same rules on the outcome of the business, such as a product, service or procedure. The process of manufacturing goods must undergo given criteria as well as all people concerned in this process. Let me point out an example of correct and end-to-end process business rules application on a simple model of an automotive company producing all kinds of vehicle interiors equipment. The automotive company Faurecia set up a document called Code of Ethics that „defines the rules of business conduct that must be applied".[10] This internal document regulates important fields of company´s activities and clarifies the employees company´s vision of their business and how their business goals are attained. In one of its codes named Respect for Fundamental Human Rights, there is an article dealing with Respect for Environment. The article basically explains that Faurecia cares for the environment in terms of respecting it wherever the company is seated and trying to implement the conditions so that its protection is constantly being improved. Furthermore, the explanation leads us to conclusions that the main fields of Faurecia´s interest in this field actually are reducing waste and recycling materials as well as developing and, once done, implementing even minor changes

---

10   *2007 Code of Ethics and Rules of Business Conduct.* [online]. [2017-11-02]. Available at: <http:// www.faurecia.com/files/media/site_com_corporate/document/faurecia_code_of_ethics_en.pdf>.

that shall lead to reduction of polluting emissions.[11] As it is stated, sustainability of the business and continuous improvement of business related conditions seems to be one of important criteria (rules) that Faurecia have set worldwide and they apply it in their premises in Slovakia, too. The point is that not only Faurecia itself should stick to rules they have created, though, they commited to work primarily with those suppliers who apply the same rules as they do and intend to contribute to their mission in the environment field. This way of functioning is expected and actually necessary for functioning of online business and marketing applied based on the use of the Internet network. Our conduct is standardized by certain set of rules. Each kind of human activity is and here comes the point. Setting the rules is only one step, following them is the other then. The new trend online is preserving real world rules in the online environment, promoting sustainability, moralty and staying pro-social as well as social. So, in the end, all that matters in nowadays online advertising is being as true to life as possible.

References:

3.2 Low Involvement Versus High-Involvement Buying Decisions and the Customer´s Decision-Making Process. [online]. [2017-11-02]. Available at: <https://2012books.lardbucket.org/books/ marketing-principles-v2.0/s06-02-low-involvement-versus-high-in.html>.

10 Tips on How to Kick-Start Your Digital Marketing Career. [online]. [2017-11-02]. Available at: < https://digitalmarketinginstitute.com/blog/10-tips-digital-marketing-career-advice>.

2007 Code of Ethics and Rules of Business Conduct. [online]. [2017-11-02]. Available at: <http://www.faurecia.com/files/media/site_com_corporate/document/faurecia_code_of_ethics_en.pdf>.

ADAMSON, B., DIXON, M., TOMAN, N.: *The End of Solution Sales.* [online]. [2017-11-02]. Available at: <https://hbr.org/2012/07/the-end-of-solution-sales>.

CONSTANTINIDES, E.: The 4S Web-Marketing Mix Model. In *Electronic Commerce Research and Applications*, 2002, Vol. 1, No. 1, p. 57-76. ISSN 1567-4223. [online]. [2016-01-19]. Available at: <http://citeseerx.ist.psu.edu/viewdoc/download?doi=10.1.1.194.5260&rep=rep1&type=pdf>.

DRUCKER, P. F.: *The Practice of Management*. Burlington : Routledge, 2016, 416 p.

HORÁKOVÁ, H.: *Strategický marketing*. 2nd Edition. Praha : Grada Publishing, 2003.

LESÁKOVÁ, D. et al.: *Strategický marketingový manažment*. Bratislava : Sprint, 2001.

Contact data:
Mgr. Jana Hubinová
University of Ss. Cyril and Methodius in Trnava
Faculty of Mass Media Communication
Námestie J. Herdu 2
917 01 Trnava
SLOVAK REPUBLIC
jana.hubinova@gmail.com

---

11   Ibidem.

FACEBOOK FAN PAGE ENGAGEMENT ANTECEDENTS AND CONSEQUENCES

Martin Klepek

Abstract
Social networks provided companies with the possibility to nurture interactive communication with customers. The key determinant of success in organic reach on social networks is customer's engagement. The question is, what causes intensive usage and engagement on brand fan pages on Facebook. Functional and hedonic determinants exist. Functional value means that the consumer perceives content on the brand page as helpful, useful and practical. Alternatively, hedonic value consists aspects such as fun, excitement or entertainment. The whole model would not be completed without the consequence of engagement which is intentional brand loyalty. To answer the research question, quantitative survey research strategy was used to collect data from a representative sample of 454 respondents with the aim to validate the model. Results showed statistically significant correlations between all constructs. Thus, there are practical implications of presented findings in the conclusion.

Key words:
Brand loyalty. Consumer engagement. Facebook. Social media. Social networks.

1 Introduction

We are witnessing a transition from a traditional one-way communication model to two-way communication.[1] Building relationships with customers in this environment is, however, far more complex than using classical tools like advertising, reward programs, public relations or direct marketing. Social networks as one part of the social media landscape[2] provided companies with the possibility to nurture interactive communication with its customers. Engagement as a concept broadly discussed in psychology, business, management and marketing literature is also the key determinant of success in organic reach on social networks. In an environment where each user can generate and share their own content, there has been tremendous pressure to filter this content. The essence of social networks is not only to create a platform for communication and sharing. The main task of every successful social network is to find the right way to show right content from a huge amount to its users. In this crowded data jungle, branded content is a threatened species. People have the ability to communicate with authentic users and they choose what they want to see. This process is aided by algorithms. Facebook is using Facebook newsfeed algorithm, which filters users for their favourite content based on what type of content was published (status, image, video, gif, link), when it was published and what the engagement is like. Based on this, it shows content to other and other people. For all who want at least to have the basic organic reach (reach that spreads spontaneously without investment), engagement is a key element. This article, therefore, deals with some of the causes of engagement and also tracks a very important consequence, and it is the attitudinal brand loyalty intention.

---

1   HOFFMAN, D. L., NOVAK, T. P.: Marketing in Hypermedia Computer-Mediated Environments: Conceptual Foundations. In *Journal of Marketing*, 1996, Vol. 60, No. 3, p. 168.
2   KAPLAN, A. M., HAENLEIN, M.: Users of the World, Unite! The Challenges and Opportunities of Social Media. In *Business Horizons*, 2010, Vol. 53, No. 1, p. 62.

2 Theoretical framework

This section presents proposed a model for the study which comprises six main concepts. Firstly, the central one is engagement as a key behavioural element of two-way marketing communication in social media domain. The obvious question here is in which way engagement helps businesses to achieve their goals. To answer this important question, the brand loyalty is incorporated into a theoretical framework. Strictly speaking, it is an intentional part of brand loyalty measured by questionnaire. Often the intentional brand loyalty leads to behavioural brand loyalty. On the other side of the research framework, there are antecedents of fan page engagement. Previous research identified three main areas of motivations to use social network sites[3]. Firstly, it is a relationship area, where the focus of individual is to stay connected and interact with others. The second is information and content acquisition and distribution. Content could have hedonic or functional value for a customer. Third, the self-presentation related to social context and personal identity complete the list. Thus, four main constructs were used in this study as engagement precursor: Functional value, hedonic value, social value and helping behaviour tendency.

2.1 Customer engagement

Engagement originates from psychology and Kahn[4] was first to apply this concept to job environment. Thus, initial use of engagement in business and administration sciences is connected with human resources.[5] Specifically, the engagement of employees who, when engaged, are in a state of mind that affect behaviour. xcha clear from previous research[6] that customer engagement is manifested by more intense forms of customer communication towards a brand than one of its precursors – loyalty. Doorn et al. defined xcha behaviours going beyond the transaction and may be specifically defined as a customer's behavioural manifestations that have a brand or firm focus, beyond purchase, resulting from motivational drivers.[7] She goes on to say that consumer engagement is state of the mind which is in line with Kahn view.

Nurturing consumer engagement is beneficial for all kind of companies in many ways. It enables business management to better understand customer needs xcha is associated with specific active expressions. The result of building customer engagement is, in addition to increasing the effectiveness of marketing activities, to increase the economic efficiency of business by saving marketing research costs and creating marketing innovations in the local and global impact on the business. If companies better understand the reasons for fan-page engagement, they can use this to interact with, integrate, and engage their customers as well as transform them

---

3   JAHN, B., KUNZ, W.: How to Transform Consumers into Fans of your Brand. In *Journal of Service Management*, 2012, Vol. 23, No. 3, p. 349.

4   KAHN, W. A.: Psychological Conditions of Personal Engagement and Disengagement at Work. In *Academy of Management Journal*, 1990, Vol. 33, No. 4, p. 700.

5   VIVEK, S. D., BEATTY, S. E., MORGAN, R. M.: Customer Engagement: Exploring Customer Relationships Beyond Purchase. In *Journal of Marketing Theory and Practice*, 2012, Vol. 20, No. 2, p. 128.

6   BRODIE, R. J. et al.: Customer Engagement: Conceptual Domain, Fundamental Propositions, and Implications for Research. In *Journal of Service Research*, 2011, Vol. 14, No. 3, p. 253.

7   DOORN, J. V. et al.: Customer Engagement Behavior: Theoretical Foundations and Research Directions. In *Journal of Service Research*, 2010, Vol. 13, No. 3, p. 254.

from ordinary users to real fans of their brands.[8] The customer engagement is defined as multidimensional concept comprising cognitive, emotional and behavioural dimensions, which pays a central role in the process of relational xchange where other relational concepts are engagement antecedents and consequences in iterative engagement process within the brand community.[9]

2.2 Brand loyalty

Brand loyalty is defined as nonrandom behavioural response expressed over time by some decision-making unit with respect to one or more alternative brands out of a set of such brands and is a function of psychological evaluative processes.[10] Brand loyalty is a consequence of its precursor which is satisfaction with a product or brand. Prior studies discussed existing causal relationship between consumer involvement and brand loyalty.[11],[12] If we consider engagement as a form of involvement, then the connection between intentional brand loyalty and fan page engagement seems to be worth exploring.

2.3 Functional value

The first important motive to visit Facebook fan page is to get information about brand, products, services, prices or any other type of functional information. In this case, the fan page works as an aggregator of important content for buying decision. The customer can seek advice or reduce risk during the decision-making process.[13] This factor is largely under the control of the brand itself. Functional experiences have long been documented in the literature on technology acceptance[14] and provide an important rationale to content creation on the social network. The simple rule is to keep consumers informed as long as they are in the passive regime of consuming information.

2.4 Hedonic value

Online social network platforms offer a new dimension of entertainment. People do not go shopping or search for news from their favourite brands there. They are simply not set up to communicate with a brand when visiting a social network. The

8   JAHN, B., KUNZ, W.: How to Transform Consumers into Fans of your Brand. In *Journal of Service Management*, 2012, Vol. 23, No. 3, p. 360.
9   BRODIE, R. J. et al.: Consumer Engagement in a Virtual Brand Community: An Exploratory Analysis. In *Journal of Business Research*, 2013, Vol. 66, No. 1, p. 107.
10   JACOBY, J., KYNER, D. B.: Brand Loyalty vs. Repeat Purchasing Behavior. In *Journal of Marketing Research*, 1973, Vol. 10, No. 1, p. 2.
11   HOLLEBEEK, L. D.: Demystifying Customer Brand Engagement: Exploring the Loyalty Nexus. In *Journal of Marketing Management*, 2011, Vol. 27, No. 7, p. 787.
12   VIVEK, S. D., BEATTY, S. E., MORGAN, R. M.: Customer Engagement: Exploring Customer Relationships Beyond Purchase. In *Journal of Marketing Theory and Practice*, 2012, Vol. 20, No. 2, p. 136.
13   MUNTINGA, D. G., MOORMAN, M., SMIT, E. G.: Introducing COBRAs. In *International Journal of Advertising*, 2011, Vol. 30, No. 1, p. 20.
14   DAVIES, R. S.: Understanding Technology Literacy: A Framework for Evaluating Educational Technology Integration. In *Techtrends*, 2011, Vol. 55, No. 5, p. 48.

Push strategy here is less effective. A more appropriate tool is the Pull strategy. One of the ways to achieve this and attract the customer's attention is to create interesting content that will not only be entertaining but also enjoyable and fun. Customers want to have fun on social networks, which companies need to reflect on in their strategies. The question then is to what extent the hedonic value affects the subsequent engagement on the brand fan page.

2.5 Social value

The social value associated with interactions with other fans on the brand page can be an important determinant of engagement. This is also illustrated by previous research. Daugherty discovered that the motivation to form online content is the most affected by the interest in social interaction.[15]

2.6 Helping behaviour

The tendency to help other customers can be included in co-creation behaviour. Helping other customers to consume better is a part of overall consumer-consumer interrelations. This type of behaviour is made possible by the development of Web 2.0 technology. In the social media environment, it is typical for users not only to consume but also to create content. This is the user-generated content paradigm where people consume content created not only by brands but dominantly by other (and in most case unfamiliar) users.

3 Methods and data collection

On the basis of the literature review, a research framework has been created which includes all six important concepts. The picture No.1 shows interconnection and assumed relationships. Five hypothesis was developed. First, four relates antecedents motives to engagement and the last one connects engagement with brand loyalty intention which is the type of attitudinal loyalty measurable by survey research design. This model will be tested using a quantitative approach and positivistic research philosophy.[16]

---

15   DAUGHERTY, T., EASTIN, M. S., BRIGHT, L.: Exploring Consumer Motivations for Creating User-generated Content. In *Journal of Interactive Advertising*, 2008, Vol. 8, No. 2, p. 16-25.
16   SAUNDERS, M., LEWIS, P., THORNHILL, A.: *Research Methods for Business Students*. Harlow : Pearson, 2008, p. 124.
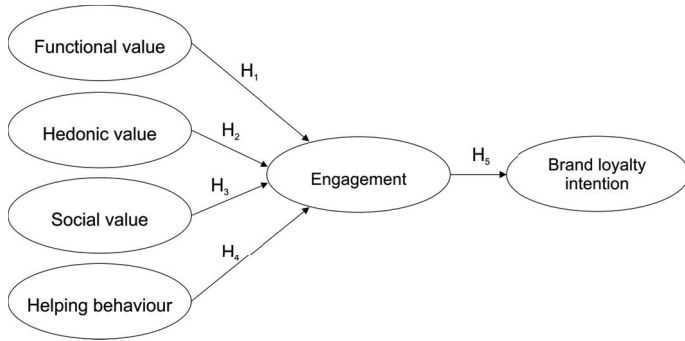
Picture 1: Conceptual model and proposed hypothesis
Source: Own processing

The question was anchored in previous empirical research on the topic. Specifically, Jahn and Kunz as well as de Vries and Carlson. One construct was newly developed. Reported helping behaviour was implemented in the model since no prior research was considering the altruistic behaviour of consumers on social networks. As we can see in table no. 1, the majority of questions were asked regarding one specific brand. Thus, the initial question in the questionnaire was open-ended. Respondents chose their favourite brand they are following as brand Facebook fans.

Table 1: Questionnaire design

Item	Construct	References
The content of the fan page is helpful for me.	Functional value	Jahn and Kunz[17] de Vries and Carlson[18]
The content of the fan page is useful for me.		
The content of the fan page is functional for me.		
The content of the fan page is practical for me.		
The content of the fan page is fun.	Hedonic value	Jahn and Kunz de Vries and Carlson
The content of the fan page is exciting.		
The content of the fan page is pleasant.		
The content of the fan page is entertaining.		
I can meet people like me on this fan page.	Socil value	Jahn and Kunz de Vries and Carlson
I can meet new people like me on this fan page.		
I can find out about people like me on this fan page.		
I can interact with people like me on this fan page.		
I often give advice to other brand customers on the fan page.	Helping behaviour	new construct
I like to recommend products to new customers on the fan page.		
I can share interesting information about my favourite brand with my friends on Facebook.		
I like to comment or share a link with other brand fans.		
I intend to remain loyal to this brand in the future.	Brand loyalty intention	de Vries and Carlson
I will not stop supporting this brand.		
I think of myself as a loyal customer/supporter of this brand.		
I feel like a brand community member.	Engagement on fan page	Jahn and Kunz de Vries and Carlson
I'm active on the brand page and I'm engaging.		
I'm engaging in discussions that take place on the fan page.		
I react to the content on the fan page emoticons (smilies).		

Source: Own processing

The survey was carried out with consumers who use social network services at least once a week. The questionnaire was distributed through the research agency IPSOS. Answers were collected online using data collection platform. Overall 840 responses were collected. However, only answers where respondent stated their favourite brand on social network Facebook was used since rest of the questionnaire was related to the specific brand. Some respondents answered that they do not follow brands on Facebook, therefore, were eliminated from the study. This procedure left 489 subjects in the sample. Additionally, straight lining answers were identified in data by counting standard deviation for the whole questionnaire on respondent's level. Finally, 454 answers entered the analysis. Sample characteristics are listed in table no. 2. The gender distribution is fairly balanced with 54,4% females in the sample. Most respondents (41,9%) graduated from high school. At the same time, most respondents (31,1%) are in the category up to twenty-nine years of age. Geographically, all regions of the Czech Republic were represented with the majority of people from Central Bohemia (14,3%), Prague (13,2%), Moravian Silesian (12,1%), South Moravia (11,7%).

Table 2: Sample characteristics

N=454	Frequency	Percent
Gender		
Male	207	45,6
Female	247	54,4
Education		
Elementary schol	37	8,1
Certificate of apprenticeship	129	28,4
High schol	190	41,9
University	98	21,6
Age		
Up to 29	141	31,1
30-39	101	22,2
40-49	98	21,6
50+	114	25,1

Source: Own processing

To maintain a methodically correct procedure, all scales were tested for internal consistency. For this purpose, it is possible to use Cronbach's alpha. It raises the question of whether each scale is measuring a single idea and hence whether the items that make up the scale are internally consistent.[17] The general rule of the thumb is a value greater than 0,8. The only hedonic value in table no. 3 showed slightly lower rate, which is acceptable.

Table 3: Internal reliability test

Construct	Cronbach's Alpha
Functional value	0,853
Hedonic value	0,737
Social value	0,852
Helping behaviour	0,836
Engagement	0,836
Brand loyalty intention	0,818

Source: Own processing

---

17 BRYMAN, A., CRAMER, D.: *Quantitative Data Analysis with SPSS 12 and 13.* New York : Routledge, 2005, p. 77.

Moreover, data normality check has been done by investigating skewness and kurtosis. Results showed non-normally distributed data so the Pearson correlation coefficient cannot be used since there is the violation of its elementary assumption. The second reason to use other than Pearson correlation technique is the nature of the data. The answers were collected on a six-point Likert scale ranging from strongly agree to strongly disagree. Therefore, the Spearman rho is optimal statistical technique since it is usable in a situation where both variables are ordinal.[18]

4 Results

In this chapter, the research results are presented. Surprisingly, none of the factors influencing the engagement had any connection with the demographic characteristics of the sample of respondents. Gender, age, or education did not affect any of the four motives. The same is true of measured engagement and intended brand loyalty. The table No.4 is used to evaluate the hypothesis. Hence, the statistical argumentation process does not need to be repeated over and over. Two-tailed Spearman's rho was used since both variables are in all five cases ordinal and the direction of the relationship is not one-dimensional.

Table 4: Hypothesis evaluation

	Variable A	Variable B	P-Value	Spearman's rho	Status
H1	Functional value	Engagement	***	0,572**	Accepted
H2	Hedonic value	Engagement	***	0,648**	Accepted
H3	Social value	Engagement	***	0,746**	Accepted
H4	Helping behaviour	Engagement	***	0,756**	Accepted
H5	Engagement	Brand loyalty intention	***	0,483**	Accepted
**. Correlation is significant at the 0.01 level (2-tailed).					

Source: Own processing

All measured relationship resulted in strong positive correlation. If we return to the conceptual model (picture no. 1) and mark the measured correlations (picture no. 2), we will obtain a visual answer to the research question. All theoretically presented causes correlate both with engagement and consequently with the intended loyalty to the brand. Higher the value of all four input is, higher the engagement on the brand fan page on Facebook.

---

18   FIELD, A.: *Discovering Statistics Using SPSS*. London : SAGE, 2009, p. 179.
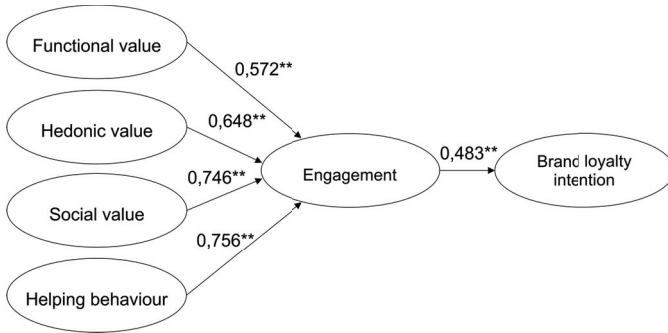
Picture 2: Research model correlations
Source: Own processing

As can be seen in the resulting conceptual model, strongest correlation with value one has not been measured and variability exists in the data. It is clear that there will be different segments of customers where different four values play a role. Moreover, an important connection between engagement and brand loyalty intention has been discovered.

Conclusion

The aim of this study was to expand the understanding of the antecedents and consequences of fan page engagement on globally largest social network Facebook. Based on previous literature and research the questionnaire was designed with one open-ended question (which brand do you follow on Facebook) and 23 Likert scale battery of questions. The study showed mutual relationship between four antecedents and engagement. Additionally, the engagement has a positive connection to brand loyalty intention. All five hypothesis were accepted since the correlation coefficient was significant at the level of 0,01. This study also entails some practical recommendations. With the pressure that is in the environment overwhelmed by UGC, customer engagement is key. Social networking is set to show organically only the content that brings value to the user. From this perspective, based on the results of this research, companies should focus on two basic elements in content creation. The first is a functional page where you need to supply all the necessary information to buy. The second is a hedonistic component that requires entertainment and something extra versus traditional media communication. Another element is to support social interactions among fans and the possibility of their self-realization by helping others. Social networks are the ideal place for this type of communication. In organizations, however, the process of transforming the understanding of this medium must be started. A very important finding is also the fact that customer engagement on Facebook's social networking site also means greater customer intentional loyalty for many brands. It cannot be said that the engaging customer is also a loyal customer. Brand loyalty is a much more complex construct. However, data

show that engagement has a statistically positive impact on it. Thus, it could partially affect the behavioural brand loyalty.

References:

BRODIE, R. J. et al.: Customer Engagement: Conceptual Domain, Fundamental Propositions, and Implications for Research. In *Journal of Service Research*, 2011, Vol. 14, No. 3, p. 252-271. ISSN 1094-6705.

BRODIE, R. J. et al.: Consumer Engagement in a Virtual Brand Community: An Exploratory Analysis. In *Journal of Business Research*, 2013, Vol. 66, No. 1, p. 105-114. ISSN 0148-2963.

BRYMAN, A., CRAMER, D.: *Quantitative Data Analysis with SPSS 12 and 13*. New York : Routledge, 2005.

DAUGHERTY, T., EASTIN, M. S., BRIGHT, L.: Exploring Consumer Motivations for Creating User-generated Content. In *Journal of Interactive Advertising*, 2008, Vol. 8, No. 2, p. 16-25. ISSN 1525-2019.

DAVIES, R. S.: Understanding Technology Literacy: A Framework for Evaluating Educational Technology Integration. In *Techtrends*, 2011, Vol. 55, No. 5, p. 45-52. ISSN 8756-3894.

DOORN, J. V. et al.: Customer Engagement Behavior: Theoretical Foundations and Research Directions. In *Journal of Service Research*, 2010. Vol. 13, No. 3, p. 253-266. ISSN 1094-6705.

FIELD, A.: *Discovering Statistics Using SPSS*. London : SAGE, 2009.

HOFFMAN, D. L, NOVAK, T. P.: Marketing in Hypermedia Computer-Mediated Environments: Conceptual Foundations. In *Journal of Marketing*, 1996, Vol. 60, No. 3, p. 167-183. ISSN 0885-8624.

HOLLEBEEK, L. D.: Demystifying Customer Brand Engagement: Exploring the Loyalty Nexus. In *Journal of Marketing Management*, 2011, Vol. 27, No. 7, p. 785-807. ISSN 1472-1376.

JACOBY, J., KYNER, D. B.: Brand Loyalty vs. Repeat Purchasing Behavior. In *Journal of Marketing Research*, 1973, Vol. 10, No. 1, p. 1-9. ISSN 0022-2437.

JAHN, B., KUNZ, W.: How to Transform Consumers into Fans of Your Brand. In *Journal of Service Management*, 2012, Vol. 23, No. 3, p. 344-361. ISSN 1757-5818.

KAHN, W. A.: Psychological Conditions of Personal Engagement and Disengagement at Work. In *Academy of Management Journal*, 1990, Vol. 33, No. 4, p. 692-724. ISSN 1948-0980.

KAPLAN, A. M., HAENLEIN, M.: Users of the World, Unite! The Challenges and Opportunities of Social Media. In *Business Horizons*, 2010, Vol. 53, No. 1, p. 59-68. ISSN 0007-6813.

MUNTINGA, D. G., MOORMAN, M., SMIT, E. G.: Introducing COBRAs. In *International Journal of Advertising*, 2011, Vol. 30, No. 1, p. 13-46. ISSN 0265-0487.

SAUNDERS, M., LEWIS, P., THORNHILL, A.: *Research Methods for Business Students*. Harlow : Pearson, 2008.

VIVEK, S. D., BEATTY, S. E., MORGAN, R. M.: Customer Engagement: Exploring Customer Relationships Beyond Purchase. In *Journal of Marketing Theory and Practice*, 2012, Vol. 20, No. 2, p. 122-146. ISSN 1069-6679.

VRIES, N. J. D., CARLSON, J.: Examining the Drivers and Brand Performance Implications of Customer Engagement with Brands in the Social Media Environment. In *Journal of Brand Manag*ement, 2014, Vol. 21, No. 6, p. 495-515. ISSN 1350-231X.

Contact data:
Ing. Martin Klepek, Ph.D.
Silesian University in Opava
Faculty of Business Administration in Karviná
Univerzitní náměstí 1934/7
733 40 Karviná
CZECH REPUBLIC
klepek@opf.slu.cz

INFLUENCE OF SELECTED TOOLS OF CONCURRENT INNOVATION PROCESS ON MARKETING ACTIVITIES IN B2B ENVIRONMENT

Martin Krajčovič – Jaromíra Vaňová – Miloš Čambál

Abstract
At current speed of introduction of new products it is necessary to plan all parts of product lifecycle (design, production, marketing, sales, service and recycling) already during the actual product development. This approach called concurrent engineering allows to significantly reduce time to product implementation in the market. One of the preconditions of successful product introduction is management of technical risks, which provides for timely fulfilment of defined project deliverables. Another aspect of concurrent engineering system are product roadmaps, which help to establish direction and strategy innovation process. Both elements, management of technical risks and product roadmaps, may at specific conditions distinctively influence main activities of marketing in B2B environment. In order to obtain a positive result from these marketing activities an interaction of product development, marketing and sales is inevitable. Outcome of such interaction is consensus about definition of time, technology and financial parameters of future projects and degree of preferred customer involvement. This article deals with opportunities and abilities of industrial companies to use selected tools of concurrent innovation process to determine successful marketing and innovation strategy.

Key words:
Concurrent engineering. Innovation. New product development. Product roadmap. Technical risks.

1 Introduction

Innovation process is a sequence of activities leading to creation and realization of new product, process or service. After initial innovation idea a thorough realization analysis is executed and if outcome is positive the actual new product development is realized. Following step in innovation process is the actual materialization (for example production preparation) of the product. Final phase of the process is related to market application of the innovation.[1] This classical approach to product and process development is characterized by subsequent task realization. Following task is undertaken only once the preceding is finished successfully. Disadvantage of such approach is waste of time, as tasks cannot be completed simultaneously. Frequent iterations of already performed tasks are also needed, due to new findings. As an example can be stated a new requirement of good maintainability of a component, which has not been taken into account during design phase. If the new requirement demands change in the design, it is necessary to perform again an integration of component into subassembly and undergo component simulations and testing. Currently is the innovation process in industrial companies realised in a way that particular phase of the process are realized concurrently. Concurrent engineering is comprehensive, systematic approach to the integrated development of complex products and their related processes, including marketing, manufacturing, logistics, sales, customer support and disposal.[2]

---

1   For more information, see: SYČ, M.: *Využitie exaktných metód pri projektovom plánovaní.* [Dissertation Thesis]. Bratislava : MTF STU, 2012.
2   See also: STJEPANDIČ, J., WOGNUM, N., WERHAGEN, W.: *Concurrent Engineering in the 21st Century.* Switzerland : Springer International Publishing, 2015.

Concurrency of phases of innovation process allows solving of individual tasks simultaneously and perform frequent integrations. This assures shorter feedback cycle and finally faster product development and implementation. Early customer engagement in this process can lead to higher rate of success and shorter realization time. This is valid mainly in B2B environment provided the product development is happening parallel at final customer as well at individual suppliers of components. Active involvement of customers to product development activities of suppliers can be enhanced by marketing activities. Critical point is cooperation among marketing, product development and sales. According to[3] there are two critical factors to succeed for almost any company: introduction of new products to the market, and integration of marketing and operations. Extensive study of B2B marketing[4] states two main future challenges in B2B environment: building stronger interconnections of marketing and other departments as well a utilization of customer and market knowledge. Interconnection and integration of marketing and product development can be supported by several tools utilized in context of concurrent engineering such as simulation of technical risks and product roadmaps, which will be further discussed more in detail.

2 Technical risks in concurrent engineering co-development with customers

High speed of new product and process development creates a need for customer involvement already in the early phases. During definition of the project and as well active participation in the innovation process consequently. Such co-creation with the customers is becoming important competitive strategy.[5] It provides a feasible way of reaching individual customer requirements provided there is effective risk management, as several potential risk factors are involved. Several studies[6,7] has been dealing with complexity of new product and process development in concurrent engineering and related risk factors, which cause strategic, financial and quality concers among project managers.[8] There is evidence that way of dealing with risk management has indirect impact on project and new product success. However, further research is inevitable in order to describe exact mechanisms how risk management influences success rate of new product introductions.[9] On the other hand limited number of sources state how successful management of particularly technical risks can influence activities and strategy in B2B marketing. A study was

3   SALE, S., MESAK, H., INMAN, A.: A Dynamic Marketing-operations Interface Model of New Product Updates. In *European Journal of Operational Research*, 2017, Vol. 257, No. 1, p. 233-242.

4   WIERSEMA, F.: The B2B Agenda: The Current State of B2B Marketing and a Look Ahead. In *Industrial Marketing Management*, 2013, Vol. 42, p. 470-488.

5   CAO, J., SONG, W.: Risk Assessment of Co-creating Value with Customers: A Rough Groupanalytic Network Process Approach. In *Expert Systems with Applications*, 2016, Vol. 55, p. 145-156.

6   See: PRASAD, B.: *Concurrent Engineering Fundamentals: Integrated Product and Process Organisation*. PTR, USA : Prentice Hall, 1996.

7   HAQUE, B.: Problems in Concurrent New Product Development: An In-depth Comparative Study of Three Companies. In *Integrated Manufacturing Systems*, 2013, Vol. 14, No. 3, p. 191-207.

8   KAYIS, B. et al.: *A Risk Mitigation Methodology for New Product and Process Design in Concurrent Engineering Projects.* Sydney, Melbourne : Elsevier, 2007, p. 167-170.

9   OEHMEN, J. et al.: Analysis of the Effect of Risk Management Practices on the Performance of New Product Development Programs. In *Technovation*, 2014, Vol. 34, p. 441-453.

performed in three companies in Slovakia from three different industries (metallurgy, consumer electronics, state-owned energy certification body) to identify criteria influencing product development success rate in context of concurrent engineering. Acquired data from study were compiled in the following table. Total of fourteen criteria were identified that have a significant impact on successful innovation activities. Importance order of criteria was made by pair comparison analysis. Most important are safety of products, profit and sales volume. However, after these basic criteria a quality of risk management is showing its importance.

Table 1: Paired comparison of evaluation criteria for success in concurrent engineering

	criteria weight	criteria order after pair comparison
commercial success (sales)	0,11	3
development time	0,06	8
return/profit	0,13	2
product quality/claims	0,08	6
innovation capacity sustainability	0,09	5
time plan fullfilment	0,01	13
resourse distribution	0,05	10
organizational management	0,01	13
knowledge of own organizational strengths	0,03	12
product and technology solutions	0,05	10
progress control and change management	0,06	8
customer and market knowledge	0,08	6
management of technical risks	0,10	4
product safety	0,14	1
	1	

Source: Own processing

3 Case study – management of technical risks in B2B

One of the examples for risk management use in B2B environment is from company Bekaert, which is a prominent producer of specialized steel wires, strands and ropes. Bekaert has recently developed production of plastic coated low relaxation strands for cable-stayed bridges together with their customer. Traditional project approach could lead to insufficient technical risk prediction, which could negatively influence project timing and cost. Worst possible project scenario could lead to delays in the final product, which can consequently lead to endangering of the whole development program. As a consequence of the traditional approach, where companies generally expect technical risks and associated with delays, companies cooperating in B2B environment tend to set longer development times or higher development costs. This can result in contract or project loss versus competition or stopping of the project in planning phase. Bekaert has for the development of stay cable strands performed a multispectral analysis of technical risks. With the help of simulation of project plan, which included identified technical risks, a required level of trust was reached by sales and marketing department in the proposed solution. This trust was later translated into negotiations with the customer.

The customer acknowledged this level of trust after simulation, and already at this stage commercial agreements for delivery of strands for several bridges were made. It was the sufficient level of trust in technical solutions and risk management of Bekaert that has been translated into early marketing activities, which was the first and necessary condition to reach cooperation agreement. Project simulation resulted in contingency plan which included development and installation of hardware for strands production, production process development, development and installation of testing equipment, development of system for exact length measurement as well special strand connection system. Among some of the contingency measures were agreements with alternative suppliers in case of delay, multiplication of technologies suppliers, testing of alternative raw material suppliers, auditing of external testing companies and strengthening of project team beyond the standard resource plan. Result of stay cable strand development in Bekaert is more than 10 realized bridge deliveries in less than three years in cooperation with renowned companies in bridge building industry. Project delivered original rate of return and confirmed original timing plans. This development project serves as well as an example for technology and marketing discussions with potential customers. Project plan simulation takes plays an important role as tool for marketing and trust building in the eyes of customers.

4 Product roadmaps and their use in concurrent innovation process

One of the inseparable areas of concurrent engineering is a so called product technology roadmap (TRM). TRM is a tool for strategic activities planning.[10] The use of a TRM was first introduced in Motorola in the 1980s and has since been extended

---

10   LEE, H., GEUM, Y.: Development of the Scenario-based Technology Roadmap Considering Layer Heterogeneity: An Approach Using CIA and AHP. In *Technological Forecasting and Social Change*, 2017, Vol. 117, p. 12-24.

to many industries. The main purpose of TRMs lies in the strategic planning for products or technologies, as well as in forecasting technological or market trends. TRMs actually describe product development in time including different attributes. Usually TRM contains the following 5 years. For the correct use of TRMs it is important to have companywide consensus concerning its content and time plans. According to,[11] a study of 120 R&D departments one of the most important aspects of TRMs was frequent interaction between development team and its other users. High level of such interaction improved credibility of TRMs. Only after credibility has been established marketing and R&D department can start cooperation with customers.

Technical risks are unavoidable part of TRM process and must be taken into account considering their time and resource implications. Content of TRMs must be well balanced. According to,[12] product roadmaps are overly focused on market needs rather than development of technologies. Additionally information in TPMs focusing on different market technologies are possessing insufficient quantification. According to,[13] product roadmaps have been till now focusing on strategic planning from technology point of view or market research point of view. Rarely have both approaches been used simultaneously in the same roadmap. Consequence is that technology solutions are pushed, which might not be applicable in real situations, or customer needs are stressed, which do not take into account company competencies. Value of integrated TRMs where both approached meet is in their sensitivity and flexibility for strategic innovation planning. This integrated approach considers next to future needs of the market as well the future competencies of companies to fulfill them.

5 Case study of TRM use in B2B marketing

Currently it is a well-established practice to use actively TRMs by B2C companies for marketing and product development needs. Question is though, whether this use is anchored sufficiently in B2B companies as well and whether TRMs are considerably used in supporting marketing departments. Another example for Bekaert is describing such a use of roadmap in practice. Company developed in 2015 profile drawn wires for rope industry by technology of drawing whereas traditional way by technology of rolling. Drawing process allows higher quality and higher mechanical parameters to be reached. With the help of TRMs has company been able to realize applicability of this production process in other type of industry. This knowledge resulted from interaction of R&D and marketing on one hand and integration of market need and technology capability on the other. Spring industry is using wires of square and rectangular cross section which are suited for high end applications from size vs mechanical properties point of view. Substitution of traditionally round cross section of spring wire has led to new design opportunities in automotive and consumer electronics industries. It created a space for successful cooperation in B2B. Such use

11   HOON LEE, J., KIM, H., PHAAL, R.: An Analysis of Factors Improving Technology Roadmap Credibility: A Communications Theory Assessment of Roadmapping Processes. In *Technological Forecasting & Social Change*, 2012, Vol. 79, p. 263-280.

12   JIN, G., JEONG, Y., YOON, B.: Technology-driven Roadmaps for Identifying New Product/market Opportunities: Use of Text Mining and Quality Function Deployment. In *Advanced Engineering Informatics*, 2015, Vol. 29, p. 126-138.

13   Ibidem.

of TRMs can significantly impact marketing activities, where minimum cost based model can be replaced with model, where added value can be created for customer as well the supplier.

6 Discussion

Proposal for products by marketing is from time point of view based on estimate of technical risks associated with development feasibility. Final customers in B2B have usually predefined time slots for market entrance which have to be respected. Therefore, they rely on technological as well time related estimates of their suppliers and their project management capabilities. Main ingredient of this project management is management of technical risks. Mastering the technical risk management can lead to gaining a competitive advantage over competition. Question arises if B2B companies can sufficiently use such advantage in marketing and become key partners for new product development. Ability of companies to create high quality plans for implementation of technologies and products (TRMs) can as well considerably affect B2B marketing activities. Using technology focused marketing, successful companies are able to correctly use TRMs and discover added value opportunities for their customers. Question remains if companies, which are strong in TRM, are able to use this potential in their advantage in actual long-term B2B marketing strategy.

Conclusion

Article deals with two elements, which can influence marketing activities in B2B environment. It is a simulation of project plan for active management of technical risks and use of product and process roadmaps. Both activities can generate for B2B marketing sufficient technical and timing information, which are supporting key partnership customer agreements and deals. Results of these activities might end up as a step change for supplier and customer while creating significant added value. Necessary precondition of their application is high quality and smooth cooperation of product development, marketing and sales, as well a high level of trust among the departments. Further research is needed to quantify use of these selected tools in B2B environment and particularly its impact on marketing activities and their result. Proposed research should use exact decision methods in order to gain objective data and be able to propose correct implementation schemes.

References:

CAO, J., SONG, W.: Risk Assessment of Co-creating Value with Customers: A Rough Groupanalytic Network Process Approach. In *Expert Systems with Applications*, 2016, Vol. 55, p. 145-156. ISSN 0957-4174.

HAQUE, B.: Problems in Concurrent New Product Development: An In-depth Comparative Study of Three Companies. In *Integrated Manufacturing Systems*, 2013, Vol. 14, No. 3, p. 191-207. ISSN 0957-6061.

HOON LEE, J., KIM, H., PHAAL, R.: An Analysis of Factors Improving Technology Roadmap Credibility: A Communications Theory Assessment of Roadmapping Processes. In *Technological Forecasting & Social Change*, 2012, Vol. 79, p. 263-280. ISSN 0040-1625.

JIN, G., JEONG, Y., YOON, B.: Technology-driven Roadmaps for Identifying New Product/market Opportunities: Use of Text Mining and Quality Function Deployment. In *Advanced Engineering Informatics*, 2015, Vol. 29, p. 126-138. ISSN 1474-0346.

KAYIS, B. et al.: *A Risk Mitigation Methodology for New Product and Process Design in Concurrent Engineering Projects.* Sydney, Melbourne : Elsevier, 2007.

LEE, H., GEUM, Y.: Development of the Scenario-based Technology Roadmap Considering Layer Heterogeneity: An Approach Using CIA and AHP. In *Technological Forecasting and Social Change*, 2017, Vol. 117, p. 12-24. ISSN 0040-1625.

OEHMEN, J. et al.: Analysis of the Effect of Risk Management Practices on the Performance of New Product Development Programs. In *Technovation*, 2014, Vol. 34, p. 441-453. ISSN 0166-4972 .

PRASAD, B.: *Concurrent Engineering Fundamentals: Integrated Product and Process Organisation.* PTR, USA : Prentice Hall, 1996.

SALE, S., MESAK, H., INMAN, A.: A Dynamic Marketing-operations Interface Model of New Product Updates. In *European Journal of Operational Research*, 2017, Vol. 257, p. 233-242. ISSN 0377-2217.

STJEPANDIČ, J., WOGNUM, N., WERHAGEN, W.: *Concurrent Engineering in the 21st Century.* Switzerland : Springer International Publishing, 2015.

SYČ, M.: *Využitie exaktných metód pri projektovom plánovaní.* [Dissertation Thesis]. Bratislava : MTF STU, 2012.

WIERSEMA, F.: The B2B Agenda: The Current State of B2B Marketing and a Look Ahead. In *Industrial Marketing Management*, 2013, Vol. 42, p. 470-488. ISSN 0019-8501.

Contact data:
Ing. Martin Krajčovič
Slovak University of Technology in Bratislava
Faculty of Materials Science and Technology in Trnava
J. Bottu 25
917 24 Trnava
SLOVAK REPUBLIC
martin.krajcovic@bekaert.com

assoc. prof. Ing. Jaromíra Vaňová, PhD.
Slovak University of Technology in Bratislava
Faculty of Materials Science and Technology in Trnava
J. Bottu 25
917 24 Trnava
SLOVAK REPUBLIC
jaromira.vanova@stuba.sk

prof. Ing. Miloš Čambál, CSc.
Slovak University of Technology in Bratislava
Faculty of Materials Science and Technology in Trnava
J. Bottu 25
917 24 Trnava
SLOVAK REPUBLIC
milos.cambal@stuba.sk

CURRENT AND FUTURE POSITION OF PROGRAMMATIC BUYING IN DIGITAL INVESTMENTS ON THE SLOVAK MARKET

Martin Kuchta – Andrej Miklošík

Abstract
Programmatic buying represents a very effective - and lately also popular - way to purchase digital advertising space through the utilization of data, automated processes, and software systems. The main aim of this article has been to identify the position and share of programmatic buying in the Slovak markets' average digital investments "pie". The achievement of the main aim has been supported by two sub-goals. The first sub-goal was to unveil the trend in investments into digital marketing platforms over recent years on the Slovak market. The authors used IAB Slovakia's press releases as a source of data in determining the conclusions of the first sub-goal. The second sub-goal was defined to ascertain whether investments in programmatic buying match the trend and follow the marketing costs tendency. The authors cooperated with local media agency Starmedia Co., which might be considered as the benchmark of the market, since it represents the marketing interests of brands on a vast scale. The main findings of this paper unveil an increasing trend towards digital marketing investments, and along with it also into programmatic buying. However, programmatic growth will probably not match the intensity of the growth of the digital segment.

Key words:
Digital investments. Digital marketing. Online advertising. Programmatic buying.

1 Introduction

The term "big data" is, in 2017, one of most trending in terms of marketing communication. Companies are regularly investing considerable amounts of financial resources into their marketing communication every year. These expenses are even increasing year by year. Digital marketing is not an exception – moreover, it represents the most dynamic marketing area. The reasons for this are, according to Popa, AL., Tarca, NN., and Sasu, DV., simple: market segmentation and market targeting possibilities, concrete possibilities to measure the effectiveness of campaigns, and various payment methods.[1] There are many more benefits such as higher transparency, possibilities for campaign optimization, data generation and utilization, etc. As mentioned, all digital marketing activities generate enormous amounts of data, which help to unveil patterns in consumers' media consumption, and this knowledge can then be used in the future, more precisely through targeted digital communication. "*Whether it is the uncanny experience of attending a concert or marriage at which more people seem to be recording the event than in fact witnessing it, or simply by trying to articulate a more or less coherent sense of self, media are inextricably linked, enmeshed, and involved with social reality.*"[2] All generated content from such an event is transformed into data, which companies are able to utilize. The advantages of data usage are still growing, while companies and marketing workers are realizing it, and attaching to data still higher importance. The proof might be searching for the phrase "big data" in one of the globally most recognised search engines, Google Search.

---

1   POPA, A. L., TARCA, N. N., SASU, D. V.: An Experiment on Using Online Marketing Tools for Promoting Higher Education Services. In *Economic Science Series*, 2016, Vol. 25, No. 2, p. 589-590.
2   MARK, D.: Living in Media and the Future of Advertising. In *Journal of Advertising*, 2016, Vol. 45, No. 3, p. 331.
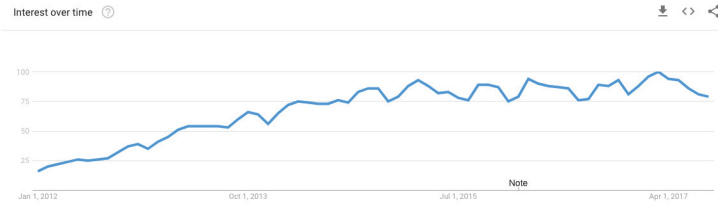
Picture 1: Trends in searching for the phrase "big data" over the last five years in Google Search.
Source: *Google Trends.* [online]. [2017-08-31]. Available at: <http://trends.google.com/>.

Google Search is the most widespread and most popular search engine globally. According to Netmarketshare.com its' global market share represents 81.12% nowadays.[3] The picture above describes searching for the phrase "big data" over the last five years in Google Search. When comparing the beginning of the year 2012 and the year 2017, the increase in searching for the phrase is more than 300%. A similar trend is noticeable also with words and phrases: data, data mining, data utilization, marketing data etc. People who are interested in searching for these terms are mainly marketers, marketing agencies' employees, companies' marketing departments, and media publishers who also deal with digital media inventory. Data offers the opportunity to understand target groups, to learn how to better communicate with them, and as a result to use financial resources more effectively. The most widespread option of mining and utilizing digital data in marketing is programmatic buying, which automatizes the purchase process of the advertising space on websites and offers wide targeting options based on generated data from previous campaigns. The programmatic buying works mostly with banner positions and is able to precisely deliver the right message in a banner or a native form to the right consumer, possibly on a website which is thematically related to the promoted products or services. *"The programmatic trading process begins, thus, when a user connects to a specific webpage. In doing so, an information exchange between servers about both the user profile and the ad space availability takes place."*[4] The system also detects if banner placement on the website is available, and if so, a banner with the highest possibility of attracting a consumer's interest is launched.

The absence of borders in the worldwide technology expansion allows the use of automated digital banners and native positions purchase on placements across all countries. Programmatic, with its' targeting options, lower costs, and more effective KPI (Key Performance Indicator) delivery, represents the perfect option for digital marketing communication for all participating parties: companies, intermediaries (media and advertising agencies), suppliers (websites), and last but definitely not least consumers. As stated in the IAB Europe survey, *"programmatic is now mainstream – all sell-side stakeholders surveyed are investing in digital and the vast majority (95%)*

---

3   *Desktop Search Engine Market Share.* [online]. [2017-05-23]. Available at: <https://www.netmarketshare.com/search-engine-market-share.aspx?qprid=4&qpcustomd=0>.

4   MARTÍNEZ-MARTÍNEZ, I. J., AGUADO, J., BOEYKENS, Y.: Ethical Implications of Digital Advertising Automation: The Case of Programmatic Advertising in Spain. In *El Profesional de la Información*, 2017, Vol. 26, No. 2, p. 203.

are also deploying some form of programmatic advertising. Whilst almost everyone is investing in programmatic now the majority of buying and selling is still manual."[5] However, there are still obstacles which are limiting the use of programmatic buying on many markets and which are causing considerable distinctions in volumes traded through automated processes between the markets. The main aim of the article is to identify the position and share of programmatic buying in the Slovak markets' average digital investments "pie". The research of the main aim was supported by two sub-goals which contributed when defining the final conclusions of the article:

- Unveil the trend in investments into digital marketing platforms over recent years in the Slovak market;
- Ascertain whether investments in programmatic buying match the trend and follow the marketing costs tendency.

The methodology of the paper is conducted through a combination of various research methods. Collection, study, processing, and use of secondary data served as research methods used to find the answers to the first sub-goal. Press releases from IAB Slovakia containing required statistical data were used as the data source. IAB Slovakia is an association for online advertising which regularly publishes press releases about digital platforms and the situation in the online environment in Slovakia. Unfortunately, IAB Slovakia does not provide exact data about programmatic buying. This led the authors to look for additional data sources to complete the research and fulfill the second sub-goal. They used the potential of their existing cooperation with the company Starmedia Co., one of the biggest media agencies on the Slovak market. Starmedia Co. can be considered to be a benchmark of the market, since it represents the interests of various companies and market entities. Informal meetings, an interview with a programmatic specialist in the company, access to the company's internal system, and sensitive data provided to the authors enabled them to identify the share of programmatic buying on the overall digital investments "pie".

2 Programmatic in Slovakia

"The global of the 21ˢᵗ century has become a place where more and more demanding customers are seeking their satisfaction among countless competing offers and brands, where supply greatly exceeds demand."[6] Data-driven marketing helps brands to differentiate their offers, which is what makes these communication channels very trendy and part of almost every successful digital campaign. Cookies tracking, segmentation, and consecutive targeting creates great possibilities for effective message delivery towards the final consumer. In work with data, *"typically applied, statistical or machine learning algorithms look for explanatory factors that can predict demand with some degree of accuracy."*[7] Programmatic buying as a new purchase

---

5   *Attitudes Towards Programmatic Advertising: A Deep Dive into Sell-side Attitudes and Adaption.* [online]. [2017-05-25]. Available at: <https://iabeurope.eu/wp-content/uploads/2016/10/IAB_Europe_Attitudes_towards_Programmatic_ Advertising_sell_side.pdf>.

6   HUDEC, M.: Application of Econometrics in Marketing as a Significant Tool of Branding in the Context of Data Analysis, Mining and Mutual Data Correlations. In PETRANOVÁ, D., MATÚŠ, J. (eds.): *Marketing Identity 2016: Brands we Love – part II. Conference Proceedings.* Trnava : FMK UCM in Trnava, 2016, p. 102.

7   GRAY, C.: Commentary: Becoming Responsible Consumers... of Big Data. In *The International*

form allows firms to target the right consumer, with the right message, in the right place, which makes digital marketing more effective. Metrics such as ROI (return of investment) and ROMI (return of marketing investment) are reaching much better results in standard direct-buy campaigns, and are more relevant indicators in campaigns with signs of performance. Programmatic campaigns require a data management platform where all tracked information is processed and prepared for use. It might be quite difficult to create a platform like that from scratch. Existing foreign systems are, due to globalization and barrier free logistics, a great opportunity to adapt data-driven approaches in less technologically developed countries.

2.1 Current volumes allocated into digital media in Slovakia

All data in this part of the research were provided and processed on the basis of press releases from IAB Slovakia and IAB Global. IAB, or Interactive Advertising Bureau unabridged, is comprised of media and technology companies and currently is the only organization shaping, monitoring, and regulating the digital advertising ecosystem on a transnational level. Its mission is to promote the development of this highly innovative sector through:
- shaping the regulatory environment,
- investing in research,
- providing thought-leadership,
- establishing business standards,
- delivering education and training.[8]

IAB Slovakia defines the financial volumes allocated into digital communication on the basis of declarative data from IAB members, which currently covers more than 95% of Slovak digital subjects. The chart below illustrates the evolution of the revenues, in Euros, over time from the year 2012 until 2016.
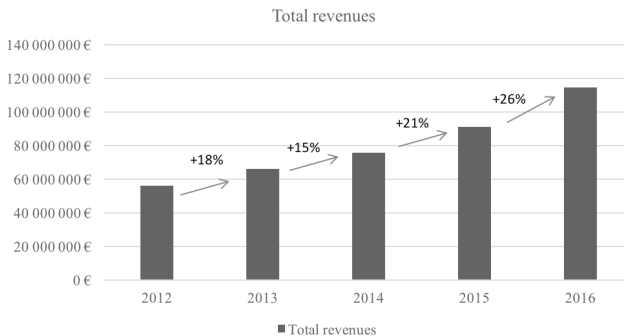
Chart 1: Annual revenues from digital advertisement of Slovakia IAB members
Source: *Príjmy z internetovej reklamy na slovenskom online trhu poskočili o 20,5 %.* [online]. [2017-06-05]. Available at: <https://www.iabslovakia.sk/tlacove-centrum/prijmy-z-internetovej-reklamy-na-slovenskom-online-trhu-poskocili-o-205/>.


Journal of Applied Forecasting, 2017, Vol. 3, No. 45, p. 17.
8   *IAB Mission & Activities.* [online]. [2017-05-30]. Available at: <https://www.iabeurope.eu/about/>.

The increase of publishers' revenue volumes flowing from the digital marketing formats since 2012 is significant. The average annual increment in revenues from digital advertisement represents 20%. This increasing trend has risen almost all the time except for one year, when the increment was slower than the year before. The increased investment in the digital formats is cutting down spending on non-digital platforms such as television, radio, print, and out-of-home media. If this increasing trend continues to at least follow the average, in the year 2020, revenues from the digital environment will be doubled and the increment in comparison with 2016 will be 80%. IAB members are committed to providing internal declarative data about their business and strategies. One of these data are revenues and cash flow from and into digital channels. IAB uses four digital categories for the determination of revenue sources:

- *Display* - banners, buttons, skyscrapers, overlays, interstitials, pop ups, mobile, display, video ads, programmatic, and RTB.
- *Classified and directories* - contextual PPC + catalogue advertisements.
- *Paid-for-search advertising* - advertisements displayed on the basis of a search.
- *Other* - email, newsletter, SMS/MMS, SEO, PR articles, native advertisement, and since 2015 also affiliate and sponsorship.[9]

This structure should serve as a template for other digital market subjects, especially members of IAB, to classify all revenues into the categories above. Such categorization has the potential to simplify the annual digital market reporting for the digital market landscape.
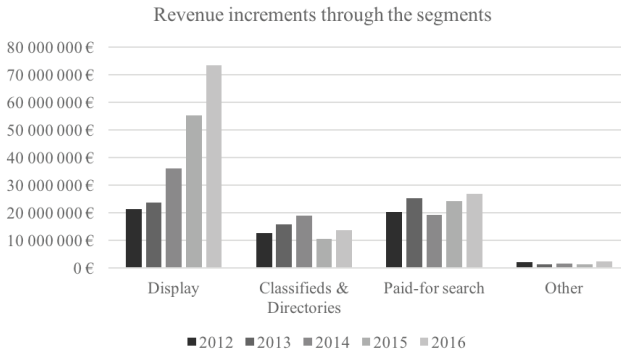
Chart 2: Annual revenue increments through particular segments of the digital advertisement of Slovakia IAB members.
Source: *IAB Slovakia Príjmy z online reklamy 2012 – 2016.* [online]. [2017-06-08]. Available at: <http://www.iabslovakia.sk/wp-content/uploads/2014/10/IAB-Slovakia-prijmy-z-online-reklamy-2012-2016.xlsx>.

---

9   *Príjmy z internetovej reklamy na Slovensku dosiahli v prvom polroku 2016 hodnotu 52 miliónov Eur.* [online]. [2017-06-05]. Available at: <https://www.iabslovakia.sk/tlacove-centrum/prijmy-z-internetovej-reklamy-na-slovensku-dosiahli-v-prvom-polroku-2016-hodnotu-52-milionov-eur/>.

The formats of data that readers are able to see in the chart above were conducted from unformed and unorganized data available in the source. The most significant segment in terms of revenue increase is obviously display. It shows a continually growing trend. This phenomenon is not surprising, and a growing trend was expected by marketers and also by scientists. According to Matúš, J. and Galera, J., "*more and more print media will appear as digital. People will get used to using tablets and smart phones. People will read books and newspapers and will watch television programmes on these devices. There will be a shift in costs – more expensive and traditional media will be replaced by less expensive digital platforms*".[10] This also includes programmatic buying. The average increase of display segment from the year 2012 until 2016 is 37.4%, whereas the rest of the three categories in total had alternately increasing and decreasing trends and on average achieved an increase of 6.3%. Unfortunately, declarative data differentiate the programmatic segment for only the last 2 years, and it is part of display revenues and exact numbers in terms of programmatic revenues which are not available. Press releases contain only indicators, which on the basis of induction and deduction methods offer an approximate picture about the position of the programmatic in the investment "pie". For instance, the programmatic share in all display revenues reached a 64% increase in 2016, which is significantly boosting the display segment. Due to the year-by-year increase trend and other market indicators, there is a prediction that programmatic will increase even more and will make up the majority of display revenues in the future.

2.2 Share of programmatic buying type in media mix "pie"

There is a prediction that rapidly increasing revenues / investments into the display category in the Slovak market will also rapidly boost the share of programmatic buying in the digital revenues / investments "pie". An obstacle in determining the share of programmatic is that such data are not regularly reported. Even members of IAB are committed to reporting only the display category as a whole, without the obligation to convey exact shares of sub-segments such as banners, buttons, skyscrapers, overlays, interstitials, pop ups, mobile, display, video ads, programmatic, or RTB. Unfortunately, Slovakian members, and Slovakia as a country, do not report the relative share of sub-segments, and so reporting on the share of programmatic in display revenues / investments does not exist. To determine revenues / investments into programmatic buying, the authors cooperated with media agency Starmedia Co. This media agency is the most suitable object to conduct research in terms of media spending because it represents a vast scale of brands and undertakes the role of financial resources redistributor.

According to Arul, PG., "*these days clients prefer this way of media buying mostly to any other. Because all services like creativity, planning and buying are available at one place; it saves time, money and provides coordinated, expertised help to the clients.*"[11] Financial redistribution is based on the creation of a specialized media communication strategy. The power of media agencies consists of reinvesting financial volumes into media

---

10   MATÚŠ, J., GALERA, J.: Current Trends in Media Environment Transformation. In PETRANOVÁ, D., MAGÁL, S. (eds.): *Megatrends And Media: Media Farm – Totems And Taboo. Conference Proceedings.* Trnava : FMK UCM in Trnava, 2016, p. 95.

11   ARUL, P. G.: Media Buying Practices of Integrated Ad-Agencies to Deliver Advertisement Through TV Channels. In *Amity Global Business Review*, 2014, Vol. 9, p. 110.

suppliers. Huge invested financial volumes generated from several clients are able to secure better prices in terms of higher discounts applicable on regular prices. Media agencies dispose highly specialized employees who have know-how in the creation of the most valuable communication strategies and in creating the most effective media plans. In the role of main contributors in media plan creation are media planners and buyers. *"The media buyers consider the different aspects, while purchasing the media, like space available at the time required or space available at the next best time available, a good position, an option which may be held open for an initial period, if further consideration is needed, and economy / cost effectiveness possibilities. In the booking of order the following are included; the size, position, cost and discounts for the booked time, and checking the flat plan to see if it is available."*[12]

2.3 Starmedia Co.

Starmedia Co. is a media agency driven by innovations in the area of media communication. Its present portfolio contains a vast scale of small, medium, and large businesses, including local and also global brands. The current brand portfolio consists of renowned brands such as Heineken, The Coca Cola company, OMV, Imperator, etc. The main aim of the company is to correctly identify target groups, properly research the market, create relevant insights, and use all these data for the creation of accurate communication strategies for clients. Starmedia Co. is continually collecting awards in various international and local marketing contests such as Flema, Zlatý klinec, etc. Just a year ago it was awarded Slovak Agency of the Decade, which is a brilliant success. Starmedia Co. is part of international network Starcom / Publicis Media, with 100% local ownership. It is also part of a local agencies group which consists of a full service digital agency, social media agency, and creative and production agency. Proximity and mutual long-term relations create great opportunities for cooperation. The results of this cooperation are overall campaigns containing creative, production, and media ideas which go further than fundamental media planning.[13]

Starmedia Co. was established as the most suitable cooperation partner for the paper's research purposes. The most valuable contact was identified as the employee of Starmedia Co. operating within the position of RTB specialist / Digital Coordinator. The contact has 10 years' experience in digital marketing and is the main employee and contact in terms of programmatic buying in the agency. Starmedia is also an IAB member. Despite this fact, it has a slightly different categorization of digital investments. Starmedia Co. focus on media spending allocated into five defined categories:
- *Display* – standard formats, rich media formats, programmatic + RTB, affiliate, Google Display Network.
- *Search*.
- *Social* – Facebook, Instagram, Youtube.
- *Video* – local video suppliers.
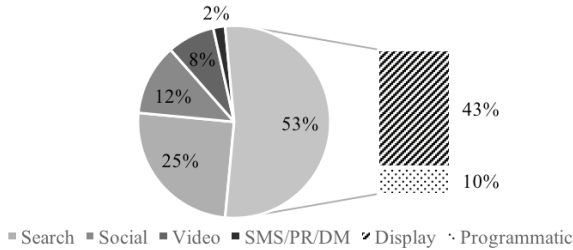- *SMS/PR/DM* – native advertising included.

---

12   Ibidem, p. 112.
13   *Starmedia Co. About.* [online]. [2017-06-15]. Available at: <http://starmedia.sk/>.

Their categories are slightly different from those of the IAB. However, programmatic buying and RTB buying are also part of the Display category.

2016 digital investment share

Chart 3: Share of the programmatic buying form in digital investments allocated through the media agency Starmedia Co.
Source: *Starmedia Intelligence (Starmedia Internal Employees Team). 2017 Brands Strategy.* [Document for whole client portfolio]. Bratislava : Starmedia Co., 2017.

56% represents the most significant part of the investment "pie", and it was allocated into the Display category in 2016. This trend is very similar to that reported by the IAB in its press releases containing data from the whole market. The second biggest part, 25%, is Social. This is followed by the Video and SMS category. Programmatic buying is part of the Display category and it gained 10% of the whole investment "pie". The rest of the Display category (43%) belongs to standard formats, rich media formats, affiliate, and Google Display Network. All data are collected from the internal system of Starmedia Co. (specifically from Adform and Crimtan dashboards, Gemius Direct Effect, and internal cash flow software). Internal calculations compare real media investments in the year 2016 with predictions for 2020. Starmedia Co. assume a slight decrease of media spending into the display category as a whole in favor of the remaining four categories. The important prediction is programmatic.
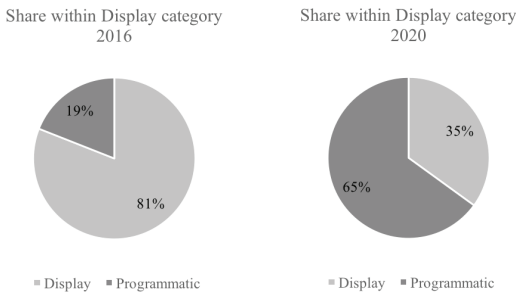
Chart 4: 2016 investments share within the Display category according to Starmedia Co.'s definition
Source: *Starmedia Intelligence (Starmedia Internal Employees Team). 2017 Brands Strategy.* [Document for whole client portfolio]. Bratislava : Starmedia Co., 2017.

The chart above describes the share of programmatic buying in the Display category of the digital investments "pie" and has two parts:

- The first part, on the left-hand side, describes the share of programmatic buying within the Display category in 2016. It represents the current situation, where the rest of the formats still have the majority.
- The second part, on the right-hand side, describes Starmedia Co.'s prediction for the year 2020, where the programmatic creates 65% and is the overtaking majority. The rest of the display formats have 35%.

The message here is clear – subjects on the Slovak market (on the basis of Starmedia Co. as a market benchmark) are currently working with programmatic buying methods; however, they are dedicating it only a minority of digital marketing investments. Despite the current situation, the market believes there will be a massive increasing trend of the programmatic in the next few years. The authors conducted a short informal interview with their contact from Starmedia Co. which enabled them to identify reasons to believe this assumption:

- local publishers will access more advertising positions for programmatic networks and DSP platforms,
- advertisers will continually educate internal human resources regarding this purchase type,
- the programmatic software will continually decrease digital advertising costs,
- it will also increase the delivery of KPIs and boost the effectiveness of campaigns,
- local marketing agencies will create data management platforms with 100% ownership and will use the data in programmatic buying,
- an open market will bring even more programmatic possibilities, such as purchasing TV, radio, or even print or out-of-home media space.

In spite of the reasons above, Slovakia is a trend follower. Foreign countries and foreign marketing subjects are using programmatic buying most frequently and are dedicating significantly higher financial volumes into programmatic buying. There is a strong assumption that Slovakia, as a trend follower, will adapt these purchase models to a greater extent over the next few years.

Conclusion

Digital marketing is the most dynamic and fastest-evolving area of marketing. Its place in almost every marketing media plan is undeniable. It is growing so fast that it is creating its own specialized sub-segments, such as display, PPC, programmatic etc. This sub-segmentation opens the space for the emergence of new job positions or whole agencies oriented specifically at a particular segment. Digital marketing is generating an enormous quantity of data, and some of these segments are utilizing them. Programmatic buying is one of them. Its purpose is to use these data for more effective communication strategies in the digital environment. Programmatic is, due to its' advantages, very widespread and experiences a steady growth. The first sub-goal of this article was to unveil the trend in investments into digital marketing platforms over recent years. The authors' research has shown that the investments into digital marketing in the Slovak market are growing year by year, and the average

annual increment since 2012 represents 20%. There is substantial evidence available to expect that this trend will continue in the future, too.

The second sub-goal of the paper was to ascertain whether investments in programmatic buying match the trend and follow the digital marketing costs tendency. To achieve the outcomes defined in this sub-goal, the authors cooperated with one of the most successful local media agencies, Starmedia Co. We collected information which reveals that the current investment into programmatic buying represents 19% of the whole digital media investment package. This number might be considered as the Slovak market benchmark. Starmedia Co. also predicts a significant rise in the programmatic buying share, to about 65% within the Display category by 2020. It is very important to be precise in the interpretation of the numbers provided by this research. There are many points of view in terms of digital market investments, and it is necessary to identify the key parameters to create conclusions. The most important conclusions of the research in terms of numbers in the Slovak market include:
- programmatic buying currently has a 10% share in the Digital investments category,
- programmatic buying currently has a 19% share in the Display category,
- predictions declare an 80% increase in digital investments by 2020,
- predictions declare a 46% increase in investments into programmatic buying from within the Display category by 2020.

Programmatic buying does not currently have a very significant share in the digital investments "pie". However, short-term predictions are unveiling a bright future for this purchasing method. The increasing trend of programmatic buying will not match the intensity of the growing trend of the digital segment; however, it will significantly increase its current share of the investment "pie".

References:

ARUL, P. G.: Media Buying Practices of Integrated Ad-Agencies to Deliver Advertisement Through TV Channels. In *Amity Global Business Review*, 2014, Vol. 9, p. 108-118. ISSN 0975-511X.
Attitudes towards Programmatic Advertising: A Deep Dive into Sell-side Attitudes and Adaption. [online]. [2017-05-25]. Available at: <https://iabeurope.eu/wp-content/uploads/2016/10/IAB_ Europe_Attitudes_towards_Programmatic_Advertising_sell_side.pdf>.
Desktop Search Engine Market Share. [online]. [2017-05-23]. Available at: <https://www.netmarketshare.com/search-engine-market-share.aspx?qprid=4&qpcustomd=0>.
Google Trends. [online]. [2017-08-31]. Available at: <http://trends.google.com/>.
GRAY, C.: Commentary: Becoming Responsible Consumers... of Big Data. In *The International Journal of Applied Forecasting*, 2017, Vol. 3, No. 45, p. 15-19. ISSN 1555-9068.

HUDEC, M.: Application of Econometrics in Marketing as a Significant Tool of Branding in the Context of Data Analysis, Mining and Mutual Data Correlations. In PETRANOVÁ, D., MATÚŠ, J., MENDELOVÁ, D. (eds.): *Marketing Identity 2016: Brands we Love – part II. Conference Proceedings.* Trnava : FMK UCM in Trnava, 2016, p. 93-103.

IAB Mission & Activities. [online]. [2017-05-30]. Available at: <https://www.iabeurope.eu/about/>.

IAB Slovakia Príjmy z online reklamy 2012 – 2016. [online]. [2017-06-08]. Available at: <http://www.iabslovakia.sk/wp-content/uploads/2014/10/IAB-Slovakia-prijmy-z-online-reklamy-2012-2016.xlsx>.

MARK, D.: Living in Media and the Future of Advertising. In *Journal of Advertising*, 2016, Vol. 45, No. 3, p. 326-333. ISSN 0091-3367.

MARTÍNEZ-MARTÍNEZ, I. J., AGUADO, J., BOEYKENS, Y.: Ethical Implications of Digital Advertising Automation: The Case of Programmatic Advertising in Spain. In *El Profesional de la Información*, 2017, Vol. 26, No. 2, p. 201-210. ISSN 1386-6710.

MATÚŠ, J., GALERA, J.: Current Trends in Media Environment Transformation. In PETRANOVÁ, D., MAGÁL, S. (eds.): *Megatrends And Media: Media Farm – Totems and Taboo. Conference Proceedings.* Trnava : FMK UCM in Trnava, p. 88-96.

POPA, A. L., TARCA, N. N., SASU, D. V.: An Experiment on Using Online Marketing Tools for Promoting Higher Education Services. In *Economic Science Series*, 2016, Vol. 25, No. 2, p. 588-593. ISSN 1582-5450.

Príjmy z internetovej reklamy na slovenskom online trhu poskočili o 20,5 %. [online]. [2017-06-05]. Available at: <https://www.iabslovakia.sk/tlacove-centrum/prijmy-z-internetovej-reklamy-na-slovenskom-online-trhu-poskocili-o-205/>.

Príjmy z internetovej reklamy na Slovensku dosiahli v prvom polroku 2016 hodnotu 52 miliónov Eur. [online]. [2017-06-05]. Available at: <https://www.iabslovakia.sk/tlacove-centrum/prijmy-z-internetovej-reklamy-na-slovensku-dosiahli-v-prvom-polroku-2016-hodnotu-52-milionov-eur/>.

Starmedia Co. About. [online]. [2017-06-15]. Available at: <http://starmedia.sk/>.

Starmedia Intelligence (Starmedia Internal Emplyees Team). 2017 Brands Strategy. [Document for whole client portfolio]. Bratislava: Starmedia Co., 2017.

Contact data:
Ing. Martin Kuchta
University of Economics in Bratislava
Faculty of Commerce
Dolnozemská cesta 1
852 35 Bratislava
SLOVAK REPUBLIC
martin.kuchta@euba.sk

assoc. prof. Ing. Andrej Miklošík, PhD.
University of Economics in Bratislava
Faculty of Commerce
Dolnozemská cesta 1
852 35 Bratislava
SLOVAK REPUBLIC
andrej.miklosik@euba.sk

MARKETING STRATEGIES AND COMMUNICATION PROBLEMS OF SMALL AND MEDIUM-SIZED E-SHOPS IN THE SLOVAK MARKET

Alena Kusá – Zuzana Záziková

Abstract

The trend of e-shops and online selling is on a constant growth in almost all the fields of business. New e-shops with different focus and specialisation have emerged either worldwide or in the Slovak market, which increases the competitiveness. Attracting attention of online consumers and leading them to the final step, which is purchase, has already become a challenge. In the online environment, consumers are really flexible when searching and comparing the prices of various e-shops in order to purchase in the most effective way. Building a strong brand name and consumer loyalty through a sophisticated marketing strategy with a great deal of communication activities is a key to success of the whole e-tail business.

Key words:
Brand. Communication. E-shop. Market. Marketing. Strategy.

1 Marketing strategy

The marketing strategy has to be sophisticated and created by the team of experts with certain strategic goals to be reached. Strategic planning of marketing steps is essential when building a brand, its values and customer loyalty. The strategy should benefit from all the market opportunities while taking all the possible risks into consideration in order to eliminate them. Even though the topic of the marketing strategy has already been dealt with by various authors, its definitions vary considerably. However, the authors agree that in order to reach specific goals, it has to include the following steps: decisions on costs and expenses, communication activities, time schedule, CSR activities and targeting communication towards customers or competitors. By Lesáková, long-term company goals have to be defined, methods for reaching the goals have to be selected and resources allocated. The strategy has to be active as its main role is to influence the market environment rather than just react passively to influence on the market where the brand has been positioned.[1] By Kotler, the marketing strategy is seen as a marketing logics by means of which a business targets its key marketing goals. It consists of decisions on marketing costs, marketing mix and allocation of marketing resources in relation to anticipated environmental and competitive conditions.[2] Horáková understands that the strategy defines a specific direction a brand is going to take within a certain time period and it results in the most effective allocation of resources to reach marketing goals of the company.[3]

When determining the strategy it is worth noting the following facts:
- *to select the strategy how to reach a goal;*
- *to determine internal strong and weak qualities;*
- *to identify external opportunities and threats;*
- *to determine company activities;*
- *to define the way of resource allocation;*

---

1 LESÁKOVÁ, D. et al.: *Strategický marketingový manažment.* Bratislava : Sprint, 2001, p. 22.
2 KOTLER, P. et al.: *Moderní marketing*. Praha : Grada, 2007, p. 683.
3 HORÁKOVÁ, H.: *Strategický marketing.* 2nd Edition. Praha : Grada, 2003, p. 11.

• *to select the optimal strategy to be implemented for particular segmets.*[4]

By Jakubíková, the following areas should be considered when creating a marketing strategy:
- • Customers´ needs. The question is: What customers will be satisfied? – Customer satisfaction model.
- • Company abilities and competences. What specific abilities and skills do we need to satisfy the needs of target customers? – Key competences and SWOT analysis.
- • Competitors. Who is competing with us in satisfying customers´ needs? – Competitive advantage.
- • Cooperation. Who should we address to help us? – Strategic alliances.
- • Context. What cultural, technological and legal factors limit company activities? – PEST analyses.[5]

Doing business without a proper marketing strategy is rather difficult and can be even threatening for a brand due to unconsidered steps and unclear communication activities which may cause customers´ distrust and doubts.

2 Online shopping by e-shops

Online shopping has become a part of everyday life not only for the young generation but also all the age groups as it enables us to buy clothes, household appliances, medicine, food, holidays or reserve various services. E-shop is a form of shopping and sale of products and services with the payment online or upon delivery. The authors Pride, Hughes and Kapoor define e-shops as organised efforts of individuals to produce and sell goods and services to earn money and satisfy the needs of the society by way of devices connected to the Internet.[6] Since 2006 the Slovak Association for Electronic Commerce is in charge of protecting consumers´ rights in the Slovak online market. Its main duties are as follows:
- • representing interests of e-sellers in relation to third parties;
- • creating and promoting the code of ethics of e-shops;
- • providing e-sellers with various support services, e.g. informational, promotional, legal, business services, etc.;
- • certification of e-sellers as amended by the statutes;
- • organising statistical and marketing research in the field of e-shopping in Slovakia.[7]

In the year 2016 Slovak consumers purchased at the total amount of 703 million EUR. There is a growth forecast for the year 2017 with the total amount of 815 million EUR, which accounts for a 16 % increase. The data were published by the price comparison website Heureka which found out that up to 43% of Slovak consumers

4   KUSÁ, A., PIZANO, V.: *Marketingové analýzy a stratégie*. Trnava : FMK UCM in Trnava, 2011, p. 19.
5   JAKUBÍKOVÁ, D.: *Strategický marketing*. Praha : Vysoká škola ekonomická, 2008, p. 137.
6   PRIDE, W. M., HUGHES, R. J., KAPOOR, J. R.: *Business*. USA : Houghton Mifflin Company, 2008, p. 25.
7   *Internetový obchod*. [online]. [2017-10-01]. Available at: <http://www.saec.sk/sk/internetovy-obchod>.

were doing their online shopping through a smartphone, which is much more than in the Czech Republic.[8] E-shops should meet different criteria in order to ensure comfortable, quick and functional shopping. From the technical and functional point of view e-shopping is accurate searching for products with detailed information, simple purchase (as for the size or the quantity), fast registration, secure payment or product delivery options. As in the case of mortar and brick shops, there are various advantages and disadvantages for consumers. The advantages of online shopping from the consumers´ point of view are as follows:

• shopping at any time in the comfort of one´s home,
• quick price comparison,
• time saving,
• doing shopping from abroad,
• quick shopping,
• quick product delivery,
• online payment,
• detailed information on products anytime or online chat,
• virtual auctions.

The disadvantages of online shopping from the consumer´s point of view are as follows:

• impossibility to examine the goods,
• absence of personal contact,
• fear from uknown e-shops,
• unclear future existence of an e-shop,
• not meeting delivery terms,
• unclear payment conditions,
• false company data,
• online advice only.

In 2015 the price comparison website Pricemania conducted the research of online behaviour of the Slovaks on a sample of 5,210 respondents. Its main goal was to define to what extent Slovak online consumers used the Internet and how they shopped online – frequency of shopping, what products they bought, what criteria they took into consideration when selecting an e-shop, how they selected the products or if they have ever used price comparison websites, etc. The basic question was „**What do people use the Internet for?",** with only one possible answer to give:

• searching for general information – 31%;
• communication – 18.08%;
• work – 16.03%;
• searching for product or service information – 14.89%;
• entertainment – 14.41%;
• purchase of products and services – 5.59%.[9]

---

8   *Slováci by mali tento rok utratiť v e-shopoch okolo 815 miliónov €.* [online]. [2017-10-01]. Available at: <http://instoreslovakia.sk/2016/11/951/>.

9   DUNÁROVÁ, P.: *Zrealizovali sme prieskum nákupného správania Slovákov na internete*. [online]. [2017-10-01]. Available at: <http://blog.pricemania.sk/pre-e-shopy/58-zrealizovali-sme-prieskum-nakupneho-spravania-slovakov-na-internete>.

There could have been more options when answering the question, which explains why purchase of products occupied the last position. Simultaneously searching for information is closely connected with the final step – purchase of products. The other question in relation to purchasing behaviour of the Slovaks on the Internet is **„Where do you search products you would like to buy online?"**:
  • price comparison websites – 54.32 %;
  • Google – 51.04 %;
  • a specific e-shop – 29.12 %.[10]

Based upon the results we may assume that consumers regard the price of products or services as the main motivation factor as they often compare prices through price comparison websites, e.g. Pricemania or Heureka, which are market leaders in Slovakia. At the same time, almost 30% of respondents visit a specific e-shop with excellent awareness and knowledge. The more regular purchase, the closer is the relationship between a consumer and a particular e-shop. It is interesting to note that men use the above mentioned price comparison websites more often than women while exactly 63% of people buying electronics do so through price comparison websites. On the contrary, Google seems to be more popular when buying clothes online. **The products which are the most often purchased online** in the Slovak market are as follows:
  • electronics – 63.28 %;
  • clothes – 39 %;
  • household appliances – 24.70 %;
  • books – 19.67 %;
  • cosmetics – 17.54 %;
  • watch and jewellery – 9.50 %;
  • furniture – 4.84 %;
  • films and music – 3.86 %.[11]

3 Communication problems of Slovak e-shops

As consumers have much less time for traditional shopping due to their fast lifestyle, they tend to opt for a more comfortable way of shopping – e-shopping, which save their time as well as money. There have been new e-shops having emerged in the Slovak market offering various products and services, attracting new customers and leading them to a final step – purchase. With regard to tough competition in the online environment, e-shops may face new challenges, e.g. they may find it much more difficult to find loyal customers in the online environment. Therefore e-shops should use a set of communication activities in order to make their offer attractive and enhance consumers´ awareness. Small and medium-sized e-shops with a different specialisation may encounter existence problems or have doubts about what tools to use for their communication activities. Large e-shops have enough financial resources to be allocated for marketing and the whole marketing team which is in charge of PR communication or they have their own advertising agencies to promote their communication strategies. As far as smaller e-shops are concerned,

---

10   Ibidem.
11   Ibidem.

their basic problem may lie in a limited budget for marketing which reflects on their unprofessional, incomplete and inconsistent strategy. They often communicate through various types of media but their communication output seems to be rather different as they do not use corporate colours, lack a design manual and finally a consumer fails to match the advertising with the brand. Improper budget allocation for marketing seems to be another problem as there is no person in charge of the marketing strategy with sufficient marketing skills. In other words, the budget is not properly set. Online campaigns may target different groups of potential consumers yet incorrect targeting can lead to low effectivity as well as unsuccessful and ineffective campaign. Consequently, larger e-shops prefer using services of online agencies in order to adjust their campaigns to their objectives.

3.1 Marketing research – partial outcomes

Based upon the secondary data, we conducted marketing research in the selected small and medium-sized Slovak e-shops in order to analyse their management responsibilities and marketing communication. Overall, 30 e-shops were filled in the online questionnaire. Please find below all the interesting findings from the research. Responsibility for marketing activities:
- Small or medium-sized enterprises do not have a specific member of staff to be in full charge of marketing and marketing communication activities. There are various possibilities how to deal with such a staff issue. Within our sample, marketing manager may be an option. The importance of this work position has grown recently. The answers of very small or new e-shops are rather different. There is usually a person of a business owner who is able to communicate with customers or a member of staff who is in charge of different fields of marketing.
- the whole team – 0 %;
- marketing manager – 60 %;
- a member of staff who is in full charge of marketing – 30 %;
- e-shop management – 10 %;
- nobody 0 %.

Products sold by the selected e-shops:
- It is important to know what products the respondents buy in the online environment. Small and medium-sized enterprises having taken part in the research offer various product lines or a mixed product portfolio. E-shops selling clothes and accessories top the chart of e-shops in Slovakia, which may explain why so many fashion brands have launched e-shops beside their mortar and brick outlets in order to offer limited editions or special product lines. Cosmetics comes the second while electronics and household appliances occupy the third position with a lower price as their main advantage.
- clothes – 40 %;
- cosmetics – 25 %;
- electronics and appliances – 20 %;
- sports equipment – 15 %;
- books – 12 %;
- services – 8 %.

Offline vs online communication activities:
- We also researched what activities an e-shop uses to promote its products in the market and increase consumers´ awareness. As there are many different e-shops with a large number of product lines, ways and channels of communication are of high importance:
- offline activities – 0 %;
- online activities – 40 %;
- combination of offline an online tools – 60 %.

Communication in the offine environment:
- More than a half, i.e. 60% of e-shops having participated in the research use combination of online and offline communication tools. Our main goal was to find out about particular possibilities of use of offline communication tools e-shops apply to build a strong brand:
- print advertisements – 40 %;
- OOH advertising – 10 %;
- TV commercials – 0 %;
- radio commercials – 3 %;
- PR articles – 20 %;
- sponsorship – 20 %;
- events – 15 %;
- leaflets – 50 %;
- sale promotion – 3 %;
- none – 40 %.

Communication on social networking websites:
- Nowadays social networking websites have become an important communication channel as their users stand for potential customers and spend a lot of time online. Due to high consumers´ requirements, being online on social networking websites is not enough, but it is essential for a brand to be active, communicative and bring about an exclusive content which is not communicated by any other medium. As for online shopping, it is rather easy to direct a consumer to an e-shop by way of social networking websites either with a direct or an indirect appeal for purchase. Please find the list of websites e-shops use to communicate with their customers:
- Facebook – 97 %;
- Instagram – 70 %;
- Twitter – 35 %;
- Youtube – 30 %;
- Google+ – 20 %;
- LinkedIn – 20 %;
- Pinterest – 15 %;
- None – 3 %.

Conclusion

Online shopping has become a household name for the majority of consumers in Slovakia. As a result, a large number of e-shops have emerged in the market. Their

main goal is to beat competitors and attract consumers´ attention by way of effective marketing communication and communication activities. Even though e-shops tend to use online communication with their consumers, the combination of offline and online tools appears to be much more appreciated. Nowadays there are various channels how to address consumers and motivate them to purchase. However, proper combination and the way of communication with the target audience are a key to success. Due to insufficient knowledge of marketing, improper focus on target audience or wrong allocation of the budget, various communication problems of e-shops may occur. While bigger   e-shops have an advantage over small or medium ones, their product portfolio and quality may not differ. Neverthless, their marketing activities and attractive promotion at a right time and on a right place represent a great competitive advantage. Thanks to effective communication, popular e-shops can build a strong brand name and brand awareness in the market.

References:
DUNÁROVÁ, P.: *Zrealizovali sme prieskum nákupného správania Slovákov na internete.* [online]. [2017-10-01]. Available at: <http://blog.pricemania.sk/pre-e-shopy/58-zrealizovali-sme-prieskum-nakupneho-spravania-slovakov-na-internete>.
HORÁKOVÁ, H.: *Strategický marketing.* 2nd Edition. Praha : Grada, 2003.
Internetový obchod. [online]. [2017-10-01]. Available at: <http://www.saec.sk/sk/internetovy-obchod>.
JAKUBÍKOVÁ, D.: *Strategický marketing*. Praha : Vysoká škola ekonomická, 2008.
KOTLER, P. et al.: *Moderní marketing*. Praha : Grada, 2007.
KUSÁ, A., PIZANO, V.: *Marketingové analýzy a stratégie*. Trnava : FMK UCM in Trnava, 2011.
LESÁKOVÁ, D. et al.: *Strategický marketingový manažment*. Bratislava : Sprint, 2001.
PRIDE, W. M., HUGHES, R. J., KAPOOR, J. R.: *Business*. USA : Houghton Mifflin Company, 2008.
Slováci by mali tento rok utratiť v e-shopoch okolo 815 miliónov €. [online]. [2017-10-01]. Available at: <http://instoreslovakia.sk/2016/11/951/>.

Contact data:
prof. Ing. Alena Kusá, PhD.
University of SS. Cyril and Methodius in Trnava
Faculty of Mass Media Communication
Námestie J. Herdu 2
917 01 Trnava
SLOVAK REPUBLIC
alena.kusa@ucm.sk

Mgr. Zuzana Záziková
University of SS. Cyril and Methodius in Trnava
Faculty of Mass Media Communication
Námestie J. Herdu 2
917 01 Trnava
SLOVAK REPUBLIC
zuzana.zazikova@gmail.com

TARGET MARKETING CAMPAIGN AND SOCIAL MEDIA BAN: A SUCCESSFUL STORY OF PEOPLES´ PARTY OUR SLOVAKIA

Jaroslav Mihálik – Matúš Jankoľa

Abstract

Targeted political campaign on the web or social networks can be one of the key factors for getting political support for the political party. The parties are also targeting voters, investing in campaigns and adjusting their content focusing on their own ideological level. The presented study deals with the political communication of the Slovak political party Ľudová strana Naše Slovensko (PPOS), through the social networks and the web portal of the party. This far-right political subject has, since April, a very limited ability to communicate on Facebook's social network because of blocking the party's profile. The aim is to point out the basic communication elements of this political subject on the basis of content analysis and to demonstrate the situation in which the party and the relatively limited ability to communicate in national media or social networks can easily mobilize its voters and promote their program. Continuous surveys provide stable electoral support. The presented analysis will also attempt to point out that in a relatively small country like Slovakia, a political subject does not need to invest large sums to get to the parliament but also to influence the political developments in the country.

Key words:

Communication. Marketing. Peoples´ Party Our Slovakia. Social Media. Target Campaign.

1 Introduction

Modern political parties use many forms of communication and strategies to obtain adequate electoral support. These strategies have a priority to reach the voter, to target the necessary population, but last but not least to present themselves, their opinions, visions for the future, or the political agenda. In the past, when the level of communication was at a much lower level, the *face to face* method of direct contact with the voter was used as a matter of priority, and this communication is now mostly addressed through social networks, web portals, and blogs.[1] In this way, political parties are able to reach out to a larger number of potential voters, communication is simpler and financially less demanding. Consequently, a targeted campaign on the web and social media may, in a relatively small country like Slovakia, eliminate to a certain extent the need for remarkable investments for private companies involved in the development of marketing strategies. Social media marketing can thus present a new communication weapon for modern political parties. Traditional communication tools, according to the authors, are receding; on the contrary, this "communication modern" can be considered as a trend of the present and the future at the same time, in addressing predominantly younger and middle generation of potential voters, and is therefore also used by parties that are ideologically radical. The aim of this research paper is to evaluate the media communication of the far-right political subject of the People's Party Our Slovakia (PPOS). The party has its communication via social network Facebook markedly limited since it was blocked due to radical and extremist features and therefore had to choose alternative sources of communication. The research is operated through an analysis whether the party has used an untraditional form of communication, in terms of quantitative measures as it fills more of its website

---

1   HORVÁTH, P., MELUŠ, M.: Media Games in the Background of Slovak Parliamentary Election in 2016. In *Communication Today*, 2017, Vol. 8, No. 1, p. 67.

by promoting traditional marketing strategies? Can the party actively mobilize its voters and stabilize preferences in spite of this deficit? Is a political party capable of active communication without a real agenda while showing very good preferences?

2 Target oriented website political marketing

Compared to online marketing with other forms of presenting own products on our scale of party attitudes or election promises, targeted website political marketing more positive in terms of enabling the customer (voter) to cooperate with the seller (political party, electoral leader) to build lasting and interactive relationship. Owen argues that this modern form of communication over the internet has made it possible to use the viral marketing, which relies primarily on the public, drawing on social networking information.[2] Epstein, in his publication entitled *Evaluating the Effectiveness of Internet Marketing Initiatives*, also emphasizes the interaction of relationships. When looking at Internet Marketing, he presented some of the most common activities that are involved in creating an effective communication strategy for this method.[3] Such activities include:
   • Preparation of the web site of the organization;
   • Placing the visible advertisement on the web site;
   • Sending email messages to the clients;
   • Efforts that the organization should be at the top of the search engine results.

The marketing of political parties does not differ radically from business marketing. Marketing in politics and leaders' presentations highlight the personal aspects and issues that voters can associate with the choice of party. A good set-up of the communication strategy is therefore necessary to obtain a good electoral result, build your own image, not least to get real feedback from the society.[4] At the turn of the centuries, the communication process has seen a radical breakthrough and a paradigm shift in the use of Internet campaigns. Between 1999 and 2007, there was a perceptible increase in campaigns of this type when the consumer voted to become an active participant in electoral processes. Digitizing and modernizing technologies have brought bottom-up communication, which has often brought greater competences and opportunities for policymakers to express themselves and make their own views easier.[5] It is also worth noting that, while using this type of communication, it is obvious that even minority or extremist-oriented political parties, which have not previously had a meaningful role and influence in politics, now represent their voters in parliament, have stable electoral support and, at the same time, social establishment. The place and role of the media is becoming more inevitable. Howard has explained the use of social networks during the Arab Spring

---

2   OWEN, R., HUMPHREY, P.: The Structure of Online Marketing Communication Channels. In *Journal of Management and Marketing Research*, 2009, Vol. 2, No. 4, p. 56-58.

3   For more information, see: EPSTEIN, M. J., YUTHAS, K.: *Evaluating the Effectiveness of Internet Marketing Initiatives*. Toronto, Canada : The Society of Management Accountants of Canada, the American Institute of Certified Public Accountants, The Chartered Institute of Management Accountants, 2007.

4   LILLEKER, G. D.: *Key Concepts in Political Communication*. London : Sage Publications, 2006, p. 125.

5   ZUNIGA, G. H. et al.: Digital Democracy: Reimagining Pathways to Political Participation. In *Journal of Information Technology & Politics*, 2010, Vol. 7, No. 1, p. 36-38.

as follows. Twitter, in his words, mobilizes the community, Facebook keeps it up and develops, and Youtube offers videos that can serve a very simple form of journalism. Consequently, ordinary citizens have had the opportunity to engage in political action through such an informal basis.[6]

3 The use of social media in politics

More increasingly, social media is becoming an indispensable part of the marketing tools in politics. Their specific role is therefore to communicate better, relatively simply and in a way to direct society to the interests shared by the party. Social media are used in the political context in the following ways:

- *Relationship building* – Political parties that did not maintain the active relationship of their structures and voters recorded less efficiency in political campaigns and management of collective actions.[7] Social media make it possible to create such relationships and provide the opportunity to build trustworthy relationships, thereby increasing the empathy of the party's sympathizers towards the party as such. At the same time, the political party has the opportunity to address problems with at least partial feedback from potential voters.
- *Organizing and communicating the campaign* – among the most important factors that are related to the effective use of social networks and sites, are the improvements of the party's communication abilities. Building communities on social networks has become a rule for almost all modern political parties. Taking advantage of these types of media can be both an impetus and means for a relatively successful organization of offline actions.[8]
- *Political engagement* – refers to the level at which a person or a given constituency mobilizes alongside the party's political process.[9] In the literature, social capital is described as a union of people within an organization or institution, based on a common identity or purpose. It can therefore be argued that the sum of the social capital, which has a political structure, a party or a particular candidate among the citizens, determines its mutual social relationship among the voters.
- *Political crowdsourcing* – can be defined as an act through which the party seeks to achieve the objective in the public sphere through community efforts.[10] It allows public participation and contribution to solve problems that only a few highly qualified experts or employees of the organization would require.

---

6   HOWARD, P. N. et al.: *Opening Closed Regime: What Was the Role of Social Media During the Arab Spring? Project on Information Technology and Political Islam Data Memo 2011.* Seattle : University of Washington, 2011. [online]. [2017-10-12]. Available at: <https://deepblue.lib. umich.edu/bitstream/handle/2027.42/117568/2011_Howard-Duffy-Freelon-Hussain-Mari-Mazaid_PITPI.pdf?sequence=1&isAllowed=y>.

7   DALE, A., STRAUSS, A.: Don´t Forget to Vote: Text Message Reminders as a Mobilization Tool. In *American Journal of Political Sciences*, 2009, Vol. 53, No. 4, p. 789.

8   HARFOUSCH, R.: *Yes, We Did. An Inside Look at How Social Media Built the Obama Brand*. Berkeley : New Riders, 2009, p. 99.

9   DAHLGREN, P.: *Media and Political Engagement: Citizens, Communication and Democracy*. New York : Cambridge University Press, 2009, p. 22.

10   GARRIGOS-SIMON, F. J., ALCAMI, R. L., RIBERA, T. B.: Social Networks and Web 3.0: Their Impact on the Management and Marketing of Organizations. In *Management decision*, 2012, Vol. 50, No. 10, p. 1880-1890.

Crowdsourcing therefore allows people with different skills, talents or information to add and enhance the values of a political party while addressing public sector problems and presenting what they can offer freely.[11]

There are 3 factors influencing the use of social media in the political agenda. One of the very important findings in the role of social media is the role of this platform, which in itself can guarantee success. Social media can play an important role either as a communication tool in politics but also as a tool that implements the marketing concept and strategic condition of a political party that can predict success or failure in the next election.[12] The following factors should therefore be monitored when using social media in the policy area:

- *Internet penetration and social media* – The success of social media as a communication tool is based on the remaining Internet media in the target population.
- *Cultural behavior and orientation* – Studies show that there is a positive experience between the use of social media using cultural orientation and citizen behavior. Therefore, the media can influence cultural behavior and orientation. The strength of this type of communication tool lies in the fact that it can influence opinions and values to extend the cultural orientation of citizens.[13]
- *Demography* – The interpersonal nature of social media makes it important to understand the target market, especially in political communication. For this reason, demographic factors of the target group such as age, gender or residence are also very important.

4 Peoples´ Party Our Slovakia – simple and low budget marketing success?

The PPOS party does not have an easy going in terms of communication with the public in Slovakia. The party chairman very often complained about media ignorance, not having a chat session, or a minimal space in the mainstream news and broadcasting service in Slovakia. Its priority communication channel until April 2017 was the Facebook social network, where both the party chairman and the sympathizers expressed views and attitudes that were often ideologically reserved for current political solutions in Slovakia. The party has also been forced to leave this communication space by blocking the profile on this largest social network. The profile at that time was supported by about 80,000 fans that were active, and we can definitely say that, despite this simple form of communication, the party has been successful in the opinion polls. However, the political profile still exists, but its content is visible only to administrators. The official reasons for the blockade are unknown, but recently, opponents of the far-right movement began to mobilize and report the

---

11   GREENLAND, S.: Following the Crowd. In *Communications of the ACM*, 2011, Vol. 54, No. 2, p. 20-22.

12   HARFOUSCH, R.: *Yes, We Did. An Inside Look at How Social Media Built the Obama Brand*. Berkeley : New Riders, 2009, p. 16.

13   SALEN, F., MOURTADA, R.: Social Media in Arab World: Influencing Societal and Cultural Change. In *Dubai School of Government, Arab social media report,* 2012, Vol. 2, No. 1, p. 1-28.

party profile, making the mainstream information stream of the party inappropriate. However, the party does not only use this one channel, it also communicates with its voters via Youtube or VKontakte social networks. Many authors refer to Youtube as a very simple way of journalism, which can match the current media ignorance. On the social network in question, there are mostly videos from the reactions of parliamentary members of the PPOS as well as videos from discussion sessions from national public TV.

As mentioned above, one of the basic ways to effectively use social networks is to build relations between the sympathizers of the movement. We cannot rule out that individual regional organizations did not have their own regional profiles even before canceling the official Facebook site, but they can communicate more effectively and more markedly after cancellation. Members and, in particular, sympathizers have found a way to communicate with each other and individual regional profiles are still working. The content is obviously less radical, but this also proves the stability of Marian Kotleba support. After entering the phrase "People's Party", or just the name of the party leader, Facebook searches for dozens of profiles of district organizations that are active and apply the crowd gathering principle through so-called *Offline actions* where individual profiles share events that are directly linked to political party activity. These events include, for example, petitions, demonstration actions, or charity shares of the "Drop of Blood" type. It is this sympathetic system that helps keep followers in the center of the action, but at the same time maintains communication with the party itself, or at least with its members. After the Facebook of the PPOS was canceled, it was to be expected that the party would choose a website as a priority channel of communication. When applying essential online marketing features introduced by Epstein the PPOS website also meets some of the essentials mentioned by the author.[14] The website is color-oriented to the traditional green color of the party; we can find almost everything that is also visible within traditional political parties such as program, activities in counties, their work or promotional materials. In addition, the party mobilizes its voters through petition actions that are visible on the site. PPOS website also offers a great deal of information about party activity or where it will be present in the coming days. Again, there is another feature point, according to Epstein, who claims that it is very important to send email messages to clients about products, in our case about program and activities by sympathizers. The party has such a possibility, the sympathizer can actually receive almost daily news and therefore can actually be informed about everything that is happening, where the event is going, what views the party holds or opposes, to whom it is currently reserved and disapproval.

Another point that needs to be mentioned is *the effort to search the organization at the beginning of the search engine*. With a simple search, the page can be accessed very easily. The portal has registered domain at http://www.naseslovensko.sk, which also includes the keywords in which this party holds priority in the search engines. These keywords are, for example, in the form of a PPOS shortcut, since the domain is called Our Slovakia, and these words are relevant to the search, as is the name

---

14   EPSTEIN, M. J., YUTHAS, K.: *Evaluating the Effectiveness of Internet Marketing Initiatives*. Toronto, Canada : The Society of Management Accountants of Canada, The American Institute of Certified Public Accountants, The Chartered Institute of Management Accountants, 2007, p. 3-7.

of Marian Kotleba as a party chairman. It is very interesting to follow searching for term "Slovakia." When we put the phrase in search engine, the PPOS website does not appear in the list of offered websites. For comparison, the current governmental party Smer-SD, whose name does not bear the name of our country, can be sought via this method. Smer-SD was one of the other priority and highly-searchable websites in this search on the *slovensko.sk* domain or general information about Slovakia on the wikipedia portals.

When looking at the graphic design of the web it is rather simple but a potential voter can easily find everything important. On the party website, we can find a party program, a calendar of upcoming events, activities in counties, work in the National Council or in regions, party views, sympatizers´ opinions, and contacts. The party also does not forget about youth education, propagates the magazine Our Slovakia. It also combines the interconnection of multiple media through its website, as it is also visible on the Youtube channel with the reactions of party members. Last but not least, the calendar of events, where sympathizers and party members can plan their activities, meet on events of various kinds, and share their opinions or values again. The web portal is nothing special, but it is effective. Ever since the Facebook profile of PPOS is down, the quantitative change of the online content of the party has not changed. Even today, the party does not base itself on the high media coverage of its web portal. Looking at the graph below, it is clear that after the profile was closed down on the Facebook social network, there was no response, and the posts were added operatively according to what is happening on the current political scene.
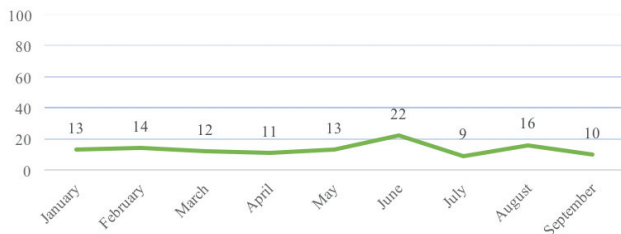
Chart 1: The number of posts published on the website of PPOS in 2017
Source: Own processing based on *Ľudová strana Naše Slovensko.* [online]. [2017-09-29]. Available at: <http://www.naseslovensko.sk/>.

Looking at the quantity of posts, the party produces 10-14 posts per month on average. The only more productive month was June, when we recorded 22 posts. The content of this month was again not significantly special; the majority of the posts were oriented to criticize the current political conditions in Slovakia, or support for families in need. With the upcoming elections to the Self-governing regions in November 2017, there is also no marked increase in activity on the website. Marian Kotleba announced the candidacy in August, where the month was the second most active in 2017, but it is only a minimal increase in activity compared to the remaining months of the calendar year. Contributions do not appear on the web likely to be purposeful, from the point of view of content, they respond to the situation in a country where the far-right side can give a different view of the subject than the rest of the opposition. Therefore,

the website fulfills theoretically the basic elements of selling, combining different kinds of social media, and for the low-demanding voter of the party is sufficient. Its purpose is not to attract a mass of potential voters, but to consolidate the information background of those present.
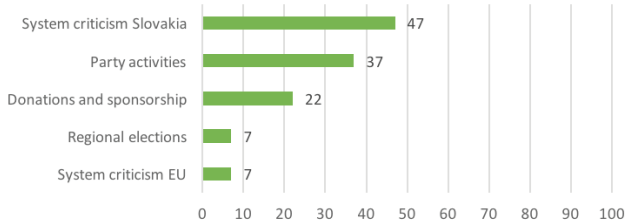
Chart 2: Content analysis of the PPOS marketing on its website in 2017
Source: Own processing based on *Ľudová strana Naše Slovensko.* [online]. [2017-09-29]. Available at: <http://www.naseslovensko.sk/>.

From the content point of view, the site is very much copying the extreme right-wing profile of the party. In analyzing the contributions, we have found that for the year 2017 the contributions are mostly related to the criticism of the current political relations in Slovakia. This criticism is aimed at the state administration bodies, the president of the Slovak Republic, not least the parties themselves in the parliament and their respective activities. Often, the contributions are highly critically oriented, with more or less radical character. Also visible is the so-called reactionary character when the party, through its leader, expresses the current negotiating points and proposes solutions. PPOS in this way eliminates the media ignorance of their party, they also provide information on their web site and, as mentioned above, they try to at least, in such a manner, give the sympathizers their attitude. This is a relatively low-cost way of shifting information but ultimately very effective.

In terms of content, posts related to the party's activities were second. These contributions refer to submitted law proposals, organizations of various events or petitions, mountain ranges and the like. After a more in-depth investigation, these contributions seek to point out that the party is also active in the parliament while at the same time trying to at least partially implement its program. In very few cases the party cooperates with other political subjects in the National Council of the Slovak Republic. The media have recently presented hidden agreements between the party of Marian Kotleba and most coalition parties, although these are just unconfirmed speculations.[15] It is precisely this parliamentary isolation that the party interprets and reports on its contributions to its activities which are more obvious. Donations or financial assistance, this is also an agenda that can be found on the party website. The party was back in the affairs when their amount of financial aid was a sum that had been associated with historically typical fascist symbols, yet the party continued. Since the beginning of 2017, the party has published a total of 22 contributions of this

---

15 *Kotleba reagoval na obvinenia: ĽSNS nemá žiadnu tichú dohodu.* [online]. [2017-09-30]. Available at: <https://aktualne.centrum.sk/slovensko/politika/kotleba-reagoval-obvinenia-lsns-nema-ziadnu-tichu-dohodu.html>.

kind. These posts are mostly on a monthly basis, and the website names them under the category "Our Help for People in Need." The party seeks to promote the support of disabled children, sportsmen as well as families that have a difficult life situation.

Contributions related to Self-governing regions elections have only begun since June and July 2017. Marian Kotleba announced the candidacy by the end of August; in the past months, he pointed to the poor system solutions of the problems in other regions, or the overpriced services paid by the previous regional leaders.[16] It cannot be said that the site has been overwhelmed by such posts since the announcement of candidacy. Quite on the contrary. Even this agenda is not systematically solved and looks like Kotleba as a candidate relies not on the area of media coverage and promotion of information through social networks and his site (not from the billboard campaign) but on his stable electoral base. However, it is likely that, in the short term ahead of the November elections, this issue will have more scope, but we do not expect any significant changes in terms of substance.

We also find contributions on the website that point to the criticism of foreign policymakers or the European Union. Marian Kotleba, as well as the whole party, do not cling to anti-European attitudes. During the billboard campaign it has been one of the priority areas (leaving the EU), not getting a lot of space on the web. This may also be due to the fact that the party leader strongly criticizes the European Union predominantly in the media and debates in which he has less space.

And what is possible to read from the site content? The unequivocal orientation of the party, that is, the far-right party, also referred to as the radical, which is activated, and is not so visible in national media, is at least provisory. PPOS as a party that seeks to moderate radical orientation by supporting people in need or financial support for people with disabilities and, last but not least, as a party seeking to obtain regional county offices through the most important representatives of Marian Kotleba and Milan Uhrík. What brings upfront is the statement that a party without a real marketing campaign cannot be successful? The answer may also be the following chart, which indicates the party's electoral support.
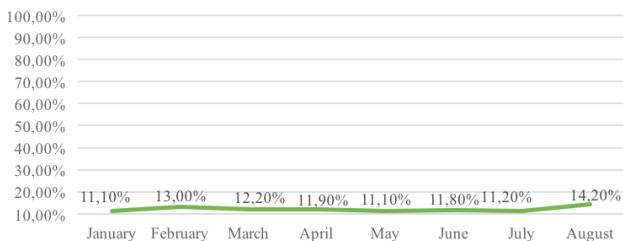
Chart 3: Electoral support of PPOS during 2017
Source: *Preferencie*. [online]. [2017-09-29]. Available at: <http://preferencie.teraz.sk/>.

---

16   GARAJ, M.: Voľby do VÚC 2013 na post predsedu: Analýza výsledkov v Banskobystrickom samosprávnom kraji. In JUHÁS, P. (ed.): *Regionálne voľby 2013 na Slovensku – výsledky, dôsledky a budúcnosť*. Trnava : Fakulta sociálnych vied v Trnave, 2015, p. 26-38.

Conclusion

As has been mentioned many times in this study, despite the fact that the People's Party Our Slovakia is not typically a marketing party, it can maintain relatively high electoral support. The party does not have its official profile on the Facebook social network and its e-campaign is very simple. Obviously, this state of art is also due to the fact that there is currently a very high level of mistrust in a traditional political party, but is it enough for an entity to take the position of a representative political party in Slovakia? Obviously yes. In public opinion polls, the party ranges from roughly between 11.00% and 13.00%, which means a moderately high level of support. Even after the main communication channel was abolished, the voter base remained stable, presenting itself with high discipline and certain strength of the community at a very high level. In this case, the very simple and clearly understandable communication is a success for the party. Even though the party can be regarded as very quiet and inconspicuous, the leader chooses to do what he does, this kind of media presentation is not superfluous, but the information he wants to provide can be submitted through the website or organizational structures of the party.

In finalizing the communication strategy of the PPOS we conclude that political parties do not need high funding in some cases, but they may also have simple and direct communication with the electorate and the promotion of their not too traditional ideas and attitudes. The party of Marian Kotleba is a typical example of the fact that with a minimum of financial means the political entity can establish itself on the Slovak political scene.[17] When applying the theoretical knowledge, it is observable that the party is mostly concerned with building bottom-up relations, meaning voters and sympathizers, to lead. The PPOS does not exert an overwhelming effort to make itself visible in national media, on the contrary, it points out the issue, the content of its site is targeted at its electoral base, which is the reason for 14.20% support for the surveys. Of course, we must not forget that at present, and not only in Slovakia, there is a visible phenomenon where traditional political parties are losing electoral support at the expense of the extremist-oriented movement (see Germany's example). After the end of the Facebook page of the party, it was a prediction for the party slowly but definitely to lose support. However, the party should target voters when it is isolated from the media but also on the largest social network.

But the opposite is true, the content of the site, the short outcomes of the delegates are sufficient enough for party presentations outside. In this case, the party maximizes its electoral gain or its support, not through a rich and varied social media campaign, but mostly through its ideological background, relationship building, very simple communication and even easier and clearer enforcement of its attitudes on its website. As we pointed out in the analysis, the web page combines three factors that try to undermine potential voters: antisystemicism linked to criticism, charity associated with supporting families in difficulties or people with severe disabilities, and last but not least their activity in the parliament or even in regions all over Slovakia. The party builds on very striking communication simplicity, calling out offline actions, where members and sympathizers can exchange their opinions as well

---

17   MIHÁLIK, J.: Political Leadership and Democratic Governance from the Perspective of Slovak Youth. In *Slovak Journal of Political Sciences*, 2015, Vol. 15, No. 3, p. 182-202.

as a combination of party presentation through the web and social networks. In this way, the party can easily, whether financially or rhetorically, reach a large number of people, obtain electoral support and at the same time activate on the political scene in Slovakia without the use of remarkable financial means.

References:
DAHLGREN, P.: *Media and Political Engagement: Citizens, Communication and Democracy*. New York : Cambridge University Press, 2009.
DALE, A., STRAUSS, A.: Don´t Forget to Vote: Text Message Reminders as a Mobilization Tool. In *American Journal of Political Sciences*, 2009, Vol. 53, No. 4, p. 787-804. ISSN 1540-5907.
EPSTEIN, M. J., YUTHAS, K.: *Evaluating the Effectiveness of Internet Marketing Initiatives*. Toronto, Canada : The Society of Management Accountants of Canada, The American Institute of Certified Public Accountants, The Chartered Institute of Management Accountants, 2007.
GARAJ, M.: Voľby do VÚC 2013 na post predsedu: Analýza výsledkov v Banskobystrickom samosprávnom kraji. In JUHÁS, P. (ed.): *Regionálne voľby 2013 na Slovensku – výsledky, dôsledky a budúcnosť.* Trnava : Fakulta sociálnych vied v Trnave, 2015, p. 26-38.
GARRIGOS-SIMON, F. J., ALCAMI, R. L., RIBERA, T. B.: Social Networks and Web 3.0: Their Impact on the Management and Marketing of Organizations. In *Management decision*, 2012, Vol. 50, No. 10, p. 1880-1890. ISSN 0025-1747.
GREENLAND, S.: Following the Crowd. In *Communications of the ACM*, 2011, Vol. 54, No. 2, p. 20-22. ISSN 0001-0782.
HARFOUSCH, R.: *Yes, We Did. An Inside Look at How Social Media Built the Obama Brand*. Berkeley : New Riders, 2009.
HORVÁTH, P., MELUŠ, M.: Media Games in the Background of Slovak Parliamentary Election in 2016. In *Communication Today*, 2017, Vol. 8, No. 1, p. 67- 84. ISSN 1338-130X.
HOWARD, P. N. et al.: *Opening Closed Regime: What Was the Role of Social Media During the Arab Spring? Project on Information Technology and Political Islam Data Memo 2011.* Seattle : University of Washington, 2011. [online]. [2017-10-12]. Available at: <https://deepblue.lib.umich.edu/bitstream/handle/2027.42/117568/2011_Howard-Duffy-Freelon-Hussain-Mari-Mazaid_PITPI.pdf?sequence=1&isAllowed=y>.
Kotleba reagoval na obvinenia: ĽSNS nemá žiadnu tichú dohodu. [online]. [2017-09-30]. Available at: <https://aktualne.centrum.sk/slovensko/politika/kotleba-reagoval-obvinenia-lsns-nema-ziadnu-tichu-dohodu.html>.
LILLEKER, G. D.: *Key Concepts in Political Communication*. London : Sage Publications, 2006.
Ľudová strana Naše Slovensko. [online]. [2017-09-29]. Available at: <http://www.naseslovensko.sk/>.

MIHÁLIK, J.: Political Leadership and Democratic Governance from the Perspective of Slovak Youth. In *Slovak Journal of Political Sciences*, 2015, Vol. 15, No. 3, p. 182-202. ISSN 1335-9096.

OWEN, R., HUMPHREY, P.: The Structure of Online Marketing Communication Channels. In *Journal of Management and Marketing Research*, 2009, Vol. 2, No. 4, p. 54-62. ISSN 1941-3408.

Preferencie. [online]. [2017-09-29]. Available at: <http://preferencie.teraz.sk/>.

SALEN, F., MOURTADA, R.: Social Media in Arab World: Influencing Societal and Cultural Change. In *Dubai School of Government. Arab social media report*, 2012, Vol. 2, No. 1, p. 1-28. ISSN N/A.

ZUNIGA, G. H. et al.: Digital Democracy: Reimagining Pathways to Political Participation. In *Journal of Information Technology & Politics,* 2010, Vol. 7, No.1, p. 36-51. ISSN 1933-1681.

Contact data:
PhDr. Jaroslav Mihálik, PhD.
University of Ss. Cyril and Methodius in Trnava
Faculty of Social Sciences
Bučianska 4/A
917 01 Trnava
SLOVAK REPUBLIC
jaroslav.mihalik@ucm.sk

Mgr. Matúš Jankoľa
University of Ss. Cyril and Methodius in Trnava
Faculty of Social Sciences
Bučianska 4/A
917 01 Trnava
SLOVAK REPUBLIC
jankola.matus@gmail.com

INCUMBENT VS. NEWCOMER DIFFERENT STRATEGIES FOR THE CURRENT DISRUPTIVE CHANGES

Pavol Minár

Abstract

The paradigmatic and disruptive changes brought about by the 4[th]industrial revolution and technological innovations are changing the nature of the entire economy and culture. The question is not which economic sector and which brands are affected by these changes, but whether these changes are in-depth, disruptive and game-changing across the whole economy and culture. Brands should react to these changes. This paper is about the changes brought about by the 4th industrial revolution and focuses on potential strategies which might be used by different types of brands: incumbent and newcomer.

Key words:

3rd industrial revolution. 4th industrial revolution. Artificial intelligence sharing economy. Brand strategies. Disruption. Energy market. Internet of things. Paradigmatic change. Second machine age. Winner-takes-all economy.

"Digital technology completely disrupted the brand-building model that worked for the last century."[1]

Jeff Rosenblum with Jordan Berg

"Uber, the world's largest taxi company, owns no vehicles. Facebook, the world's most popular media owner, creates no content. Alibaba, the most valuable retailer, has no inventory. And Airbnb, the world's largest accommodation provider, owns no real estate. Something interesting is happening."

Tom Goodwin[2]

"Any process of major technological change generates its own mythology. As in all moments of major technological change, people, companies, and institutions feel the depth of the change, but they are often overwhelmed by it, out of sheer ignorance of its effects."

Manuel Castells[3]

1 The Age of Disruptive Changes

We are living through times of fascinating and revolutionary changes, which Klaus Schwab, the founder and executive director of the World Economic Forum, describes as the "transformation of humankind" since he believes that a revolution is currently taking place, which is fundamentally changing „the way we live, work, and relate to one another. Consider the unlimited possibilities of having billions of people connected by mobile devices, giving rise to unprecedented processing power, storage capabilities

---

1   ROSENBLUM, J., BERG, J.: *Friction. Passion Brands In the Age of Disruption*. New York : PowerHouse Books, 2017, p. 11.

2   GOODWIN, T.: *Something Interesting is Happening*. [online]. [2017-08-26]. Available at: <https://techcrunch.com/2015/03/03/in-the-age-of-disintermediation-the-battle-is-all-for-the-customer-interface/>.

3   CASTELLS, M.: *The Impact of the Internet on Society: A Global Perspective*. [online]. [2017-09-13]. Available at: <https://www.technologyreview.com/s/530566/the-impact-of-the-internet-on-society-a-global-perspective/>.

and knowledge access. Or think about the staggering confluence of emerging technology breakthroughs, covering wide-ranging fields such as artificial intelligence (AI), robotics, the internet of things (IoT), autonomous vehicles, 3D printing, nanotechnology, biotechnology, material science, energy storage and quantum computing, to name a few... The changes are historic in terms of their size, speed and scope."[4] According to Martin Ford, author of "The Rise of Robots", these changes are created by "disruptive technologies,"[5] that is revolutionary innovations which disrupt and destabilise the status quo in their fields of action. Jan Prokeš and Martin Vrba, who translated Ford into Czech, write in their footnotes of "discontinuous technology" or "discontinuous innovations" which "bring about a fundamental break (disruption of linear, continuous development)."[6] Disruptive or paradigmatic changes take place, according to Schwab, not only on an individual and social level (how we work, collect and share information, how we communicate, express ourselves and have fun, etc.), but also on system and structural levels (ongoing and upcoming institutional, political and governmental changes, that is changes in the administration and management of society).

2 The 4th Industrial Revolution

The speed, breadth, depth and impact on the system which the ongoing technological changes are having on humankind lead Klaus Schwab to describing the present as the "beginning of a fourth industrial revolution": "the first profound shift in our way of living – the transition from foraging to farming – happened around 10000 years ago... The agrarian revolution was followed by a series of industrial revolutions that began in the second half of the 18th century... The first industrial revolution spanned from 1760 to around 1840. Triggered by the construction of railroads and the invention of the steam engine, it ushered in mechanical production. The second industrial revolution, which started in the late 19th century and into the early 20th century, made mass production possible, fostered by the advent of electricity and assembly line. The third industrial revolution began in the 1960s. It is usually called the computer or digital revolution because it was catalyzed by the development of semiconductors, mainframe computing (1960s), personal computing (1970s and '80s) and the internet (1990)."[7] The fourth industrial revolution "began at the turn of this century and builds on the digital revolution. It is characterized by a much more ubiquitous and mobile internet, by smaller and more powerful sensors that have become cheaper, and by artificial intelligence and machine learning."[8] Klaus Schwab sees a difference between the third and the fourth industrial revolution in the level of sophistication and connection of technologies, and primarily in the result, which is the "transformation of societies and the global economy."[9]

4   SCHWAB, K.: *The Fourth Industrial Revolution.* New York : Penguin Random House, 2017, p. 1-2.
5   FORD, M.: *Roboti nastupují. Automatizace, umělá inteligence a hrozba budoucnosti bez práce.* Nové Město : Rybka Publishers, 2017, p. 17.
6   Ibidem.
7   SCHWAB, K.: *The Fourth Industrial Revolution.* New York, USA : Penguin Random House, 2017, p. 6-7.
8   Ibidem, p. 7.
9   Ibidem, p. 7.

3 The 3rd Industrial Revolution

When describing the present, Jeremy Rifkin, as opposed to Klaus Schwab, uses the expression "the third industrial revolution, "which is "the new paradigm that could usher in a post carbon era... (The) great economic revolutions in history occur when new communication technologies converge with new energy systems."[10] Rifkin identifies the five pillars of the Third Industrial Revolution: „(1) shifting to renewable energy; (2) transforming the building stock of every continent into micro-power plants to collect renewable energies on site; (3) deploying hydrogen and other storage technologies in every building and throughout the infrastructure to store intermittent energies; (4) using Internet technology to transform the power grid of every continent into an energy-sharing intergrid that acts just like the Internet (when millions of buildings are generating a small amount of energy locally, on site, they can sell surplus back to the grid and share electricity with their continental neighbours); and (5) transitioning the transport fleet to electric plug-in and fuel cell vehicles that can buy and sell electricity on a smart, continental, interactive power grid... Becoming a low-carbon emission economy means shifting from a Second Industrial Revolution run on fossil fuel energies to a Third Industrial Revolution run by renewable energies."[11]

4 The Rise of the Robots, the Second Machine Age and A Brief History of Tomorrow

We have already mentioned Martin Ford, and here we would like to emphasise the fact that he does not use revolutionary terminology, but describes the disruptive nature of the present times as "the rise of the robots."[12] Erik Brynjolfsson and Andrew McAffe proceed in a very similar way when they write in their exceptionally inspiring paper about "the second machine age", which they characterise conceptually in a very similar manner to Klaus Schwab: "the digitization of just about everything,"[13] that is the integration and cooperation of technologies, which replaces the first age of machines where each technology mainly worked independently. Brynjolfsson and McAffe highlight the importance of technology changes for the development of humankind and civilisational transformations. According to them, it is technological innovations that changed the development of humankind: from an originally "boring", gradual, slow and almost invisible development, they shifted the curve of the development of humankind (that is the population and social development) by almost ninety degrees, as the authors show in two graphs. As a result of the importance of the industrial revolutions for humankind, Brynjolfsson and McAffe describe technological innovations as "engines of progress."[14]

10   RIFKIN, J.: *The Third Industrial Revolution. How Lateral Power Is Transforming Energy, the Economy, and the World.* New York : St. Martin's Griffin, 2011, p. 1.

11   Ibidem, p. 37-38.

12   For more information, see: FORD, M.: *Roboti nastupují. Automatizace, umělá inteligence a hrozba budoucnosti bez práce.* Nové Město : Rybka Publishers, 2017.

13   BRYNJOLFSSON, E., McAFFE, A.: *The Second Machine Age: Work, Progress, and Prosperity in a Time of Brilliant Technologies.* New York : W. W. Norton & Company, 2014, p. 57-70.

14   Ibidem, p. 16.

FIGURE 1.1 Numerically Speaking, Most of Human History Is Boring.
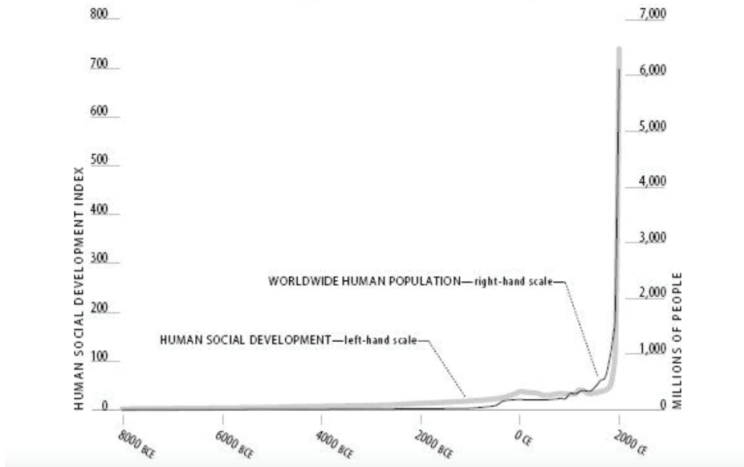
Chart 1: Human social development
Source: BRYNJOLFSSON, E., McAFFE, A.: *The Second Machine Age: Work, Progress, and Prosperity in a Time of Brilliant Technologies.* New York : W. W. Norton & Company, 2014, p. 14.

FIGURE 1.2 What Bent the Curve of Human History? The Industrial Revolution.

WATT STEAM ENGINE INTRODUCED, 1775
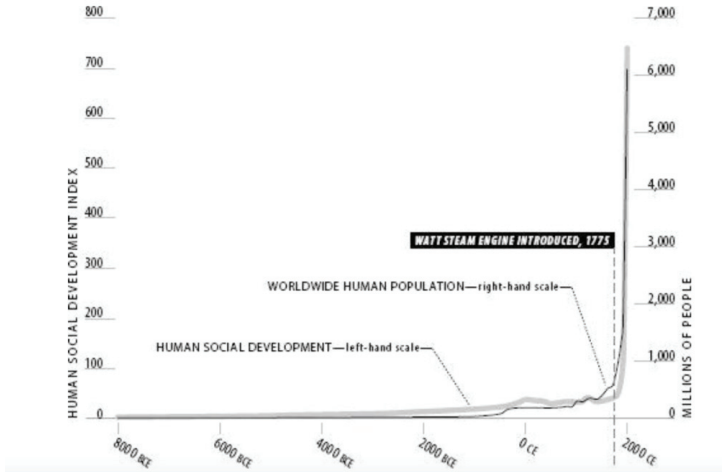
Chart 2: Human social development
Source: BRYNJOLFSSON, E., McAFFE, A.: *The Second Machine Age: Work, Progress, and Prosperity in a Time of Brilliant Technologies.* New York : W. W. Norton & Company, 2014, p. 16.

Yuval Noah Harari writes in an interesting manner about technological changes and the unchanging essence of humanity in the past, and about such disruptive changes in the present time which bring not only change in technologies used, but also a change

in the very essence of humankind, offering a terminological analogy of the third industrial revolution: "the third big project of humankind: "For thousands of years history was full of technological, economic, social and political upheavals. Yet one thing remained constant: humanity itself. Our tools and institutions are very different from those of biblical times, but the deep structures of the human mind remain the same. This is why we can still find ourselves between the pages of the Bible, in the writings of Confucius or within the tragedies of Sophocles and Euripides. These classics were created by humans just like us, hence we feel they talk to us. In modern theatre productions, Oedipus, Hamlet and Othello may wear jeans and T-shirts and have Facebook accounts, but their emotional conflicts are the same as in the original play... Though the details are ... obscure, we can nevertheless be sure about the general discretion of history. In the twenty-first century, the third big project of humankind will be to acquire for us divine powers of creation and destruction, and upgrade *Homo sapiens* into *Homo deus*."[15]

Kevin Kelly also writes about the impact of technological changes on society; he distinguishes 12 technological forces, which he calls "inevitable," because "they are rooted in the nature of technologies, rather than in the nature of society."[16] In his book, Jaron Lanier argues that in the past, a revolution in production, such as the industrial revolutions, generally increased the wealth and freedom of people. The digital revolution we are living is different. Instead of leaving of greater number of people in financial health, the effect of digital technologies – and the companies behind them, who are the main subjects of Lanier's focus – is to concentrate wealth and reduce growth.[17] Lanier in fact writes about the "winner-takes-all-economy,"which concentrates economic success in the hands of one economic player.This is a situation when people do not need a second, or slightly different social network, navigation system, application etc. than that which is used by the critical mass of current users and for this reason, it is more advantageous for each new user to use the dominant service or product. And this phenomenon is directly linked to the fourth industrial revolution. The "winner-takes-all-economy" is also described by the already cited Brynjolfsson and McAffe and Ford, while together with Jeremy Rifkin they analyse not only this phenomenon but also "the zero marginal cost society,"[18] where there is an ever-growing number of things available for free thanks to digital technologies, thus changing paradigmatically not only economic rules, but also social and cultural rules. In this paper, we will not deal with the impact of current technological changes on the whole of society and on its individual members. As well as the authors cited above, we can find valuable papers on this subject, for example in the following publications: Nick Bostrom, *Superinteligence*[19], Luciano Floridi, *The 4th Revolution*[20],

15 HARARI, Y. N.: *Homo Deus. A Brief History of Tomorrow.* London : Vintage, 2017, p. 52-53.
16 KELLY, K.: *The Inevitable. Understanding the 12 Technological Forces That Will Shape Our Future.* New York : Viking, 2016, p. 7.
17 LANIER, J.: *Who Owns the Future?* London : Allen Lane, 2013, p. 25-131.
18 For more information, see: RIFKIN, J.: *The Zero Marginal Cost Society: The Internet of Things, the Collaborative Commons, and the Eclipse of Capitalism.* New York : St. Martin's Griffin, 2014.
19 See: BOSTROM, N.: *Superinteligence. Paths, Dangers, Strategies.* Oxford : Oxford University Press, 2014.
20 See also: FLORIDI, L.: *The 4th Revolution. How the Infosphere Is Reshaping Human Reality.* Oxford : Oxford University Press, 2014.

Nicolas Carr, *Nebezpečná mělčina*[21], Philip Zimbardo, *Odpojený muž*[22], Manfred Spitzer, *Digitální demence*[23], Tim O'Reilly, *WTF*[24], Alec Ross, *The Industries of the Future*[25], Max Tegmark, *Life 3.0 Being Human in the Age of Artificial Intelligence*[26], Ray Kurzweil, *The Singularity Is Near*[27] and many others. In this paper, we will deal with the way in which the fourth industrial revolution and innovations in digital technologies are expressed in business, in particular in the category of the energy sector.

5 Sharing Economy: from ownership to access

The expression of disruptive changes which take place at present as a result of technological innovation is the "sharing economy," that is "usually technology-enabled ability for entities (individuals or organizations) to share the use of physical good/asset, or share/provide a service, at a level that was not nearly as efficient or perhaps even possible before. This sharing of goods or services is commonly possible through online marketplaces, mobile apps/location services or other technology-enabled platforms."[28] The sharing economy has the potential to transform our current world in a fundamental way. Jeremy Rifkin writes about the sharing economy as a "transformation from ownership to access," thus changing the essence of capitalism as we know it, since "a growing number of consumers are opting for access over ownership of goods, preferring to pay only for the limited time they use a car, bicycle, toy, tool, or other items which translated to less GDP... (And) the economy shifts from exchange value in the marketplace to sharable value," thus bringing about "a crucial change: ... the slow demise of the capitalist system and the rise of the Collaborative Commons in which economic welfare is measured less by the accumulation of market capital and more by the aggregation of social capital."[29] The sharing economy changes the nature of ownership, and ownership is the essence of capitalism in the form we know it from Adam Smith. Companies must react to this fact. Brad Stone has some very interesting things to say about how the "winner-takes-all" and the sharing economy are changing the world, in his book *The Upstarts.*[30]

---

21 For more information, see: CARR, N.: *Nebezpečná mělčina. Jak internet mění náš mozek. Analýza stavu lidské psychiky v době digitální.* Praha : Dauphin, 2017.
22 See: ZIMBARDO, P.: *Odpojený muž. Jak technologie připravuje muž o mužství a co s tím.* Praha : Grada Publishing, 2017.
23 See also: SPITZER, M., *Digitální demence. Jak připravujeme sami sebe a naše děti o rozum.* Brno : Host, 2016.
24 See: O'REILLY, T.: *WTF. What's the Future and Why It's Up To Us.* London : RH Business Books 2017.
25 For more information, see: ROSS, A.: *The Industries of the Future.* London : Simon & Schuster, 2017.
26 See also: TEGMARK, M.: *Life 3.0 Being Human in the Age of Artificial Intelligence.* New York : Knopf, 2017.
27 See: KURZWEIL, R.: *The Singularity Is Near: When Humans Transcend Biology.* New York : Penguin Books, 2006.
28 SCHWAB, K.: *The Fourth Industrial Revolution.* New York : Penguin Random House, 2017, p. 157.
29 RIFKIN, J.: *The Zero Marginal Cost Society: The Internet of Things, the Collaborative Commons, and the Eclipse of Capitalism.* New York : St. Martin's Griffin, 2014, p. 273-330, 24-25.
30 For more information, see: STONE, B.: *The Upstarts. How Uber, Airbnb and the Killer Companies of the New Silicon Valley are Changing the World.* London : Little, Brown and Company, 2017.

6 The 4ᵗʰ Industrial Revolution and Doing Business

Another important sign of the current paradigmatic changes is the expansion of the nature of business, which results, paradoxically, from a growing maximisation of the individualisation and customisation of business. According to Markéta Šichtařová and Vladimír Pikora, the 4ᵗʰ industrial revolution "enables as yet unusual individualization...not only clothes will be tailor-made, but literally every product and service you can think of."[31] Consumers are becoming more and more demanding, critical; they are becoming used to customised, individualised products and services and demand a higher quality from the producer and supplier, and for the product and service to perform these – often specific – "jobs" for which they have been "hired."[32] All this is made possible by the most up-to-date technological development and innovations. Current disruptive changes thus do not affect only production or only consumption, but affect both parties in the same, fundamental way: "disruption affects both the demand and supply sides of business."[33] Businesses and companies must therefore make an ever greater and more complex effort to meet the needs of ever more demanding customers. "Part of the perfect customer satisfaction is naturally also providing associated services labelled as post-sales support. Industry and services are thus coming unusually closer together for once, and it is not as simple to separate them as in the past. Companies are no longer based only on industry or on business; they are somewhere in between."[34]

Klaus Schwab expresses himself in a similar manner, seeing the impact of the 4ᵗʰ industrial revolution on business "as an inexorable shift from the simple digitization that characterized the third industrial revolution to a much more complex form of innovation based on the combination of multiple technologies in novel ways. This is forcing all companies to re-examine the way they do business and takes different forms."[35] For businesses and companies, this means looking for and opening new businesses in "adjacent" (and often in "un-adjacent" at first glance) categories and market segments. Apple can serve as an example of this, which is not only a producer and seller of computers, telephones, tablets, watches, headphones, intelligent personal assistants, but is also a seller of music, films, books, software and also a payment centre, or payment intermediary. Steve Jobs applied the strategy of "a digital centre" in the long term, that is the attempt for a full, self-contained connection between hardware, software and content, thus creating a complete service which has a direct value for the customer: "As a result of this, the iPod, followed by the iPhone and iPad, offered a luxury experience, as opposed to the mishmash of competitive products which did not offer such a smooth and self-contained experience."[36]

---

31 ŠICHTAŘOVÁ, M., PIKORA, V.: *Robot na konci tunelu aneb zpráva o podivném stavu svět a co s tím.* Praha : NF Distribuce, 2017, p. 98.
32 See: CHRISTENSEN, C. et al.: *Competing Against Luck. The Story of Innovation and Customer Choice.* New York : Harper Business, 2016; WUNKER, S., WATTMAN, J., FARBER, D.: *Jobs to Be Done. A Roadmap for Customer Centered Innovation.* New York : Amacom, 2017.
33 SCHWAB, K.: *The Fourth Industrial Revolution.* New York : Penguin Random House, 2017, p. 52.
34 ŠICHTAŘOVÁ, M., PIKORA, V.: *Robot na konci tunelu.* Praha : NF Distribuce, 2017, p. 98.
35 SCHWAB, K.: *The Fourth Industrial Revolution.* New York : Penguin Random House, 2017, p. 52.
36 ISAACSON, W.: *Steve Jobs.* Bratislava : Eastone Books, 2011, p. 519.

Amazon is a further example which has transformed itself from a bookseller to "the everything store."[37] "Amazon's evolution from a bookseller to a $100 billion a year retail conglomerate shows how customer loyalty, combined with insights into preferences and a sound execution, can lead to selling across multiple industries. It also demonstrates the benefits of scale."[38] In a similar way, Netflix has changed from film rental to one of the most important suppliers and producers of internet content. Elon Musk in himself is the personification of convergent tendencies in businesses, when his personal orientation combines finance (PayPal), the storage and preservation of energy (SolarCity), mobility (Tesla) and space flights (SpaceX). On top of this, Tesla is an exceptionally interesting example of how "over-the-air software updates and connectivity can be used to enhance a product (a car) after purchase, rather than let it depreciate over time."[39] The interest from companies such as Google or Apple in the automotive industry is also an example of the expansion of the nature of doing business with the objective of offering the satisfaction of customer needs and desires in "adjacent" market segments: "In the automotive realm, a car is now a computer on wheels, with electronics representing roughly 40% of a car. The decision by Apple and Google to enter the automotive market shows that a tech company can now transform into a car company. In the future, as the value shifts toward the electronics, the technology and licensing software may prove more strategically beneficial than manufacturing the car per se."[40]

7 Incumbent vs. newcomer: redefining boundaries of markets and digital skills vs. capital

The disruptive nature of contemporary changes in technologies, society and the economy concerns practically all market segments. "The question for all industries and companies, without exception, is no longer 'Am I going to be disrupted?' but 'When is disruption coming, what form will it take and how will it affect me and my organization?'"[41] Bearing in mind the gravity and in-depth nature of disruptive changes, and also taking into consideration the expanding nature of business, the status of businesses and companies within a given business segment is very important, that is whether it is an incumbent company or a newcomer in the given category. "Disruption also flows form agile, innovative competitors who, by accessing global digital platforms for research, development, marketing, sales and distribution, can overtake well established incumbents faster than ever by improving the quality, speed or price at which they deliver value. This is the reason why many business leaders consider their biggest threat to be competitors that are not yet regarded as such."[42] Just as Airbnb, a brand which takes full advantages of the opportunities of digital technologies and the sharing economy, can pose a threat to the whole hotel industry, without even operating any commercial real estate, incumbent companies

---

37   For more infromation, see: STONE, B.: *Jeff Bezos a věk Amazonu.* Praha : Práh, 2014.

38   SCHWAB, K.: *The Fourth Industrial Revolution.* New York : Penguin Random House, 2017, p. 62.

39   See: SCHWAB, K.: *The Fourth Industrial Revolution.* New York : Penguin Random House, 2017, p. 55; VANCE, A.: *Elon Musk: Tesla, SpaceX a hľadanie fantastickej budúcnosti.* Bratislava : Citadella, 2015, p. 28.

40   SCHWAB, K.: *The Fourth Industrial Revolution.* New York : Penguin Random House, 2017, p. 52.

41   SCHWAB, K.: *The Fourth Industrial Revolution.* New York : Penguin Random House, 2017, p. 13.

42   Ibidem, p. 52.

can be under threat from companies which enter their segments from other sectors: let us compare, for example, camera manufacturers vs smartphone manufacturers, Apple vs the music industry, Netflix (as well as Amazon) vs traditional TV networks, Amazon vs Walmart (and other universal sellers), Google and Tesla vs the automotive industry, or Google, Microsoft, Amazon, Apple and their home assistants vs producers and suppliers of traditional "facility" solutions.

Newcomers are dynamic, flexible, have experience with the direct use of modern technologies for digital solutions and have a loyal consumer base. These are their great advantages: "Fast-moving competitors provoke a disaggregation of the more traditional industry silos and value chains, and also disintermediate the existing relationship between business and their customers. New disruptors can rapidly scale at a much lower cost than the incumbents, generating a rapid growth in their financial return through network effects... Small and medium-size enterprises (SMEs) will have the advantages of speed and the agility needed to deal with disruption and innovation.... The competitive advantage (of newcomer companies – P.M.) is built on a superior experience, combined with reduced transaction and friction costs. Also, these companies match demand and supply in a rapid and convenient manner, which sidesteps the business models of the incumbents."[43] Such market changes pose a massive threat to the status of well-established incumbents, because they wipe out the borders between company sectors and business and reduce entry costs (which in the circumstances of a traditional, non-digital market situation Michael E. Porter considers a very significant obstacle to the entry of a newcomer in an existing market sector[44]). Incumbent companies are above all threatened by these convergent market tendencies, since "redefining boundaries of markets,"[45] takes place, providing a great opportunity for predatory newcomers to transfer their experience from other markets, their skills from the use of new digital technologies and their loyal consumers and enter new market segments.

However, this does not mean that incumbents have no advantages on their side. It would be a mistake to assume that only a start-up and newcomers will be, or can be, the carriers of competitive disruption. Incumbent companies might lag behind newcomers in specific skills (e.g. the use of digital technologies and platforms, and the ability to empathise with developing and changing consumer needs), but newcomers can lag behind with a lack of capital or might not have as much data available as established companies do. And size itself can be a strong point for incumbents: "Digitalization also enables large incumbents to cross industry boundaries by leveraging their customer base, infrastructure or technology. The move of telecommunication companies into health care and automotive segments are examples. Size can still be a competitive advantage if smartly leveraged."[46]

43 Ibidem, p. 61-63.
44 For more information, see: PORTER, M. E.: *Competitive Strategy: Techniques for Analyzing Industries and Competitors.* New York : Free Press, 1998; PORTER, M. E.: *Competitive Advantage: Creating and Sustaining Superior Performance.* New York : Free Press, 1998.
45 *Redefining Boundaries. Insights from the Global C-suite Study.* [online]. [2017-09-13]. Available at: <https://www-01.ibm.com/common/ssi/cgi-bin/ssialias?htmlfid=GBE03695USEN>.
46 SCHWAB, K.: *The Fourth Industrial Revolution.* New York : Penguin Random House, 2017, p. 52, 56, 62.

8 Disruption In the Energy Market: From Centralised Energy Production to "Distributed Capitalism"

According to Jeremy Rifkin, the basic sign of the post-carbon era is "the democratization of energy": "Internet technology and renewable energies were about to merge to create a powerful new infrastructure for a Third Industrial Revolution (TIR) that would change the world. In the coming era, hundreds of millions of people will produce their own green energy in their homes, offices, and factories and share it with each other in an 'energy internet,' just like we now create and share information online. The democratization of energy will bring with it a fundamental reordering of human relationship, impacting the very way we conduct business, govern society, educate our children, and engage in civic life."[47] If the creation and distribution of energy in the first and second industrial revolutions were centralised, then in the Third Industrial Revolution (according to Rifkin, the Fourth Industrial Revolution using Schwab's terminology), this traditional organisation focused on hierarchy will fall apart into many individual energy providers with individual networks of creation and distribution, without a hierarchy. Just as today people can be producers of content on social media, they can be producers of energy themselves, thanks to technological advances and the fall in the price of technologies. Jeremy Rifkin writes about the European Union as a market with "190 million power plants,"[48] which in his opinion will fundamentally change the nature of the current political and economic set-up.. Rifkin writes about "distributed capitalism": "Energy regimes shape the nature of civilizations – how they are organized, how the fruits of commerce and trade are distributed, how political power is exercised, and how social relations are conducted. In the twenty-first century, the locus of control over energy production and distribution is going to tilt from fossil-based centralised energy companies to millions of small producers who will generate their own renewable energies in their dwellings and trade surpluses in info-energy commons. The democratization of energy has profound implications for how we orchestrate the entirety of human life in the coming century. We are entering the era of distributed capitalism ... (that will) dramatically change the distribution of economic, political, and social power in the twenty-first century."[49]

Martin Ford writes in a similar way, though not about the energy sector, on the "era of distributed fabrication", when practically everyone will own a 3D printer which they will use to make everything they need, also mentioning the potential creation of a new "hand-made economy" when small companies replace large-scale factory production with locally-produced and more specific products.[50] A further sign of disruptive changes in the energy market is the modified attitude to renewables. The post-carbon era and the growth in environmental awareness bring with them a preference for other, non-fossil, sources of energy.

---

47   RIFKIN, J.: *The Third Industrial Revolution. How Lateral Power Is Transforming Energy, the Economy, and the World.* New York : St. Martin's Griffin, 2011, p. 2
48   Ibidem, p. 43.
49   Ibidem, p. 107.
50   FORD, M.: *Roboti nastupují. Automatizace, umělá inteligence a hrozba budoucnosti bez práce*. Nové Město : Rybka Publishers, 2017, p. 221

PwC: From Commodity Supplier to Added Value Provider

Trends and development tendencies in the energy market have recently also been dealt with by the company PwC, which also records paradigmatic changes in the energy market, including a growth in the distributed generations (that is, where customers become producers), a growth in participation from consumers, as well as the fact that consumers are becoming demanding in terms of the quality of services and products and that they are also interested in renewables:

Figure 5: A networked model
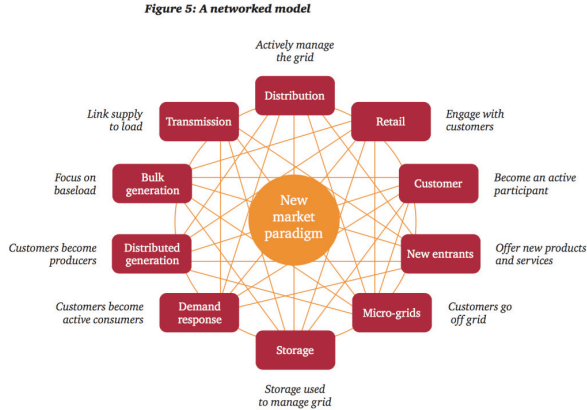
Chart 3: A networked model

Source: *Looking Ahead: Future Market and Business Models.* [online]. [2017-08-05]. Available at: <https://www.pwc.com/gx/en/utilities/publications/assets/pwc-future-utility-business-models.pdf>; *The Rroad Ahead Gaining Momentum from Energy Transformation.* [online]. [2017-08-05]. Available at: <https://www.pwc.com/gx/en/utilities/publications/assets/pwc-the-road-ahead.pdf>.

PwC admits that it is at present very difficult to predict the future, which is ultimately very natural in an era of unconnected, paradigmatic, disruptive and thus complex change:

Figure 2: The power sector has reached an inflection point where its future direction is much less predictable
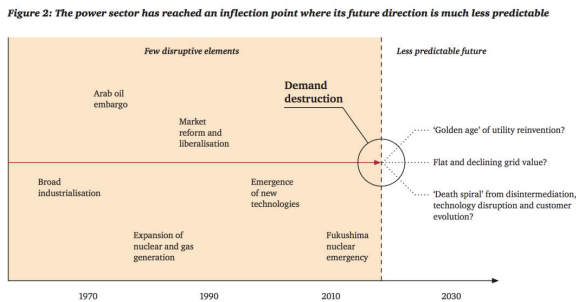
Chart 4: Less predictable future of the power sector

Source: *Looking Ahead: Future Market and Business Models.* [online]. [2017-08-05]. Available at: <https://www.pwc.com/gx/en/utilities/publications/assets/pwc-future-utility-business-models.pdf>; *The Rroad Ahead Gaining Momentum from Energy Transformation.* [online]. [2017-08-05]. Available at: <https://www.pwc.com/gx/en/utilities/publications/assets/pwc-the-road-ahead.pdf>.

Despite an uncertain future, companies and businesses must, however, identify their future direction. When identifying the choices of a business model for energy companies (the material mainly deals with the possibilities for traditional energy players, i.e. incumbents), PwC distinguishes choices from "Gentailer" to "Value Added Provider" and "Virtual Utility":

Chart 5: Business model choices

Source: *Looking Ahead: Future Market and Business Models.* [online]. [2017-08-05]. Available at: <https://www.pwc.com/gx/en/utilities/publications/assets/pwc-future-utility-business-models.pdf>; *The Rroad Ahead Gaining Momentum from Energy Transformation.* [online]. [2017-08-05]. Available at: <https://www.pwc.com/gx/en/utilities/publications/assets/pwc-the-road-ahead.pdf>..

The text "A Strategist's Guide to Power Industry Transformation" is also based on PwCs work, written for Forbes by Norbert Schwieters and Tom Flaherty, where they interpretation PwC's study as follows: "*Commodity Suppliers* own and operate generation assets and sell power into competitive wholesale markets at market clearing prices;…*Grid developers* acquire, build, own, and maintain transmission assets that connect generators to distribution system operators;… *Grid Managers* operate transmission and distribution assets and provide generators and retail service providers with access to their networks;… *Gentailers* both own generation assets and sell retail energy…*Product Innovators* offer electricity as well as so-called behind-the-meter products, expanding the role of the energy retailer and changing the level of customer expectations. We anticipate, for example, that many *Product Innovators* will seek to be active players in electric vehicle charging, providing premises-based infrastructure (and the management and integration of rooftop solar in combination with storage technology and fuel-cell products). In another category, beyond offering standard electric and gas products and their associated services, *Services Bundlers* will align with other firms — such as OEMs, marketers, and technologists — to address future customer needs by offering a range of entirely new energy-related services: life-cycle EV battery change-out, home-related convenience services such as new utility service setup coordination, and management of sales of home-produced energy to the grid. *Virtual Utilities* will aggregate the generation from distributed systems and act as the intermediary between, and with, energy markets. A *Virtual Utility* can also act as an integrator of nontraditional services provided to customers by third parties — for example, distributed energy resources outside its traditional service territory. Finally, *Value-Added Providers* will leverage their fundamental capacities

for information management, big data, and online applications. KiWi Power in the U.K., for instance, which provides services to industrial and commercial clients, offers demand reduction strategies that it says might help larger businesses reduce their electric bills substantially.

Regardless of the business model decisions they make, electric utilities will have to progress in their approaches to innovation and customer engagement. Most utilities are well behind the curve of how a competitive company thinks about innovation, tending to regard it narrowly as a focus on technology. Incumbents must expand their horizons and recognize that areas such as process, product, and business model are all elements of a system of innovation. All need to be considered as part of the utility innovation arsenal. Incumbents must also recognize that today's hyperconnected customers are generally savvier than the power industry with respect to the use of social media and mobility-based communication and interaction. Incumbents will need to develop a much more engaged relationship with their customers, one that emphasizes how the utility can be the customers' partner in 'all things energy,' as they seek to simplify their energy decision making. It will be key for utilities to create these trusted relationships that might cement their differentiation from competitors outside the sector."[51]

Chart 6: Energy Business Models
Source: SCHWIETERS, N., FLAHERTY, T.: *A Strategist's Guide To Power Industry Transformation*. [online]. [2017-08-05]. Available at: <https://www.forbes.com/sites/strategyand/2015/09/08/a-strategists-guide-to-power-industry-transformation/#5debdc078891>.

Norbert Schwieters and Tom Flaherty show in the same way (in the manner of converging markets and "redefining boundaries" of markets) what expansive or converging choices energy companies have in the current disruptive market:

---

51 SCHWIETERS, N., FLAHERTY, T.: *A Strategist's Guide To Power Industry Transformation*. [online]. [2017-08-05]. Available at: <https://www.forbes.com/sites/strategyand/2015/09/08/a-strategists-guide-to-power-industry-transformation/#5debdc078891>.

Exhibit 2: **Expanding Energy Ecosystems**
Innovations in technology, business models, and regulation schemes are fostering new businesses and even industry sectors while encouraging cross-sector collaboration.
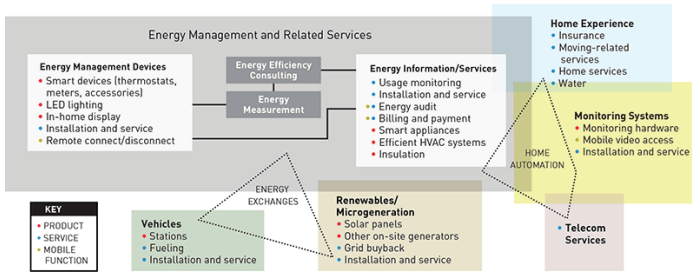
Chart 7: Energy Ecosystems
Source: SCHWIETERS, N., FLAHERTY, T.: *A Strategist's Guide To Power Industry Transformation*. [online]. [2017-08-05]. Available at: <https://www.forbes.com/sites/strategyand/2015/09/08/a-strategists-guide-to-power-industry-transformation/#5debdc078891>.

As can be seen, with a strong enough vision, an energy company might not be just a "utility provider", that is a simple energy supplier, but may become a truly complex, convergent "facility provider", or else what Pacific Gas and Electric Company calls an interconnected "Grid of Things"[52] in the manner of the "Internet of Things".

Conclusion

Against the background of disruptive and paradigmatic changes brought about by the fourth industrial revolutions, we have shown how the energy business is changing, or will change. And we imagined a proposal for possible corporate strategies for two dramatically different types of brands or companies: incumbent and newcomer. We showed that for both types of companies, the fourth industrial revolution represents challenges, choices and possibly threats; it depends how these companies will perceive the fourth industrial revolution. At the same time, we used this article to show the opportunities offered by the academic sphere: using perception and an analytical assessment of social and technological trends to become a methodological, conceptual, strategic and idea-based "think-tank" for business practice. For who else, if not academics, should have a developed sensitivity and ability to perceive social trends, disruptions and paradigmatic changes, and imagine their consequences for business practice? The academic sphere can thus inspire with its ideas people from the business world who are very often so occupied by their day-to-day business that they simply do not have the opportunity to perceive what is happening outside their business sector. And this is where academic "think-tanks" can help them.

---

52 *Our Vision of an Interconnected Grid of Things*. [online]. [2017-08-05]. Available at: <https://pge.com/includes/docs/pdfs/myhome/saveenergymoney/cleanenergyca/Solar_Pkg-GOT_Speech_Insert.pdf>.

Rerefences:
BOSTROM, N.: *Superinteligence. Paths, Dangers, Strategies.* Oxford : Oxford University Press, 2014.
BRYNJOLFSSON, E., McAFFE, A.: *The Second Machine Age: Work, Progress, and Prosperity in a Time of Brilliant Technologies*. New York : W. W. Norton & Company, 2014.
CASTELLS, M.: *The Impact of the Internet on Society: A Global Perspective*. [online]. [2017-09-13]. Available at: <https://www.technologyreview.com/s/530566/the-impact-of-the-internet-on-society-a-global-perspective/>.
CARR, N.: *Nebezpečná mělčina. Jak internet mění náš mozek. Analýza stavu lidské psychiky v době digitální.* Praha : Dauphin, 2017.
CHRISTENSEN, C. et al.: *Competing Against Luck. The Story of Innovation and Customer Choice*. New York : Harper Business, 2016.
FLORIDI, L.: *The 4th Revolution. How the Infosphere Is Reshaping Human Reality.* Oxford : Oxford University Press, 2014.
FORD, M.: *Roboti nastupují. Automatizace, umělá inteligence a hrozba budoucnosti bez práce.* Nové Město : Rybka Publishers, 2017.
GOODWIN, T.: *Something interesting is happening*. [online]. [2017-08-26]. Available at: <https://techcrunch.com/2015/03/03/in-the-age-of-disintermediation-the-battle-is-all-for-the-customer-interface/>.
HARARI, Y. N.: *Homo Deus. A Brief History of Tomorrow*. London : Vintage, 2017.
ISAACSON, W.: *Steve Jobs.* Bratislava : Eastone Books, 2011.
KELLY, K.: *The Inevitable. Understanding the 12 Technological Forces That Will Shape Our Future.* New York : Viking, 2016.
KURZWEIL, R.: *The Singularity Is Near: When Humans Transcend Biology.* New York : Penguin Books, 2006.
LANIER, J.: *Who Owns the Future?* London : Allen Lane, 2013.
Looking Ahead: Future Market and Business Models. [online]. [2017-08-05]. Available at: <https://www.pwc.com/gx/en/utilities/publications/assets/pwc-future-utility-business-models.pdf>.
O'REILLY, T.: *WTF. What's the Future and Why It's Up To Us.* London : RH Business Books 2017.
Our Vision of an Interconnected Grid of Things. [online]. [2017-08-05]. Available at: <https://pge.com/includes/docs/pdfs/myhome/saveenergymoney/cleanenergyca/Solar_Pkg-GOT_Speech_Insert.pdf>.
PORTER, M. E.: *Competitive Strategy: Techniques for Analyzing Industries and Competitors.* New York : Free Press, 1998.
PORTER, M. E.: *Competitive Advantage: Creating and Sustaining Superior Performance.* New York : Free Press, 1998.
Redefining Boundaries. Insights from the Global C-suite Study. [online]. [2017-09-13]. Available at: <https://www-01.ibm.com/common/ssi/cgi-bin/ssialias?htmlfid=GBE03695USEN>.
RIFKIN, J.: *The Third Industrial Revolution. How Lateral Power Is Transforming Energy, the Economy, and the World.* New York : St. Martin's Griffin, 2011.
RIFKIN, J.: *The Zero Marginal Cost Society: The Internet of Things, the Collaborative Commons, and the Eclipse of Capitalism.* New York : St. Martin's Griffin, 2014.
ROSENBLUM, J., BERG, J.: *Friction. Passion Brands In the Age of Disruption*. New York : powerHouse Books, 2017.

ROSS, A.: *The Industries of the Future.* London : Simon & Schuster, 2017.

SCHWAB, K.: *The Fourth Industrial Revolution.* New York : Penguin Random House, 2017.

SCHWIETERS, N., FLAHERTY, T.: *A Strategist's Guide To Power Industry Transformation.* [online]. [2017-08-05]. Available at: <https://www.forbes.com/sites/strategyand/2015/09/08/a-strategists-guide-to-power-industry-transformation/#5debdc078891>.

SPITZER, M.: *Digitální demence. Jak připravujeme sami sebe a naše děti o rozum.* Brno : Host, 2016.

STONE, B.: *Jeff Bezos a věk Amazonu.* Praha : Práh, 2014.

STONE, B.: *The Upstarts. How Uber, Airbnb and the Killer Companies of the New Silicon Valley are Changing the World.* London : Little, Brown and Company, 2017.

ŠICHTAŘOVÁ, M., PIKORA, V.: *Robot na konci tunelu aneb zpráva o podivném stavu svět a co s tím.* Praha : NF Distribuce, 2017.

TEGMARK, M.: *Life 3.0Being Human in the Age of Artificial Intelligence.* New York : Knopf, 2017.

The Rroad Ahead Gaining Momentum from Energy Transformation. [online]. [2017-08-05]. Available at: <https://www.pwc.com/gx/en/utilities/publications/assets/pwc-the-road-ahead.pdf>.

VANCE, A.: *Elon Musk: Tesla, SpaceX a hľadanie fantastickej budúcnosti.* Bratislava : Citadella, 2015.

WUNKER, S., WATTMAN, J., FARBER, D.: *Jobs to Be Done. A Roadmap for Customer Centered Innovation.* New York : Amacom, 2017.

ZIMBARDO, P.: *Odpojený muž. Jak technologie připravuje muž o mužství a co s tím.* Praha : Grada Publishing, 2017.

Contact data:
Mgr. Pavol Minár
University of Ss. Cyril and Methodius in Trnava
Faculty of Mass Media Communications
Námestie J. Herdu 2
917 01 Trnava
SLOVAK REPUBLIC
pavol.minar@zaraguza.com

INCUMBENT VS. NEWCOMER ON THE ENERGY MARKET: POSSIBLE STRATEGIC SCENARIOS

Pavol Minár

Abstract
Insights of the text "INCUMBENT VS. NEWCOMER. DIFFERENT STRATEGIES FOR THE CURRENT DISRUPTIVE CHANGES" that described paradigmatic changes brought by the 4th industrial revolution and their impact on the nature of the entire economy and culture, are applied to the specific topic: possible strategic scenarios of the two different types of brand on the energy market – incumbent and newcomer. Different brand strategies are proposed.

Key words:
4th industrial revolution. Archetypes. Brand meaning. Brand narratives. Brand positioning. Brand story. Brand strategies. Disruption. Energy market. Paradigmatic change. Winner-takes-all economy.

Introduction

In the revolutionary age of digital innovations and disruptive changes, a new type of economy is arising, and the nature of capitalism is changing (sharing economy and distributed capitalism). Entry costs for entering new, convergent market segments in the process of being redefined are falling. For this reason, a newcomer can use their experience with digital solutions and enter an entirely new territory, category or market segment. The incumbent must take into account that a paradigmatic change has taken place and as a result, for their own survival, they must redefine their business in a complex manner, as well as their relationship to customers (for which they might use, however, their capital funds, big data sources and experience with market shocks). For an incumbent company on the energy market, a very suitable approach appears to grasp a strategic position where the company dramatically leaves the space of a simple supplier of an energy commodity and to become a brand, which is an "interconnected 'Grid of Things" in the terminology of Pacific Gas and Electric Company, or in other words what PwC describes as a "value-added enabler"[1]: "A value-added enabler leverages its fundamental capacities for information management to expand the role that a utility can provide on behalf of its customers. While many customers seek to gain more control over energy consumption or more choice with respect to energy supply, these customers do not share a uniform desire to always be 'hands-on' in making decisions regarding their energy use patterns. Many customers are 'inert', i.e. they do not easily adapt to the existence of choice or accept the role of 'high touch' in energy management. This is where an incumbent can play a new and valuable role that is difficult for other providers to fulfil."[2]

---

1   *Our Vision of an Interconnected Grid of Things.* [online]. [2017-08-05]. Available at: <https://pge.com/includes/docs/pdfs/myhome/saveenergymoney/cleanenergyca/Solar_Pkg-GOT_Speech_Insert.pdf>.

2   See: *Looking Ahead: Future Market and Business Models.* [online]. [2017-08-05]. Available at: <https://www.pwc.com/gx/en/utilities/publications/assets/pwc-future-utility-business-models.pdf>; *The Rroad Ahead Gaining Momentum from Energy Transformation.* [online]. [2017-08-05]. Available at: <https://www.pwc.com/gx/en/utilities/publications/assets/pwc-the-road-ahead.pdf>.

A company with such an orientation has the following business opportunities and activities:

Maximising competitive position against potential competitive threats

Value-added enabler actions	Competitor threats addressed	Future value-added enabler profitability drivers
• Build-out 'big data' platforms • Educate customers on energy management options • Design innovative methods for sharing customer benefit • Deploy data synthesis methods and tools • Develop data security protocols • Enter into partnerships with data managers to improve competitive position	• Low-priced/free behind-the-meter devices • Regulatory change preventing utilisation of customer data • Leverage of third-party brand for market entry	• Robust data analytics systems • Pricing mechanisms for performance • Decision tools for customer adoption • High quality data security management systems and protocols

Chart 1: Maximising competitive position against potential competitive threats
Source: *Looking Ahead: Future Market and Business Models.* [online]. [2017-08-05]. Available at: <https://www.pwc.com/gx/en/utilities/publications/assets/pwc-future-utility-business-models.pdf>.

The scenario for a newcomer might be a "virtual utility model": "A virtual utility can aggregate the generation from various distributed systems and act as the intermediary between and with energy markets. A virtual utility can also act as an integrator of non-traditional services provided to customers by third parties... A primary focus of companies in this space is to optimise the sourcing of energy, with respect to costs, sustainability and customer needs, and to manage the distribution system. The virtual utility can also undertake demand-side management functions for commercial and industrial loads and smart residential appliances, to help balance demand and supply."[3] It must be said that this strategic scenario can be described in other words, bearing in mind the current terminological advances: "smart home and smart city solutions provider," which is a new business concept entered into not only by energy providers, but also – and perhaps primarily – by technological and IT operators and providers.

1 Brand Strategy and Narrative

The strategic scenario is the staking-out, or determining of a "playing field" and defining the "where to win"[4] business area. This type of strategic brand direction, however, does not usually give sufficient space to understand what is the essence, the brand meaning, basic significance and focus of the brand, which complicates, or renders less clear, its long-term and short-term direction. For a brand, it is also important to define a brand strategy. In marketing, there is probably no term used more flexibly than strategy, together with brand strategy. And this leads to the terms being defined in varying ways. I consider very suitable Michael Johnson's "loose" work with the concept of "brand strategy". He always adds "narrative" to "brand

---

3   *Looking Ahead: Future Market and Business Models.* [online]. [2017-08-05]. Available at: <https://www.pwc.com/gx/en/utilities/publications/assets/pwc-future-utility-business-models.pdf>.
4   For more information, see: LAFLEY, A. G., MARTIN, R. L.: *Playing to Win: How Strategy Really Works.* Harvard : Harvard Business Review Press, 2013.

strategy", thus emphasising that each brand must have its "verbal approach" which defines the brand semantically and verbally, thus creating conditions for the future course of the brand: "Brands across the world are discovering that their overall strategic and verbal approach is what glues them together and drives who, and what, they really are...," which enables well-managed brands to define, "not only why people should use your product or service, but why they should care."[5] To propose a brand strategy and narrative, we used a model which is a combination of the approach of Giep Franzen and Sandra Moriarty and the practice used by the Zaraguza Prague advertising agency:

Chart 2: Brand Bible
Source: FRANZEN, G., MORIARTY, S.: *The Science and Art of Branding.* London : M. E. Sharpe, 2009 and Zaraguza Prague advertising agency.

2 Definition of terms

In their "brand concept" model, Giep Franzen and Sandra Moriarty work with "vision," "purpose," "values," "mission" and "positioning" as a key of "strategy." Zaraguza Prague adds "brand mantra" and "archetype" to this model. Franzen and Moriarty describe individual parts as follows: "A **vision** statement, which puts into words what a brands wants to be in the future, consists of the brand's core purpose and values... The core **purpose** of a corporate brand is an abstract formulation of its contribution to society as a guiding star far above the horizon... **Values** are the convictions that the company brand represents. Expressing the values that drive a company brand is what constitutes the ideology of the brand... A brand **mission** contains the concrete task for the organization behind the brand regarding the contribution to be made in the short term toward the realization the vision... **Strategy** is the way in which, and the road along which, a goal is to be reached. Thus, brand strategy is the mechanism by which a brand mission is accomplished."[6] The classics on the concept of **positioning**, Al Ries and Jack Trout, write that "positioning is not what you do to a product. Positioning is what you do to the mind of the prospect... How you differentiate yourself in the mind of your prospect."[7] Such a definition is relatively unilateral, since it defines positioning as a process which takes place exclusively in the consumer's mind. Current concepts of positioning work with the term in a broader sense: "Positioning is rooted... in the definition of the market that a company wants to serve, and in the activities that will achieve the ultimate values for the consumers or customers,"[8] or:

5   JOHNSON, M.: *Branding In Five and A Half Steps.* London : Thames and Hudson, 2016, p. 80, 85.
6   FRANZEN, G., MORIARTY, S.: *The Science and Art of Branding.* London : M. E. Sharpe, 2009, p. 94-100.
7   RIES, A., TROUT, J.: *Positioning. The Battle for Your Mind.* London : McGraw-Hill, 2001, p. 3.
8   FRANZEN, G., MORIARTY, S.: *The Science and Art of Branding.* London : M. E. Sharpe, 2009, p. 166.

"Positioning says what the brand is, who it's for, and what it offers... Brand position is a 'supercommunication effect' that mentally tells the prospective buyer what the brand is, who it's for, and what it offers."[9] Franzen and Moriarty write that "brand positioning states the brand's reason-for-being among select customers versus competitive products or services."[10]

And the basic tool for articulating or verbalising positioning is the **positioning statement**, which is a summary of "why a particular target audience, buying in a particular category or for a particular category need, should buy this particular brand. The format for a brand's positioning statement is: 'To the (target audience)/ is the brand of (category need) / that offers (brand benefit or benefits).'"[11] **The brand mantra** is a very brief, fitting and semantically clear verbal summary of the brand meaning.[12] It is neither a claim nor a slogan to appear in advertising. As a strategic expression of the brand meaning, the brand mantra is a verbal "bolt" which "binds together" the whole verbal, semantic and potentially even visual identity of the brand. **The archetype** is part of the concept of the collective unconscious introduced into psychology by Carl Gustav Jung. Jung considered archetypes as manifestations, the contents of the collective unconscious which become conscious through expressions in stories (myths, fairy-tales): "The contents of the collective unconscious... are known as archetypes... The archetype is essentially an unconscious content that is altered by becoming conscious."[13] In this sense, archetypes are "forms or images of a collective nature which occur practically all over the earth as constituents of myths and at the same time as autochthonous, individual products of unconscious origin."[14]

The concept of archetypes has become very fruitful, productive and relevant not only for psychology, the analysis of mythology, literature, film, opera etc., but also for reflecting on possible stories and their future depiction in film, literature or television.[15] The fact that "archetypes ennoble life by highlighting its meaning" was used by Margaret Mark and Carol S. Pearson for an analytical application in advertising, marketing and brand building experience. This is why they write about archetypes as "mediators between products and customer motivation by providing an intangible experience of meaning," because when archetypes are active in the brand building process, "they evoke deep feelings." In this sense, "archetypes provide

---

9   ROSSITER, J. R., PERCY, L.: *Advertising Commnunications & Promotion Management.* New York : Irwin McGraw-Hill, 1997, p. 140-141.
10   FRANZEN, G., MORIARTY, S.: *The Science and Art of Branding.* London : M. E. Sharpe, 2009, p. 168.
11   ROSSITER, J. R., PERCY, L.: *Advertising Commnunications & Promotion Management.* New York : Irwin McGraw-Hill, 1997, p. 160.
12   For more information, see: *Brand Story and Narrative.* Prague : Zaraguza Prague, 2017.
13   JUNG, C. G.: *Four Archetypes. Moter, Rebirth, Spirit, Trickster.* New York, London : Routledge Classics, 2003, p. 2, 4.
14   JUNG, C. G.: *Psychology and Religion. Collected Works, Vol. 11.* New York, London : Princeton University Press, 1958, p. 88.
15   See: BOOKER, CH.: *The Seven Basic Plots. Why We Tell Stories.* London : Continuum, 2004; CAMPBELL, J.: *The Hero With a Thousands Faces.* New Yersey : Princeton University Press, 1972; COWDEN, T. D., LaFEVER, C., VIDERS, S.: *The Complete Writer's Guide To Heroes & Heroins. Sixteeen Master Archetypes.* Hollywood : IFILM Hollywood, 2000; McKEE, R.: *Story. Substance, Structure, Style, and the Principles of Screenwriting.* London : Methuen, 1999; VAN BERGEN, J.: *Archetpes for Writers. Using the Power of Your Subconscious.* California, USA : Michael Wiese Productions, Studio City, 2007; VOGLER, CH.: *The Writer's Journey. Mythic Structure for Writers.* California, USA : Michael Wiese Productions, Studio City, 1998.

the missing link between customer motivation and product sales... An archetypal product identity speaks directly to the deep psychic imprint within the consumer, sparking a sense of recognition and of meaning... Archetypes are the heartbeat of a brand because they convey a meaning that makes customers relate to product as if it actually were alive in some way. They have a relationship with it. They care about it.“[16] Zaraguza Prague uses a brand mantra and archetypes as "meaning shortcuts," which, if they are in harmony with the mission, vision and positioning, are an effective aid in understanding the brand, its meaning, story and relevance for consumers. After defining the terms, let us turn to the proposal of a brand strategy and narrative for two different brands in the energy segment.

3 Incumbent brand strategy for the current disruptive changes in the energetic market (proposal)

Purpose
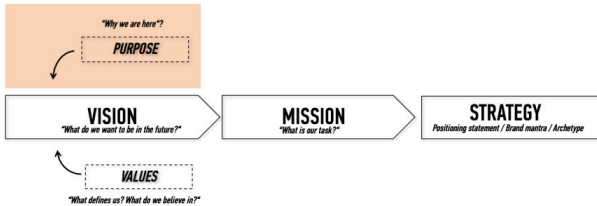
Chart 3: Brand Bible
Source: FRANZEN, G., MORIARTY, S.: *The Science and Art of Branding.* London : M. E. Sharpe, 2009 and Zaraguza Prague advertising agency.

We are a Value Added Provider. We provide the best, tailor-made and most effective integrated complex energy and facility solutions for every single customer at the highest, most innovative and most ecological level.

Values

Chart 4: Brand Bible
Source: FRANZEN, G., MORIARTY, S.: *The Science and Art of Branding.* London : M. E. Sharpe, 2009 and Zaraguza Prague advertising agency.

---

16 MARK, M., PEARSON, C. S.: *The Hero and The Outlaw. Building Extraordinary Brands Through the Power of Archetypes.* New York : McGraw-Hill, 2001, p. 11-22.

Ecology, sustainability, respect for our planet: it is our mutual home and we are just looking after it for a while before passing it on to our successors. Respect for our country and the people who live in it motivates us to give them the solutions that are optimal for them. We learn from history and are fascinated by the present and the past. We adapt flexibly to each change and innovation which helps our planet, country and people with its energy.

Vision

Chart 5: Brand Bible
Source: FRANZEN, G., MORIARTY, S.: *The Science and Art of Branding.* London : M. E. Sharpe, 2009 and Zaraguza Prague advertising agency.

We want to become the most popular company in our country and the *prototype* brand for the energy company of the present and future.[17]

Mission

Chart 6: Brand Bible
Source: FRANZEN, G., MORIARTY, S.: *The Science and Art of Branding.* London : M. E. Sharpe, 2009 and Zaraguza Prague advertising agency.

Our complex energy solutions (e.g. Smart Home) help our customers optimise the energy requirements of their households or companies, always taking into account ecology and sustainability. We are practically "in every house", we are an integral part of this country and its transformations, which is why everything we do, we do with regard for its traditions and future.

---

17   "Prototype brand" is the brand that is the best in its category: "it is the best example of the category, the *prototype*... it is the ultimate representation of the category... In the prototype strategy, the brand serves as the most typical, original, and representative example of a category or subcategory. The prototype strategy is a clear-cut strategy for market leaders" (for more information, see: FRANZEN, G., MORIARTY, S.: *The Science and Art of Branding.* London : M. E. Sharpe, 2009, p. 89, 131, 171).

Strategy

Chart 7: Brand Bible
Source: FRANZEN, G., MORIARTY, S.: *The Science and Art of Branding.* London : M. E. Sharpe, 2009 and Zaraguza Prague advertising agency.

Positioning statement
For everyone, whether they live in a flat, a house or a mansion, whether it is a small bakery or a key employer for the whole region, a single-class school or a university, a homeopath or a top hospital, who wants to have their energy under control, is looking for optimal, integrated "facility" solutions changing in real time and which respects the uniqueness of its customers, we provide complex (data, integrated, technical and informational) energy and facility ecosystems which enable people to spend their energy on what they enjoy and on what satisfies them, because thanks to us, their energy is well, and efficiently, looked after.

Brand mantra: Energy for a country which is full of energy.[18]

Archetype: GOOD RULER (SOVEREIGN) / PROTECTOR

4 Newcomer brand strategy for the current disruptive changes in the energy market (proposal)
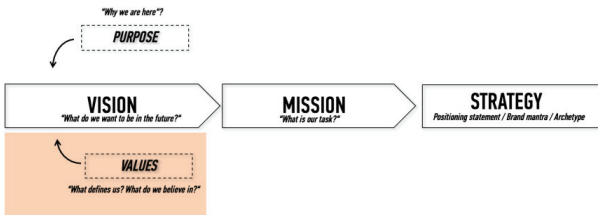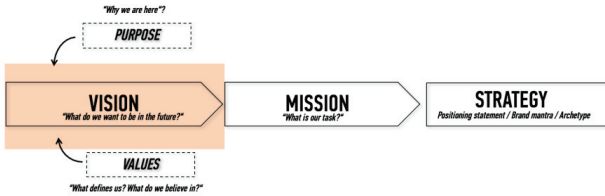
Purpose
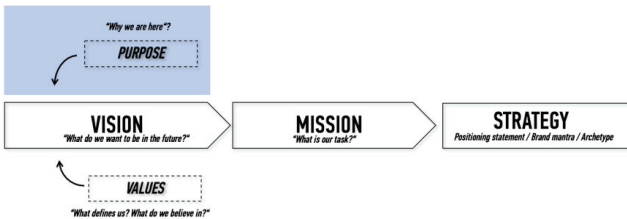
Chart 8: Brand Bible
Source: FRANZEN, G., MORIARTY, S.: *The Science and Art of Branding.* London : M. E. Sharpe, 2009 and Zaraguza Prague advertising agency.

---

18   Incumbent energy companies, which usually have a long history behind them and a link to their markets, have the competency to speak "for the whole country", which is why the brand mantra is formulated in such a socially "universal" way (remark by the author).

To give people a "single solution" for running a modern household, company or town, and thus make their life simpler, more enjoyable and efficient.

Values
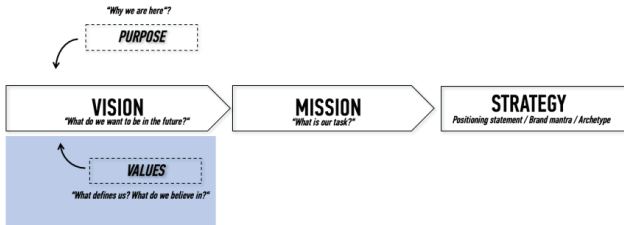
Chart 9: Brand Bible
Source: FRANZEN, G., MORIARTY, S.: *The Science and Art of Branding.* London : M. E. Sharpe, 2009 and Zaraguza Prague advertising agency.

Modernity, innovation, trendsetting,
Humanity, fairness,
"Higher principle": the willingness to do something for society which has a true sense.
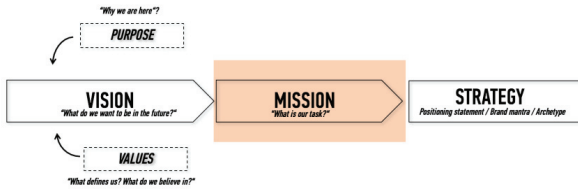
Vision
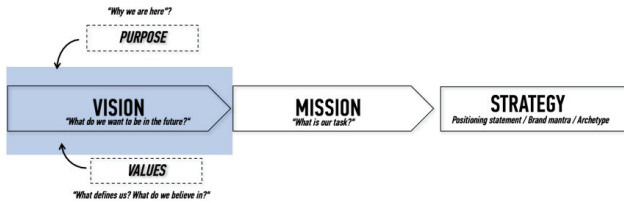
Chart 10: Brand Bible
Source: FRANZEN, G., MORIARTY, S.: *The Science and Art of Branding.* London : M. E. Sharpe, 2009 and Zaraguza Prague advertising agency.

We want to become the brand of the innovative, modern and effective *alternative* for the complex management of *smart* households, companies and towns.

Mission
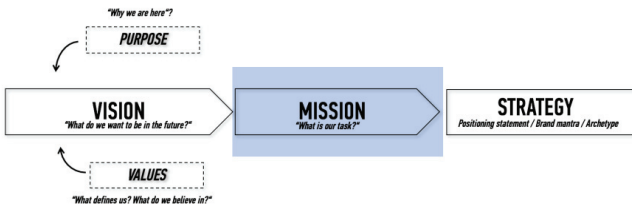
Chart 11: Brand Bible
Source: FRANZEN, G., MORIARTY, S.: *The Science and Art of Branding.* London : M. E. Sharpe, 2009 and Zaraguza Prague advertising agency.

We give people a modern, and completely different, alternative for running households, companies, towns. With us, everyone can be sure of the best quality, most innovative and most effective management and complex solutions, exactly the way her or she wants and needs them.

Strategy

Chart 12: Brand Bible
Source: FRANZEN, G., MORIARTY, S.: *The Science and Art of Branding.* London : M. E. Sharpe, 2009 and Zaraguza Prague advertising agency.

Positioning statement
For people who are interested in complex, yet simple, reliable, secure and comfortable solutions for running their households, companies or towns, we offer the most up-to-date technology, the most innovative, effective and ecological optimal products and services (energy and its storage, water, waste, renewables, smart home, smart city, internet, telecommunications, TV and entertainment, financial management), which take into account their specific, individual needs, demands and desires, making their life more efficient, delightful and enjoyable.

Brand mantra: Everything (for an innovative, modern, efficient and always pleasant and well-run household, company, town), just the way you want it.

Archetype: CREATOR/ VISIONARY

5 Incumbent vs. Newcomer brand strategies (comparison)

The strategy for the incumbent is thus the strategy of a prototype, dominating brand with the ambition to "define" the whole energy category. In this strategy, the incumbent changes from a simple supplier of an energy commodity to a complex and integrated "home facility" brand, thus becoming a "value added provider" with the ability, ambition and competence to go beyond the limits of the energy business and be a convergent complex brand capable of providing individualised, not standardised, services and solutions to all types of customers (from individuals to towns). In this strategy, the incumbent is a transforming brand, which perceives the dramatic changes and disruptions not only in the energy market, but also within the whole of society. The strategy for the newcomer is the strategy of an alternative brand which profiles itself as the opportunity for a "different path" than using the services of standard, traditional brands. It profiles itself as a brand which offers the highest level of innovation and effectiveness. In this sense, the newcomer positions itself as a

"brand-challenger" which – as an alternative – challenges the market dominator (the incumbent brand), while offering people the alternative of the modernity, dynamism and efficiency of top, customised products and solutions, where the customer can be sure not only of modernity and efficiency, but also of constant innovation and the rapid input of new solutions resulting from technological progress. Of course, a newcomer strategy might exist which does not highlight a technological visionariness, but would be a thorough price challenger and an economy alternative to the market dominator.

Conclusion

In the context of 4th industrial revolution and disruptive changes brought by it, we imagined a proposal for possible corporate strategies for two dramatically different types of brands or companies: incumbent and newcomer. This article can be used in real-life situation for the both type of companies. Thus, the article is bridging the gap between the academic sphere and business world.

Rerefences:

BOOKER, CH.: *The Seven Basic Plots. Why We Tell Stories.* London : Continuum, 2004.
Brand Story and Narrative. Praha : Zaraguza, 2017.
CAMPBELL, J.: *The Hero With a Thousands Faces.* New Yersey : Princeton University Press, 1972.
COWDEN, T. D., LaFEVER, C., VIDERS, S.: *The Complete Writer's Guide To Heroes & Heroins. Sixteeen Master Archetypes.* Hollywood : IFILM Hollywood, 2000.
FRANZEN, G., MORIARTY, S.: *The Science and Art of Branding.* London : M. E. Sharpe, 2009.
JOHNSON, M.: *Branding In Five and A Half Steps.* New York : Thames and Hudson, 2016.
JUNG, C. G.: *Four Archetypes. Moter, Rebirth, Spirit, Trickster.* New York, London : Routledge Classics, 2003.
JUNG, C. G.: *Psychology and Religion. Collected Works, Vol. 11.* New York, London : Princeton University Press, 1958.
LAFLEY, A. G., MARTIN, R. L.: *Playing to Win: How Strategy Really Works.* Harvard : Harvard Business Review Press, 2013.
Looking Ahead: Future Market and Business Models. [online]. [2017-08-05]. Available at: <https://www.pwc.com/gx/en/utilities/publications/assets/pwc-future-utility-business-models.pdf>.
MARK, M., PEARSON, C. S.: *The Hero and The Outlaw. Building Extraordinary Brands Through the Power of Archetypes.* New York : McGraw-Hill, 2001
McKEE, R.: *Story. Substance, Structure, Style, and the Principles of Screenwriting.* London : Methuen, 1999.
Our Vision of an Interconnected Grid of Things. [online]. [2017-08-05]. Available at: <https://pge.com/includes/docs/pdfs/myhome/saveenergymoney/cleanenergyca/Solar_Pkg-GOT_Speech_Insert.pdf>.
RIES, A., TROUT, J.: *Positioning. The Battle for Your Mind.* New York : McGraw-Hill, 2001.
ROSSITER, J. R., PERCY, L.: *Advertising Commnunications & Promotion Management.* New York : Irwin McGraw-Hill, 1997.

VAN BERGEN, J.: *Archetypes for Writers. Using the Power of Your Subconscious.* California, USA : Michael Wiese Productions, Studio City, 2007.
VOGLER, CH.: *The Writer's Journey. Mythic Structure for Writers.* California, USA : Michael Wiese Productions, Studio City, 1998.

Contact data:
Mgr. Pavol Minár
University of Ss. Cyril and Methodius in Trnava
Faculty of Mass Media Communications
Námestie J. Herdu 2
917 01 Trnava
SLOVAK REPUBLIC
pavol.minar@zaraguza.com

SOCIAL SERVICES COMMUNITY PLANNING
AND MASS MEDIA COMMUNICATION

Valeriu Mosneaga – Michal Garaj

Abstract
Social services community planning and its potential is influenced by a different reasons. The main objective identifies and evaluates possible correlation between utilization rate of mass media communication forms and utilization rate of participatory model of social services community planning elements. Object in research represents cities in the Slovak republic with processed and adopted community plan of social services. The subject of the research is the use of the social services community planning participatory model with connection to mass-media presentation and communication. We use quantitative research strategy by questionnaire technique for data collection. Respondents represent leaders of teams of community social service planners. Data are evaluated by a regression analysis through software PSPP. Outputs of statistical software present chart with linear regression line and tables with statistics. The results show positive correlation between utilization rate of mass media communication forms and utilization rate of participatory model of social services community planning elements. That result identifies positive influence of mass media communication forms on the potential of community planning of social services.

Key words:
Communication. Community planning. Mass media. Social services.

1 Introduction

Social services community plan is according to Act. No. 448/2008 Coll. on Social Services obligation for self-government in territory of Slovak Republic. The self-government, city or municipality, have to process and approve the Community Plan of Social Services.[1] Process of creation is influenced by many different factors which can change the final result. One of the current aspects is the role of mass media communication and presentation through different forms, such as classical and modern communication tools.[2] By combining the involved actors and mass media is possible process community plan of social services not only for political reasons. Participants are according to Social Services Act. No. 448/2008, contracting authority (city), social services providers, social services client, public, represents of institutions and experts may create a functional coalition. Social services facilities with their clients and employees represents place for meeting of many different life stories that should be state in community plans of social services as a real life experience.[3] Community plan of social services should be not only strategy or paper community plan of social services should be place for future opportunities.

---

1   *Social Services Act. No. 448/2008 Coll. On social services.*
2   LUKÁČ, M.: *Koniec neefektívnej marketingovej komunikácie v múzeách*. Trnava : Občianske združenie FSV UCM, 2015, p. 63.
3   STANČIAK, J., VAREČKOVÁ, Ľ.: Senior´s Quality of Life in Social Service Facilities. In *Zborník Dni Medycyny spolecznej i Zdrowia Publicnego. Conference Proceedings*. Lublin, Poland : Instytut Medycyny Wsi im. Witolda Chodzki, 2015, p. 96.

As well is the place for the leadership or tool for participation[4] of different social groups as youth[5] or elderly people. On the other hand youth people have relatively large negative positions to their social interest to practical participative performance.[6] The potential of social services community plan is characteristic by two basic models. The administrative and participatory model is demonstrating a degree of utilization of the potential of social services community planning.[7] Each of them is characterized by the same elements. Those elements we use in research as a elements of participatory model of social services community planning. Community planning of social services is an interesting area for many other fields, not only for social services, management or public administration. Author Harasimová combines community planning of social services with marketing and mass media communication. She uses theory of marketing event for analysis with practical example of marketing and mass media presentation in city Opava, Czech Republic. Study describes practical implementation of principles of marketing event theory on the community planning of social services. In this case we say about Project of Community Planning of Social Services – Day of Social Services in Opava. As Harasimová states, marketing represents for community planning of social services very good form and opportunity how to increase degree of public awareness about community planning.[8]

2 Main objective and methods

The main objective identifies positive or negative correlation between the utilization rate of mass media communication elements and the utilization rate of participatory model of community planning of social services. To solve the main objective, we determine the following research question: *What is the influence of the use of mass-media communication methods to the use of elements social services community planning participatory model in Slovak cities from overall view and according to the division into three regions?* The partial goal verifies the following hypothesis: *The higher the use of the elements of mass-media communication, the higher is the use of the elements of the participatory model KPSS.* Hypothesis is being tested in four forms, one general view and three regions. We are based on identified research problem that points to a different approach to securing the organization of community planning of social services in the cities of Slovak republic and as well as to using of mass media communication methods.[9] The main result points to differences in establishing of a team of community social service planners which are research entities for study.

4   IMROVIČ, M.: Participation at the Municipal Level and Social Networks. In *Slovak Journal of Public Policy and Public Administration: Slovenská revue pre verejnú politiku a verejnú správu*, 2016, Vol. 3, No. 2, p. 116.
5   IMROVIČ, M.: Participácia mladých ľudí na úrovni lokálnej demokracie*. In *Interpolis ´16: Zborník vedeckých prác.* Banská Bystrica : Fakulta politických vied a medzinárodných vzťahov UMB, 2016, p. 38.
6   MIHÁLIK, J.: Political Leadership and Democratic Governance from the Perspective of Slovak Youth. In *Slovak Political Revue*, 2015, Vol. 15, No. 3, p. 200.
7   For more information, see: PILÁT, M.: *Komunitní plánování sociálních služeb v současné teorii a praxi.* Praha : Portál, 2015.
8   HARASIMOVÁ, S.: Marketing událostí v prostoru komunitního plánovaní sociálních služeb. In *Societas et Res Publica*, 2015, Vol. 1, No. 3, p. 100.
9   GARAJ, M.: Aktuálnosť a charakter KPSS v mestách SR. In BOČÁKOVÁ, O., KUBÍČKOVÁ, D.: *Reflexia sociálnych služieb a ošetrovateľstva v praxi.* Brno : Tribun, 2016, p. 36.

The subject of the research is the use of the social services community planning participatory model with connection to mass media presentation and communication. We implement the quantitative research strategy of questionnaire technique to obtain data we need to solve problem.

We use the answers obtained from the respondents. Each city represents one respondent and respondent is a leader of a team of community social service planners. We focus only to cities where community planning of social services run. The basic set of respondents is specified in a deliberate way as follows: to 25.9. 2017 there are 140 self-governments with the city status.[10] According to Act no. 448/2008 Coll. on social services, self-government constitutes a social services community plan. According to the results of study there are 96 cities community plan of social services was adopted.[11] The basic set consists of 96 respondents. The specific set of respondents is determined completely, similarly it consists of 96 respondents. The questionnaire structure divides questions in two separate areas. The first one is interesting in applying community planning of social services participatory model elements. The second one is interesting in applying mass media communication elements. Collection of responses is taking place over the period from January 2017 to April 2017. Of the 96 respondents we got 86 responses, the success rate is 89,58 %. We process the obtained data through Microsoft Excel software, and then we form the basic data matrix in the PSPP program with coding of obtained answers. Dates of the use of individual elements of Social Services Community Planning Participatory Model are obtained from the respondents answers. According to Pilát we are interesting on presence or absence of following elements and its using in cities where community planning run.

Utilization of Participatory Model of Social Services Community Planning elements (presence – 1 point, absence – 0 point):
- Equality of participants/strict hierarchy: 1/0;
- Consensus of actors/directivity. 1/0;
- Joint decision making/unilateral decision making: 1/0;
- Focus on processes/Focus on processes and paper output/Focus on paper output: 1/0,5/0;
- Focus on local resources/focus on external resources: 1/0;
- Involvement of the public/non-involvement of the public: 1/0;
- Involvement of social services clients/non-involvement of social services clients: 1/0;
- Involvement of marginalized groups/non-involvement of marginalized groups: 1/0;
- Regularity of meeting/irregularities of meetings:1/0;
- Publishing of information/non-information: 1/0.[12]

10   *Statstical Office of the Slovak Republic.* [online]. [2017-09-25]. Available at: <http://datacube. statistics.sk/TM1WebSK/>.
11   GARAJ, M.: Aktuálnosť a charakter KPSS v mestách SR. In BOČÁKOVÁ, O., KUBÍČKOVÁ, D.: *Reflexia sociálnych služieb a ošetrovateľstva v praxi.* Brno : Tribun, 2016, p. 39.
12   PILÁT, M.: *Komunití plánování sociálních služeb v současné teorii a praxi.* Praha : Praha, 2015, p. 64.

Evaluating scale of utilization rate of Participatory Model of Social Services Community Planning elements:
- Low degree: 0 – 3,3 points;
- Middle degree: 3,4 – 6,6 points;
- High degree: 6,7 – 10 points.

Data on the use of individual elements of mass media communication are obtained from the respondents answers as well. From the point of view of mass media communication elements, we focus on following elements: Utilization of mass media communication elements (presence – 1 point, absence – 0 points):
- Website: 1/0;
- Processing notes and publishing: 1/0,5/0;
- City Office Table: 1/0;
- Public discussion: 1/0;
- Social network medias: 1/0;
- Information bulletin: 1/0;
- Books: 1/0;
- Article in city´s newspapers: 1/0;
- Article in regionals newspapers: 1/0;
- Local TV presentation: 1/0.

Evaluating scale of utilization rate of mass media communication elements from 0 – 10 points:
- Low degree: 0 – 3,3 points;
- Middle degree: 3,4 – 6,6 points;
- High degree: 6,7 – 10 points.

The main and partial goals evaluation is presented by charts and tables outputs of statistical software PSPP. Each chart shows the linear regression line, tables show statistical results of tightness between variables.

3 Results

The following text presents the statistical outputs of the PSPP software, showing the results from general view of all Slovak cities and three regions: western, central and eastern.

All cities

Chart 1: Output of statistical software PSPP - Linear regression line / overall view of all SR cities
Source: Own processing

Table 1: Output of statistical software PSPP - regression analysis / overall view of all cities

SUMMARY OUTPUT									
Regression Statistics									
Multiple R	0,484842								
R Square	0,189088								
Adjusted R Square	0,180368								
Standard Error	1,296933								
Obser-vations	95								
ANOVA									
	df	*SS*	*MS*	*F*	*Significance F*				
Regres-sion	1	36,47604	36,47604	21,68567	1,07E-05				
Residual	93	156,4292	1,682035						
Total	94	192,9053							
	Coeffi-cients	*Standard Error*	*t Stat*	*P-value*	*Lower 95%*	*Upper 95%*	*Lower 95,0%*	*Upper 95,0%*	
Intercept	3,5383	0,387197	9,138239	1,36E-14	2,769404	4,307197	2,769404	4,307197	
X Variable 1	0,383003	0,082246	4,656787	1,07E-05	0,219679	0,546328	0,219679	0,546328	

Source: Own processing

Results interpretation

We find the existence of a dependence between the utilization rate of the elements of the mass media communication and the utilization rate of the elements of the participatory model KPSS. We examine the possible presence of a positive correlation between the variables. The dependent variable Y is the utilization rate of the elements

of the participative model KPSS and independent variable X is the utilization rate of the elements of the mass media communication. We assume that the higher utilization rate of the elements of the mass media communication, the higher the rate of utilization of the elements of the participatory model KPSS. We examine the view of all cities in the SR where the KPSS runs, without dividing into regions. Correlation coefficient – value of Multiple R is 0,484. This value is middle close to 1, which means a middle degree of tightness of dependence between variables. The value of the determination coefficient- R square, in the case of 0,186, after multiplication of 100, explains the variability of the KPSS utilization rate to about 18,6%, the other part represents unexplained variability. Average value error - Standard Error, which should be as low as possible, is 1,29. Observation - The number of measurements reports on the analysis in 86 cities. The regression function has the form y = 3,53 + 0,383 x.

The Intercept value - b0 = 3,53, states that in the case of a zero utilization rate of the elements of the mass media communication a city, the value of the KPSS participatory model use value would be 3,53 (values from 3,4 to 6,7 represent the average rate of use of the elements of participatory model KPSS). The value of X Variable 1, b_1 = 0,383x, says if the utilization rate of the elements of the mass media communication is increased by 1, the rate of utilization of the participatory model will increase by 0,383. The 95% confidence interval for b_0 and b_1 indicates that if the number of utilization rate of the mass media communication elements increases by one element, the utilization rate of the participative model elements will increase with a 95% probability from 0,219 to 0,546. The P-value for the locating constant is $1,36.10^{-14}$ <0,05, the locating constant being statistically significant. The P-value for the regression coefficient is $1,07.10^{-5}$> 0,05, which confirm the statistical significance. A zero hypothesis that claims that the model we chose to explain dependence through a linear regression line is not suitable the alternative hypothesis argues the opposite. Evaluation of the F test - Significance F = $1,07.10^{-5}$> 0.05 (α - significance level) means that the zero hypothesis is not confirmed, the chosen model of the linear regression line is suitable.

Region: Western Slovakia

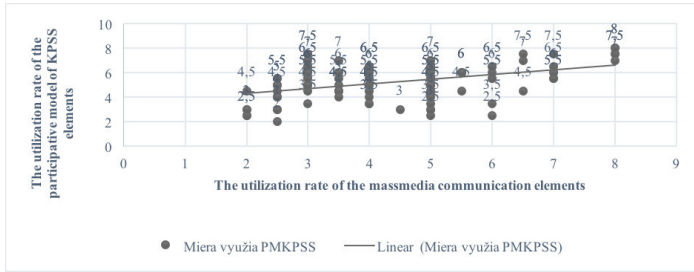**Chart 2: Output of statistical software PSPP - Linear regression line / Western Slovakia**
Source: Own processing

Table 2: Output of statistical software PSPP - regression analysis / Western Slovakia

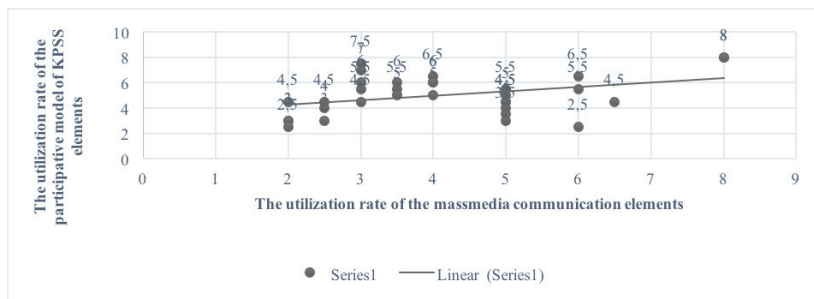| SUMMARY OUTPUT									
Regression Statistics									
Multiple R	0,380025								
R Square	0,144419								
Adjusted R Square	0,1159								
Standard Error	1,432967								
Observations	32								
ANOVA									
	df	*SS*	*MS*	*F*	*Significance F*				
Regression	1	10,39816	10,39816	5,06389	0,031918				
Residual	30	61,60184	2,053395						
Total	31	72							
	Coeffi-cients	*Standard Error*	*t Stat*	*P-value*	*Lower 95%*	*Upper 95%*	*Lower 95,0%*	*Upper 95,0%*	
Intercept	3,552777	0,691212	5,13992	1,57E-05	2,141132	4,964421	2,141132	4,964421	
X Variable 1	0,349518	0,15532	2,250309	0,031918	0,032312	0,666724	0,032312	0,666724	

Source: Own processing

Results interpretation

We find the existence of a dependence between the utilization rate of the elements of the mass media communication and the utilization rate of the elements of the participatory model KPSS. We examine the possible presence of a positive correlation between the variables. The dependent variable Y is the utilization rate of the elements of the participative model KPSS and independent variable X is the utilization rate of the elements of the mass media communication. We assume that the higher utilization rate of the elements of the mass media communication, the higher the rate of utilization of the elements of the participatory model KPSS. We examine the view of western region cities in the SR where the KPSS runs. Correlation coefficient – value of Multiple R is 0,380. This value is middle close to 1, which means a middle degree of tightness of dependence between variables. The value of the determination coefficient- R square, in the case of 0,144, after multiplication of 100, explains the variability of the KPSS elements utilization rate to about 14,4%, the other part represents unexplained variability. Average value error - Standard Error, which should be as low as possible, is 1,43. Observation - The number of measurements reports on the analysis in 32 cities. The regression function has the form y = 3,55 + 0,349 x.

The Intercept value - b0 = 3,55, states that in the case of a zero utilization rate of the elements of the mass media communication, the value of the KPSS participatory model use value would be 3,55 (values from 3,4 to 6,7 represent the average rate of use of the elements of participatory model KPSS). The value of X Variable 1, b_1 = 0,349x, says if the utilization rate of the elements of the mass media communication is increased by 1, the rate of utilization of the participatory model will increase by 0,349. The 95% confidence interval for b_0 and b_1 indicates that if the number of utilization rate of

the mass media communication elements increases by one element, the utilization rate of the participative model elements will increase with a 95% probability from 0,003 to 0,666. The P-value for the locating constant is $1,57.10^{-5}$ <0,05, the locating constant being statistically significant. The P-value for the regression coefficient is 0,0319> 0,05, which confirm the statistical significance. A zero hypothesis that claims that the model we chose to explain dependence through a linear regression line is not suitable the alternative hypothesis argues the opposite. Evaluation of the F test - Significance F = 0,0319> 0.05 (α - significance level) means that the zero hypothesis is not confirmed, the chosen model of the linear regression line is suitable.

Region: Central Slovakia
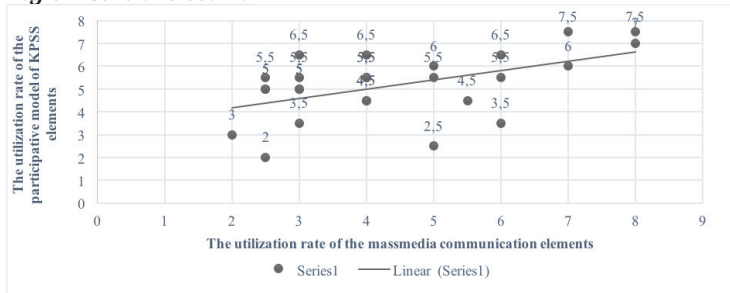
Chart 3: Output of statistical software PSPP - Linear regression line / Central Slovakia
Source: Own processing

Table 3: Output of statistical software PSPP - regression analysis / Central Slovakia

SUMMARY OUTPUT								
Regression Statistics								
Multiple R	0,518956							
R Square	0,269315							
Adjusted R Square	0,23887							
Standard Error	1,239598							
Observations	26							
ANOVA								
	df	SS	MS	F	Signifi-cance F			
Regression	1	13,59266	13,59266	8,84591	0,006597			
Residual	24	36,87849	1,536604					
Total	25	50,47115						
	Coeff-icients	Standard Error	t Stat	P-value	Lower 95%	Upper 95%	Lower 95,0%	Upper 95,0%
Intercept	3,343829	0,66134	5,05614	3,61E-05	1,97889	4,708768	1,97889	4,708768
X Variable 1	0,411779	0,13845	2,974208	0,006597	0,126032	0,697525	0,126032	0,697525

Source: Own processing

Results interpretation

We find the existence of a dependence between the utilization rate of the elements of the mass media communication and the utilization rate of the elements of the participatory model KPSS. We examine the possible presence of a positive correlation between the variables. The dependent variable Y is the utilization rate of the elements of the participative model KPSS and independent variable X is the utilization rate of the elements of the mass media communication. We assume that the higher utilization rate of the elements of the mass media communication, the higher the rate of utilization of the elements of the participatory model KPSS. We examine the view of central region cities in the SR where the KPSS runs. Correlation coefficient – value of Multiple R is 0,518. This value is middle close to 1, which means a middle degree of tightness of dependence between variables. The value of the determination coefficient- R square, in the case of 0,269, after multiplication of 100, explains the variability of the KPSS elements utilization rate to about 26,9%, the other part represents unexplained variability. Average value error - Standard Error, which should be as low as possible, is 1,29. Observation - The number of measurements reports on the analysis in 26 cities.

The regression function has the form y = 3,343 + 0,411 x. The Intercept value - b_0 = 3,343, states that in the case of a zero utilization rate of the elements of the mass media communication, the value of the KPSS participatory model use value would be 3,43 (values from 3,4 to 6,7 represent the average rate of use of the elements of participatory model KPSS). The value of X Variable 1, b_1 = 0,411x, says if the utilization rate of the elements of the mass media communication is increased by 1, the rate of utilization of the participatory model will increase by 0,411. The 95% confidence interval for b_0 and b_1 indicates that if the number of utilization rate of the mass media communication elements increases by one element, the utilization rate of the participative model of KPSS elements will increase with a 95% probability from 0,126 to 0,697. The P-value for the locating constant is $3,61.10^{-5} < 0,05$, the locating constant being statistically significant. The P-value for the regression coefficient is 0,006> 0,05, which confirm the statistical significance. A zero hypothesis that claims that the model we chose to explain dependence through a linear regression line is not suitable, the alternative hypothesis argues the opposite. Evaluation of the F test - Significance F = 0,006> 0.05 (α - significance level) means that the zero hypothesis is not confirmed, the chosen model of the linear regression line is suitable.

Region: Eastern Slovakia

Chart 4: Output of statistical software PSPP - Linear regression line / Eastern Slovakia
Source: Own processing

Table 4: Output of statistical software PSPP - regression analysis / Eastern Slovakia

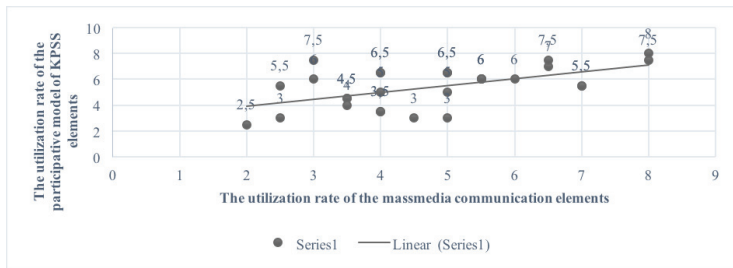| SUMMARY OUTPUT								
Regression Statistics								
Multiple R	0,55991							
R Square	0,313499							
Adjusted R Square	0,287095							
Standard Error	1,320365							
Observations	28							
ANOVA								
	df	*SS*	*MS*	*F*	*Signifi-cance F*			
Regression	1	20,69932	20,69932	11,87321	0,001946			
Residual	26	45,32746	1,743364					
Total	27	66,02679						
	Coeffi-cients	*Standard Error*	*t Stat*	*P-value*	*Lower 95%*	*Upper 95%*	*Lower 95,0%*	*Upper 95,0%*
Intercept	2,858547	0,781573	3,657428	0,001135	1,252001	4,465093	1,252001	4,465093
X Variable 1	0,535286	0,155347	3,445752	0,001946	0,215966	0,854606	0,215966	0,854606

Source: Own processing

Results interpretation

We find the existence of a dependence between the utilization rate of the elements of the mass media communication and the utilization rate of the elements of the participatory model KPSS. We examine the possible presence of a positive correlation between the variables. The dependent variable Y is the utilization rate of the elements of the participative model KPSS and independent variable X is the utilization rate of the elements of the mass media communication. We assume that the higher utilization rate of the elements of the mass media communication, the higher the rate of utilization of the elements of the participatory model KPSS. We examine the view of eastern region cities in the SR where the KPSS runs. Correlation coefficient – value of Multiple R is 0,559. This value is middle close to 1, which means a middle degree of tightness of dependence between variables. Observation - The number of measurements reports on the analysis in 28 cities. The Intercept value - b0 = 2,858, states that in the case of a zero utilization rate of the elements of the mass media communication, the value of the KPSS participatory model use value would be 2,858 (values from 0 to 3,3 represent low rate of use of the elements of participatory model KPSS). The 95% confidence interval for b_0 and b_1 indicates that if the number of utilization rate of the mass media communication elements increases by one element, the utilization rate of the participative model elements will increase with a 95% probability from 0,215 to 0,854. The P-value for the locating constant is 0,001 <0,05, the locating constant being statistically significant. The P-value for the regression coefficient is 0,001> 0,05, which confirm the statistical significance. A zero hypothesis that claims that the model we chose to explain dependence through a linear regression line is not suitable the alternative hypothesis argues the opposite. Evaluation of the F test - Significance F

= 0,001> 0.05 (α - significance level) means that the zero hypothesis is not confirmed, the chosen model of the linear regression line is suitable.

Conclusion

The results of the regression analysis show the positive relationship between variabilities in all cases. The main objective identifies possible correlation between utilization rate of participatory model of social services community planning elements and utilization of mass media communication elements. In general view of all cities is a middle degree of correlation between variables. The regional view shows increasing level of tightness between variables from western to eastern Slovakia. According to tested hypothesis: *The higher the use of the elements of mass media communication, the higher is the use of the elements of the participatory model KPSS.* We can say that the hypothesis and relationship between variables is statistical relevant. As the answer to following main research question: *What is the influence of the use of mass media communication methods to the use of elements of social services community planning participatory model in Slovak cities from overall view and according to the division into three regions?* We can state that the mass media communication has a positive influence on a potential of social services community planning. On the other hand the findings are also limited by the fact that from 140 Slovak cities, only 96 processes community plan of social services and we managed to get answer from 84 respondents.

References:
GARAJ, M.: Aktuálnosť a charakter KPSS v mestách SR. In BOČÁKOVÁ, O., KUBÍČKOVÁ, D.: *Reflexia sociálnych služieb a ošetrovateľstva v praxi*. Brno : Tribun, 2016, p. 70.
HARASIMOVÁ, S.: Marketing událostí v prostoru komunitního plánovaní sociálních služeb. In *Societas et Res Publica*, 2015, Vol. 1, No. 3, p. 98-115. ISSN 1338-6530.
IMROVIČ, M.: Participation at the Municipal Level and Social Networks. In *Slovak Journal of Public Policy and Public Administration: Slovenská revue pre verejnú politiku a verejnú správu*, 2016, Vol. 3, No. 2, p. 111-121. ISSN 1339-5637.
IMROVIČ, M.: Participácia mladých ľudí na úrovni lokálnej demokracie. In *Interpolis ´16: Zborník vedeckých prác*. Banská Bystrica : Fakulta politických vied a medzinárodných vzťahov UMB, 2016, p. 36-45.
LUKÁČ, M.: *Koniec neefektívnej marketingovej komunikácie v múzeách*. Trnava : Občianske združenie FSV UCM, 2015.
MIHÁLIK, J.: Political Leadership and Democratic Governance from the Perspective of Slovak Youth. In *Slovak Political Revue*, 2015, Vol. 15, No. 3, p. 182-201. ISSN 1335-9096.
PILÁT, M.: *Komunitní plánování sociálních služeb v současné teoriia praxi*. Praha : Portál, 2015.
Social Services Act. No. 448/2008 Coll. On social services.
STANČIAK, J., VAREČKOVÁ, Ľ.: Senior´s Quality of Life in Social Service Facilities. In *Zborník Dni Medycyny spolecznej i Zdrowia Publicnego. Conference Proceedings*. Lublin : Instytut Medycyny Wsi im. Witolda Chodzki, 2015, p. 96-102.
Statistical Office of the Slovak Republic. [online]. [2017-09-25]. Available at: <http://datacube.statistics.sk/TM1WebSK/>.

Contact data:
prof. Valeriu Mosneaga, DrSc.
University of Ss. Cyril and Methodius in Trnava
Faculty of Social Sciences
Bučianska 4/A
917 01 Trnava
SLOVAK REPUBLIC
valeriu.mosneaga@ucm.sk

Mgr. Michal Garaj, PhD.
University of Ss. Cyril and Methodius in Trnava
Faculty of Social Sciences
Bučianska 4/A
917 01 Trnava
SLOVAK REPUBLIC
michal.garaj@ucm.sk

EVALUATION OF FAMILY BUSINESS MARKETING ACTIVITIES

Naděžda Petrů – František Zich

Abstract

Last year's contribution titled Czech family business brand as a tradition bearer was focused on the importance of a brand, which, in case of family business, is presented primarily by a founder's name and surname. It has been stated that family business brands or brands of their products often have a higher value than the rest of the whole company. The acquired knowledge has led the authors to set an additional scientific goal - to evaluate marketing activities of family businesses, to evaluate, among others, whether they are ready or whether they use digital communication channels and online media to promote their brand, the products or services offered. The contribution is based on general scientific methods, especially the method of compilation of specialized texts, primary quantitative research, deduction and generalization. The results of this study confirmed the assumption that smaller family business owners prefer intuitive marketing tools. In the field of creating and implementing a marketing strategy using modern communication tools, there are considerable reserves that, in particular, in case of family businesses with fewer employees, the marketing practice is far from the level required by introduction of new technologies.

Key words:

Family business. Marketing. Marketing 4.0.. Marketing communication. Marketing vitality. Trend communication technologies.

1 Marketing and marketing communication as a tool to make family business more visible

After about 27 years since 1990, when the first family businesses were founded, the topic of family business has been devoted an increased attention in the Czech Republic. Conducting family business has become an important topic of domestic economy; articles of domestic printed media are focused on examples of good practice of family firms/farms; stories become an inspiration for TV series (in 2017, for example, "Toulavá kamera"). Politicians take over aspects of family business management as a model for the whole economy; economists try to compare their performance and influence on the society; marketers trace the ability of family businesses to employ modern marketing tools; management experts deal with the specifics of family business management. Succession, family property management is becoming a common term used by consultancy firms, tax specialists, law firms, and bankers with regard to the first generation exchange. A very important role also begins to be played by universities (the University of Economics in Prague, the Technical University in Liberec, the University of Finance and Administration, Prague, etc.), which not only introduce study programmes or at least study subjects focused on family business, but also deal with their research, including international comparisons and analyses.

Family business is viewed from many different points of view. Davis views family business as a system of three perspectives: family, management, and ownership.[1] Břečková sees the main strength of family business in the combination of clear ownership with the participation of family members as employees in business management. This requires direct responsibility, personal commitment to prosperity

---

1   DAVIS, P.: Realizing the Potential of the Family Business. In *Organizational Dynamics*, 1983, Vol. 12, No. 1, p. 47.

and development of business with respect to customers, suppliers, employees, and development of a region where the firm conducts business.[2] Rydvalová et al. also agrees with this concept: "Family business is considered an economic entity with a long-standing tradition, in which family members are not only workers but also have a decisive influence on its management."[3] A long life cycle, higher performance or the ability to survive severe economic crises are generally considered to be significant features of family businesses. Family businesses need to be perceived in a wider society context. They constitute a model for start-up entrepreneurs, show how well regions are doing and are bearers of traditions. Investments in family businesses are permanent. It is, therefore, necessary to convince the general public that their support makes sense.[4] They are significantly - in an entrepreneurial sense - and socially connected to the region; they form a regional business backbone and are form a basis for regional infrastructure. Their role is, therefore, also in the social field.[5] Family businesses themselves contribute to creating a positive image of family business by their own behaviour, presentation with respect to the general public, and also by making entrepreneurial activities more visible through marketing tools and the use of trend communication technologies. A huge gap between the supply and demand constitutes a major problem now encountered by family businesses. They operate in an environment of hyper-competition that forces them to engage in intense competitive behaviour, to rapidly introduce innovations (product, process, technological, etc.). They must creatively respond to them by marketing their innovations and making them visible through digital marketing channels. Products and services typically have a very short life cycle; it is necessary to create unique added value and your own competitive advantages. The lack of attention devoted to modern marketing, designing and implementing digital marketing campaigns with an emphasis on uniqueness (value, family business know-how), analytical processes in data evaluation may sooner or later have fatal consequences for family businesses.

Many renowned authors tried to define the concept of marketing and so we can come across different points of view. Already in 1776, economist Adam Smith, in his core work titled An Inquiry into the Nature and Causes of the Wealth of Nations considered marketing the goal of all entrepreneurial endeavours. Any economic activity associated with the principle of profit must be directed towards satisfying some need. The manufacturer should not produce if his efforts do not carry a boosting consumption factor. Smith perceived marketing as a key entity of any economic subject that wants to succeed in competitive market conditions. If we search for a more modern statement, we will use the American Marketing Association definition: Marketing is the activity, set of institutions and processes for creating, communicating,

2   BŘEČKOVÁ, P.: Family Business in the Czech Republic. In *European Research Studies*, 2016, Vol. 19, No. 4, p. 3.
3   RYDVALOVÁ, P. et al.: *Rodinné podnikání – zdroj rozvoje obcí.* Liberec : EDICE Ekonomické fakulty Technické univerzity v Liberci, 2015, p. 127.
4   HAVLÍČEK, K.: *Veřejnost může hlasovat o nejlepší rodinnou firmu roku.* [online]. [2017-09-18]. Available at: <http://www.businessinfo.cz/cs/clanky/verejnost-muze-hlasovat-o-nejlepsi-rodinnou-firmu-roku-94708.html>.
5   PETRŮ, N., HAVLÍČEK, K.: Specifics of the Development of Family Business in the Czech Republic. In *European Research Studies*, 2016, Vol. 19, No. 4, p. 88.

delivering and exchanging offerings that have value for customers, clients, partners, and the society at large. (Approved in July 2013).[6]

Unfortunately, practice (see the following research results) shows that even today, in a context of growing awareness, inducement to use trend communication technologies, there are family business owners who consider marketing to be only a tool to establish customer relationships. In fact, the issue of marketing is, on a professional level, an extremely difficult and complex system of interrelated processes. Marketing needs to provide an answer to what a customer asks for - what current and future needs, expectations, and expectations he has (which we will find out in the form of marketing research). How to provide it to him? (which is enabled by product and distribution strategy). Under which conditions to influence him (which influences contract strategies) so that he learns about the existence of a company, brand, product, service, unrepeatable competitive advantage and values (through the tools of communication mix, nowadays implemented mainly through trend communication technologies). These activities need to be planned (tools of strategic marketing planning), budgeted, implemented (through product, price, distribution, communication, customer, innovation, etc. strategy), evaluated. All this under constant monitoring of marketing, communication, or technological trends and improving existing marketing strategies.

The so-called 5C marketing strategies, in a modern concept of marketing and management issues[7] offers a quick overview of what is important in creating it and what to look for in a communication campaign call:

- *Customer needs* - To which needs and customers a call is focused on; what else customers need; what contents would be the most attractive and most useful[8] (which subsequently affects the choice and combination of communication channels, period/time that the information is passed, the contents, creativity of processing, etc.).
- *Company skills* – Which specific capabilities and skills the company has to meet the needs of the target customers (the information can be passed through on-line marketing, video marketing, content marketing, social network marketing, e-mail marketing, etc.).
- *Competition* – Who and with what tools competes with an enterprise for the customer's attention; who meets the needs of customers better or otherwise?[9] (Information can be obtained, for example, by adjusting/comparing goods - in the Czech Republic Heureka, Zboží.cz, price comparison ("Srovnávání cen"), Search for prices ("Hledej ceny") and more).[10]
- *Collaborators* - Who can help the business to meet marketing and communication goals; How to engage and better motivate these collaborators? Who to create a

---

6   *American Marketing Association: About AMA. Definition of Marketing.* [online]. [2017-09-03]. Available at: <https://www.ama.org/AboutAMA/Pages/Definition-of-Marketing.aspx>.

7   MATÚŠ, J., MATÚŠOVÁ, J. G., FINDRA, S.: Innovation in Marketing – Marketing Innovation. In *European Journal of Science and Theology*, 2015, Vol. 11, No. 6, p. 148.

8   KOTLER, P. et al.: *Marketing 4.0: Moving from Traditional to Digital.* Hoboken : John Wiley & Sons, 2016, p. 12.

9   SOUČEK, Z.: *Strategie úspěšného podniku*. Praha : C. H. Beck, 2015, p. 229.

10   NĚMEC, R.: *Optimalizace srovnávačů zboží.* [online]. [2017-09-18]. Available at: <https://robertnemec.com/umime/ optimalizace-srovnavacu-zbozi/>.

strategic alliance, cluster, group with? (What bloggers to interact with, which discussion fora to join; which Youtubers to address, etc.).[11]

• *Context* – What cultural, technological, legal, environmental, economic, political and other factors limit business activity?[12] (How is a family business ready for the so-called Marketing 4.0; How it manages to adjust communication to Internet technologies and online contents).

The authors understand marketing and communication strategy as development and understanding of the current situation (where we are now), grasping the idea of the future situation (where we want to be) and the way to bring the family business from the present situation to the future (how we get there). They assume that if a company does not master classic processes associated with the creation of marketing strategy, offline marketing communication, with linking marketing and management,[13] it will be hard for it to create and implement a marketing strategy for online environment – e.g. using, for example, omni-channel marketing, PPC search advertising, e-mail marketing, digital analytics, social network marketing, etc.[14] In this context, the authors asked a question whether family businesses in fighting for customers and their brand visibility use the acquired theoretical and practical experience from the field of marketing and marketing communication or whether they proceed in the form of the so-called intuitive marketing. Intuitive marketing is closely linked to sales because of its focus on smaller business entities. There is no strict separation of purely marketing functions from business activities themselves because no such division exists in these companies. Intuitive marketing is a relationship marketing, i.e., focuses primarily on building and consolidating long-term relationships with customers. It uses extensive and detailed knowledge of customers' needs, ascertained, however, not by traditional market research but by intense communication. The second tool comprises the attitudes of an entrepreneur – owner of the family business focused on customer service. Intuitive marketing is about making these attitudes honest – so that they are not a template or a mask, but a real inner need of an entrepreneur,[15] which may be more effective in case of family businesses, behind which a particular face of family members stands.

However, thanks to new technologies and communication channels marketing has advanced so much that it offers various new concepts, methods and tools. Within research, the authors wanted to map out to which extent marketing methods are used in the normal life of Czech family businesses, or to which extent routine, pragmatism, intuition still prevails. They deal with issues they have identified as marketing "health", marketing "vitality" of family business. Plamínek describes a theory of general business vitality. It is based on the recognition that achieving vitality is conditioned by mastering four key disciplines – usefulness, effectiveness, stability

11   *Mediaguru: Spolupráce s Youtubery se vyplácí hlavně FMCG.* [online]. [2017-09-20]. Available at: <https://www.mediaguru.cz/2015/06/spoluprace-s-youtubery-se-vyplaci-hlavne-znackam-fmcg/>.
12   JAKUBÍKOVÁ, D.: *Strategický marketing. Strategie a trendy.* Praha : Grada Publishing, a.s., 2013, p. 172.
13   MATÚŠ, J. et al.: *Marketing – základy a nástroje*. Trnava : FMK UCM in Trnava, 2008, p. 32.
14   TEAM OF AUTHORS: *Online marketing*. Brno : Computer Press, 2014, p. 36.
15   TOMAN, M.: *Intuitivní marketing pro 21. století*. Praha : Management Press, 2016, p. 7-8.

and dynamics.[16] A system composed of elements and relationships, everything that is real, is a key concept. Relationships are crucial to the system's operation. When evaluating the system, it is necessary to identify not only its status but also the ability to make changes.[17]

2 Methodology of research probes

In order to evaluate marketing activities/marketing vitality of a family business, a research probe was conducted focusing on the level of use of the modern marketing tools. The aim of the research probe was to identify the use and sophistication of marketing tools in selected family businesses, including the use of trendy communication tools. Hypothetically, we have assumed that there are still considerable reservations in this area that, especially in case of family-run businesses with fewer employees, the marketing practice is far from the level required by introduction of new technologies. First, it was necessary to establish indicators related to the evaluation of marketing activities/marketing vitality of a family business. It was necessary to find a procedure that would be simple and that would enable to focus on a specific situation of family businesses. The authors considered a partial adoption of the Balanced Score Card methodology[18], Schutz's FIRO model[19], marketing audit,[20] H. Pollak method.[21] They have stated that each method is well founded; it is suitable to use it in relation to the needs of an evaluated phenomenon, but none was specifically or exclusively aimed at marketing family business. Finally, inspired by the Excellence Europe Foundation for Quality Management (EFQM), in line with modern literature, building on the personal knowledge and outcomes of round table discussions with family business owners they have compiled the following indicators:

- The company **has prepared a written document** - *marketing plan* that includes a product, price, distribution and communication strategy, counts with the introduction of innovations (product, process, communication and others). Innovation is seen as a prerequisite for achieving the vision of a family business.
- The company has a functional *segmentation of customers*; these are divided into **groups (segments)**; each segment has its own business and marketing strategy (customized products/services, prices, communication, distribution). Their contribution to the company is continuously evaluated, and the trend of increasing successful and profitable business cases can be demonstrated in at least a three-year period.
- The business owner, including relevant family members and non-family workers, **builds and develops personal and affiliate *relationships with customers***.

16 PLAMÍNEK, J.: *Diagnostika a vitalizace firem a organizací: teorie vitality v podnikatelské a manažerské praxi*. Praha : Grada, 2014, p. 27.
17 TEAM OF AUTHORS: *Typologie a hodnocení vitality rodinného podnikání.* Liberec : Technická univerzita v Liberci, 2017, p. 20.
18 KAPLAN, R. S., NORTON, D. P.: Using the Balanced Scorecard as a Strategic Management System. In *Harvard Business Review*, 1996, January/February, p. 37.
19 SCHUTZ, V. C.: *FIRO Theory.* [online]. [2017-09-20]. Available at: <https://thehumanelement.com/pages/firo-theory/>.
20 KUPEC, V.: Marketing Audit of Corporate Communication in Banking Sector. In *Socioekonomické a humanitní studie*, 2015, Vol. 5, No. 2, p. 25.
21 POLLAK, H.: *Jak obnovit životaschopnost upadajících podniků*. Praha : C. H. Beck, 2003, p. 65.

The company has for long time been collecting customer information through one of the CRM information systems (managing customer relations – for example Pohoda, SAP, Raynet, e-Way, etc.). The obtained information (TOP customers, TOP sales, TOP profitability, accuracy and timeliness of communication, claims, complaints, appraisal, payments, new customers, lost customers, etc.) are used to predict their shopping trends and to build long-term profitable relationships.

- The company regularly monitors, evaluates and **uses *new communication technologies*** (update of www presentation, use of mobile applications, e-commerce, contents marketing, active social networks, search engine optimization, digital analytics, etc.). Their implementation is evaluated on the basis of financial benefit and customer satisfaction.
- The business owner, family members and non-family workers volunteer to engage in social, cultural or sport ***activities at the place*** where the firm has its registered office or business premises. The company sponsors selected interest activities at the place of conducting its business, is a positive business example, engages in caring for the environment, and behaves in a socially responsible manner with respect to its partners. These activities are used for a follow-up communication (public relations activities) both online and offline.
- The company has described marketing processes – i.e., ***family brand management***, customer shopping habits and marketing trends, managing product, price, distribution and communication strategies, creating and updating web and mobile content. Processes are functional and ensure customer satisfaction (in other words, marketing activities are not accidental).
- The business owner, family members, and non-family management define the position of a family business on the market by ***analysing values* provided to customers** compared to competitors. The status of family business, warm personal relationships, product uniqueness and quality, know-how of a family business, friendly opening hours, family brand, tradition, etc. can be considered a value. These values are a part of the company's online and off line presentation materials. It can be shown that the values offered lead to higher customer satisfaction and loyalty.
- Used ***communication tools*** (participation in a fair, advertisement, discount event, customer meetings, etc.) are evaluated in terms of their financial and image effectiveness.

These eight indicators determined this way can, in the authors' opinion, evaluate the marketing activities, the marketing vitality of the companies surveyed. When evaluating data reliability, they show a value of 0.687 at Cronbach's Alpha, which is the value beyond the limit of usability of these indicators as a certain scale. Family business was defined for the purposes of this probe as follows: family business includes business activity performed by spouses, other first generation relatives (parents, children, siblings) or other family members if at least 50% of the company's share in the firm is owned by members of one family, either on the basis of bloodline or other family ties such as, for example, marriage. A form, in which more generations of one family work together that are linked to each other by entrepreneurial policy, can also be considered family business.

2.1 Data collection – evaluation of individual indicators

Each of these indicators was assessed for the family members targeted by the following procedure. Students of VŠFS, a.s. serves as evaluators of the fulfilment of individual indicators. Based on detailed instructions, the main objective of which was to achieve the necessary standardization of evaluation, they target selected family businesses and in cooperation with owners of these family businesses or family members carried out a point assessment/self-assessment of the fulfilment of the established indicators. The aim of the probe was not to achieve a representative sample of family businesses. With regard to the objectives of the probe, the choice was deliberate, subject primarily to the willingness of the companies to cooperate in this probe. Altogether 180 businesses were approached; students encountered a refusal to cooperate in 71 cases out of them. The dataset contains 109 family businesses.

Evaluation criteria

A – SO FAR NOT COMMENCED – almost nothing happens; perhaps just some good thoughts; especially from the owner, but they did not go any further than to an intent.

B – CERTAIN PROGRESS – some evidence that something useful is actually happening in the area under consideration.

C – SIGNIFICANT PROGRESS – there is clear evidence that the area under consideration is well solved. Regular and routine reviews and continuous improvement of individual activities are conducted.

D – FULLY FULFILLED – excellent access or result that is fully addressed in all areas and aspects. Sample solution or success achieved; it is difficult to expect further substantial improvements in addition to developing positive trends. For each indicator, the rating moves at the following point intervals.

Table 1: Evaluating point scale

A (1)	B (2)	C (3)	D (4)
0 – 10 points	Up to 33 points	Up to 67 points	Up to 100 points
So far not commenced	Certain documented progress	Significant documented progress	Intents were completely achieved

Source: Own processing

2.2 Results of empirical probe

A total of 109 family businesses surveyed were included in the processing. The composition thereof was evaluated according to the year the business was established, according to the legal form, and the number of employees. These parameters enabled only a partial correlation with marketing activities. Other sectors of their activity (distinction, whether it concerns production, business or service provider), the level of sales or profit, the presence of younger generation, which is better acquainted with modern communication technologies, etc., would undoubtedly belong to interesting indicators. The use thereof will be included in the prepared verification research. The composition of the monitored file is provided in Table 2 - 4.

Table 2: Year the family business was established

Year of establishment	Frequency	Percentage	Cumulative percentage
1877 - 1985	4	3,7	4,0
1989 - 1995	29	26,6	33,3
1996 - 2005	30	37,5	63,6
2006 - 2016	36	33,0	100,0
Not included	10	9,2	
Together	109	100	

Source: Own processing

Table 3: Legal form of business according to statistical codes of legal forms

Legal form	Frequency	Percentage	Cumulative percentage
101 - Natural person doing business according to the Trades Licensing Act and not registered in the Commercial Register	18	16,5	19,1
105 - Natural person doing business according to laws other than the Trade Licensing and Agriculture Act and not registered in the Commercial Register	2	1,8	21,3
107 - Agricultural entrepreneur - natural person not registered in the Commercial Register	1	0,9	22,3
112 – Limited liability company ("Spol. s r.o.")	62	56,9	88,3
121 – Joint stock company ("Akciová společnost")	9	8,3	97,9
421 - Branch of a foreign legal entity	1	0,9	98,9
932 – European company	1	0,9	100,0
Not included	15	13,8	
Together	109	100	

Source: Own processing

Table 4: Number of employees

Number of employees	Frequency	Percentage	Cumulative percentage
Without employees	17	15,6	15,6
1 – 5	25	22,9	42,0
6 – 9	9	8,3	51,0
10 – 19	11	10,1	62,0
20 – 50	16	14,7	78,0
51 – 99	12	11,0	90,0
100 – 199	5	4,6	95,0
200 and more	5	4,6	100,0
Not included	9	8,3	
Together	109	100	

Source: Own processing

It is clear that the set of family businesses surveyed includes small businesses with less than twenty employees conducting business in the form of a limited liability company. As for the year of founding, then - as expected - these are mostly businesses that were created after 1989. Some formerly established may include restitutions. Evaluation of the use of specific marketing activities by individual indicators ranges from 15 to 91, with an evaluation average of 45,375 points. The following table shows that there was not one among the monitored family businesses where the marketing vitality rating would be less than 10 points. A total of 15 businesses is rated as the best (over 68 points); but only 4 businesses feature a point value over 90.

Table 5*: **Share of family businesses in individual evaluation intervals**

Point score	Frequency	Percentage	Cumulative percentage
11 - 33	29	26,6	29,0
34 - 67	53	48,6	82,0
68 - 100	15	13,8	97,0
Not included	12	8,3	100,0
Together	109	100	

Source: processed by authors, own research.

The average point score (total 45,375 points) of individual indicators for the whole set of surveyed businesses is shown in the following Figure 1. The results show how the activities falling under individual indicators are fulfilled.
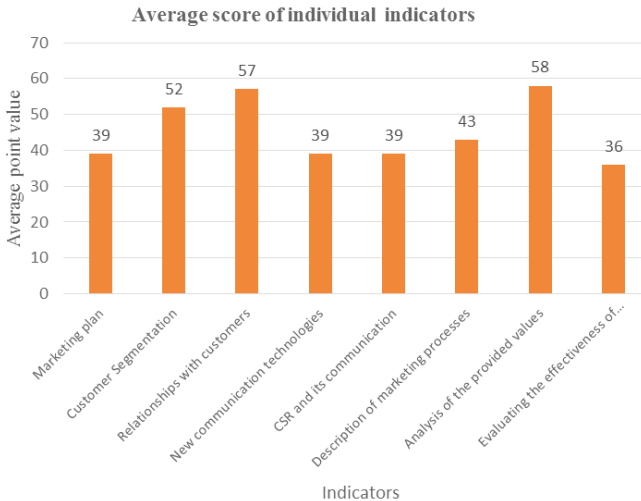
Picture 1: Average score of individual indicators
Source: Own processing based on authors' research

Point 4 activity – the company regularly monitors, evaluates, and uses new communication technologies; it achieved an average score of 39 points!

For the sake of clarity, the evaluation of marketing activities has been adjusted into categories 1 to 4. In accordance with the evaluation criteria, category 1 contains evaluation in the range of 0 to 10 points; category 2 ranges from 11 to 33 points; category 3 ranges from 34 to 67 points and category 4 from 68 to 100 points. The following Table 5 presents average values of these categories for each indicator of marketing vitality. (The higher the average value, the more advanced the use of the monitored indicator method). It follows from the table that an indicator "analysis of the provided values" (3.13) has the highest valuation. On the other hand, we find the lowest score with respect to an indicator "marketing plan" (2.31) and "description of marketing processes" (2.26). **The use of new technologies has gained a rating of 2.41**; evaluation of the effectiveness of communication activities of 2.78.

Table 6: Rating averages of individual marketing vitality indicators

Indicator	N	Minimum	Maximum	Mean	Std. Deviation
Marketing plan	100	1	4	2,31	,982
Customer segmentation	100	1	4	2,55	,957
Customer relations	100	1	4	2,82	,914
Utilizing new technologies	**100**	**1**	**4**	**2,41**	**,911**
Social responsibility and its communication	100	1	4	2,85	1,067
Description of marketing processes	100	1	4	2,26	1,001
Analysis of the provided values	100	1	4	3,13	,928
Evaluating the effectiveness of communication activities	100	1	4	2,78	,949
Valid N (listwise)	100				

Source: Own processing

From the monitored traits describing the surveyed family businesses, the relation with the size of the business turns out to be interesting. We assess the size of business here based on the number of employees. To show that this feature is interesting, Figure 2, which earned the highest score (owner of the company, family members and non-family management defines the position of the family business in the market by analysing the values provided to the customers as compared to the competition. Family business status, warm personal relationships, product uniqueness and quality, know-how of family business, friendly opening hours, family mark, traditions, etc.) evaluated indicator 7.
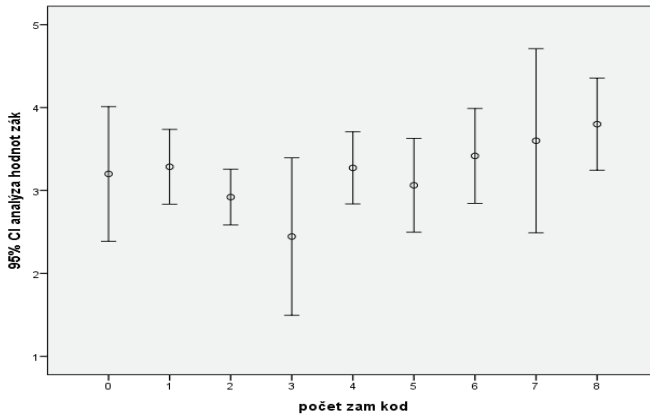
Picture 2: Customer Value Analysis by Employee Numbers[22]
Source: Own processing based on authors' research

Figure 2 shows that the rating of this indicator increases with the growing size of the business. Similarly, the impact of company size is reflected in other indicators. This corroborates the working hypothesis that companies with more employees show a higher degree of marketing vitality.

Conclusion

The research probe focused on the state of marketing vitality of family businesses. The results confirm that businesses, even though they are using different marketing methods, do not use trend tools provided by modern marketing. Practical, intuitive approach or randomness might still prevail, especially, with respect to small businesses. From individual marketing tools/methods, according to the probe results, attention is paid above all to the values presented to customers and to the development of the relationship with customers - which fully corresponds to the tradition of family business. On the other hand, it is somewhat surprising that family businesses pay less attention to evaluating the effectiveness of marketing communication tools; to a lesser extent, they use modern communication technologies and do not have a sufficiently elaborated written document - a marketing plan. Authors derive that owners of smaller family businesses prefer intuitive marketing tools. In the field of designing and implementing a marketing strategy with the use of modern communication tools, there are considerable reserves, especially with respect to family businesses with fewer employees, the marketing practice is far from at the level required by introduction of new technologies. The probe provided input information to examine the possibilities to measure the marketing vitality of the companies and showed the need to supplement the monitored indicators for the purposes of understanding deeper contexts. It offers suggestions for further research - for example, to compare

---

22   Coding = without employees, 2 = 1-5 employees, 3 = 6-9 employees, 4 = 10-19 employees, 5 = 20-50 employees, 6 = 51-99 employees, 7 = 100-199 employees, 8 = 200 and more employees (remark by the author).

the marketing vitality of family and non-family businesses, to evaluate the reasons for why trend communication technologies are not used in smaller family businesses (we can only assume that this concerns the founders' ignorance and unwillingness to learn new practices. However, it may also concern inappropriateness of their use in relation to the customer base; the question is also whether the customers really expect and are able to work with internet marketing, etc.). The authors hope to inspire the academic public to focus its attention on examining aspects of family businesses.

References:

American Marketing Association: About AMA. Definition of Marketing. [online]. [2017-09-03]. Available at: <https://www.ama.org/AboutAMA/Pages/Definition-of-Marketing.aspx>.

BŘEČKOVÁ, P.: Family Business in the Czech Republic. In *European Research Studies*, 2016, Vol. 19, No. 4, p. 32-42. ISSN 1108-2976.

DAVIS, P.: Realizing the Potential of the Family Business. In *Organizational Dynamics*, 1983, Vol. 12, No. 1, p. 47-56. ISSN 0090-2616.

HAVLÍČEK, K.: *Veřejnost může hlasovat o nejlepší rodinnou firmu roku.* [online]. [2017-09-18]. Available at: <http://www.businessinfo.cz/cs/clanky/verejnost-muze-hlasovat-o-nejlepsi-rodinnou-firmu-roku-94708.html>.

JAKUBÍKOVÁ, D.: *Strategický marketing. Strategie a trendy.* Praha : Grada Publishing, a.s., 2013.

KAPLAN, R. S., NORTON, D. P.: Using the Balanced Scorecard as a Strategic Management System. In *Harvard Business Review*, 1996, January-February, p. 75-85. ISSN 0017-8012.

KOTLER, P. et al.: *Marketing 4.0: Moving from Traditional to Digital.* Hoboken : John Wiley & Sons, 2016.

KUPEC, V.: Marketing Audit of Corporate Communication in Banking Sector. In *Socioekonomické a humanitní studie*, 2015, Vol. 5, No. 2, p. 25-31. ISSN 1804-6797.

MATÚŠ, J. et al.: *Marketing – základy a nástroje.* Trnava : FMK UCM in Trnava, 2008.

MATÚŠ, J., MATÚŠOVÁ, J. G., FINDRA, S.: Innovation in Marketing – Marketing Innovation. In *European Journal of Science and Theology*, 2015, Vol. 11, No. 6, p. 147-154. ISSN 1841-0464.

Mediaguru: Spolupráce s Youtubery se vyplácí hlavně FMCG. [online]. [2017-09-20]. Available at: <https://www.mediaguru.cz/2015/06/spoluprace-s-youtubery-se-vyplaci-hlavne-znackam-fmcg>.

NĚMEC, R.: *Optimalizace srovnávačů zboží.* [online]. [2017-09-18]. Available at: <https://robertnemec.com/umime/optimalizace-srovnavacu-zbozi/>.

PETRŮ, N., HAVLÍČEK, K.: Specifics of the Development of Family Business in the Czech Republic. In *European Research Studies*, 2016, Vol. 19, No. 4, p. 88-108. ISSN 1108-2976.

PLAMÍNEK, J.: *Diagnostika a vitalizace firem a organizací: Teorie vitality v podnikatelské a manažerské praxi*. Praha : Grada, 2014.

RYDVALOVÁ, P. et al.: *Rodinné podnikání – zdroj rozvoje obcí.* Liberec : EDICE Ekonomické fakulty Technické univerzity v Liberci, 2015.

SCHUTZ, V. C.: *FIRO Theory.* [online]. [2017-09-20]. Available at: <https://thehumanelement.com/pages/firo-theory/>.

SOUČEK, Z.: *Strategie úspěšného podniku*. Praha : C. H. Beck, 2015.

TEAM OF AUTHORS: *Online marketing*. Brno : Computer Press, 2014.

TEAM OF AUTHORS: *Typologie a hodnocení vitality rodinného podnikání.* Liberec : Technická univerzita v Liberci, 2017.

TOMAN, M.: *Intuitivní marketing pro 21. století.* Praha : Management Press, 2016.

Contact data:
Ing. Naděžda Petrů, Ph.D.
University of Finance and Administration in Prague
Faculty of Economic Sciences
Estonská 500
101 00 Prague 10
CZECH REPUBLIC
9895@mail.vsfs.cz

prof. Ing. František Zich, DrSc.
University of Finance and Administration in Prague
Faculty of Economic Sciences
Estonská 500
101 00 Prague 10
CZECH REPUBLIC
frantisek.zich @mail.vsfs.cz

CORPORATE SOCIAL RESPONSIBILITY AND DIVERSITY AS THE STRATEGIC ELEMENTS OF THE CONTEMPORARY POLISH ENTERPRISES POLICY

Renata Stasiak-Betlejewska

Abstract
One of the most important challenge for contemporary enterprise, that acts in the dynamically changing environment, is identification of the strategic policy element that support human resources management. Diversity issue has a growing importance in the strategies of international enterprises that face problems resulting from the multiplicity of experiences, skills, knowledge. Paper presents issue of the diversity management with regard to Corporate Social Responsibility policy of Polish enterprises.

Key words:
Corporate Social Responsibility. Diversity enterprise. Social capital. Strategy.

1 Introduction

Creating appropriate working environment for employees who are key element of every organization has growing importance in the process of human resources effectiveness improvement. Challenges of the contemporary markets cause that organizations become more aware of their employees value in the context of diversity that is defined as the multiplicity of experiences, skills, knowledge. According to Czapiński,[1] the main premise of Poland's economic development in the last 30 years was human capital, i.e. knowledge, attitudes, motivation, skills and health of individual units. Social capital is a group or community resource that consists of social networks, the trust and quality of relationships between people, the management of diversity, and the dominance of win-win strategies in building partnerships. In the social sciences this term first appeared in the early 20th century.[2] In accordance to research findings of The Responsible Business Forum, the House of Skills and the Social Dialogue Committee, that have conducted a study on the issues and challenges in organizations, there was noted a deficit of social capital, and the negative consequences of this situation which affect 95% of enterprises in Poland.[3] The result is less efficiency and no information flow in the company. The low level of social capital threatens not only the condition of enterprises, but also the domestic economy. Implementing diversity management can improve the situation. This study was connected with the analysis of the social capital importance in Polish enterprises, that corresponds with the subject of corporate social responsibility and diversity which is being disseminated in Poland by the Responsible Business Forum.

1   CZAPIŃSKI, J.: The State of Civil Society. Social Capital. Social Diagnosis 2013 Conditions and Quality of Life of Poles – Report. Special issue. In *Contemporary Economics*, 2013, Vol. 7, No. 3, p. 285-297.
2   For more information, see: FUKUYAMA, F.: *Trust: The Social Virtues and the Creation of Prosperity*. London : Hamish Hamilton, 1995, p. 27; PUTNAM, R.: *Bowling Alone: The Collapse and Revival of American Community*. New York : Touchstone Books, 2000, p. 57.
3   KASTORA, E.: *Problems and Challenges in Organizations – The Importance of Social Capital*. Warsaw : Forum Odpowiedzialnego Biznesu, 2017, p. 43.

Approximately 95% of enterprises complain about the lack of the social capital what results from the lack of open communication, trust and cooperation in the enterprises. Polish employees are primarily focused on their personal goals (40%) and teams do not work effectively enough (40%). Employees hide mistakes, are demoted, feel that their opinions are irrelevant, they are reluctant to offer help, do not identify with the company, and do not know the purpose. They complain about the bad atmosphere at work and do not report their own ideas - all the effects of social capital deficit, as pointed out by Polish entrepreneurs. The study "Problems and Challenges in Organizations - The Importance of Social Capital", conducted in Polish companies at the turn of August and September 2017, indicates that poorer communication and lack of information flow are the main consequences of social capital deprivation.[4] In addition, 95% of organizations in Poland has concerns about the deficit of social capital, and only 5% said that this issue does not concern them. Negative phenomena such as lack of information flow and lack of cooperation between teams are closely related to the size of the organization. In larger ones, which employ more than 250 people, they occur more frequently. In principle, in every size of organization, one has to deal with the building of social capital. In corporations, it should come naturally, because of customers attitude changes. Customers are more likely to look at the company not only through their product but also their market position. The high level of social capital in the company also affects its employees, who are more motivated, more committed, and more willing to take on additional responsibility. The exchange of information and cooperation between the various departments of the company is also improved. It is worth emphasizing how diversity management can contribute to strengthening social capital within and outside the organization. Diversity management, though starting with human resources procedures and policies, penetrates all processes, procedures and areas of organization activity leading to product and service innovations, organizational changes that radiate outward in mature organizations. The aim of the paper is identification and analysis of the research findings and best practices on the Social Responsibility related to the diversity issue.

2 Social responsibility – theory and practice of Polish enterprises

Corporate Social Responsibility (CSR) is based primarily on the involvement of companies in a variety of initiatives for the environment and social and welfare placing on the management that do not directly generate profits, but indirectly affect the success of enterprises. CSR is voluntary strategy including business aspects of social, ethical and environmental contacts with stakeholders (employees, customers, shareholders, suppliers and the local community). The essence of CSR is to support society, what is defined as conducting a business focused on profit recording with regard to stakeholders. CSR is not only an element of public relations, but it is a concept far more complex. Popular management tools consistent with the idea of CSR is the CRM (cause related marketing), what is defined as marketing socially engaged and social campaigns. In CSR, ethics programs for employees, corporate governance, eco-labelling and social labelling and socially responsible investments are often

---

4   Ibidem.

applied.[5] Current CSR definition is contained in PN-ISO 26000 - "the organization's responsibility for influencing its decisions and actions on society and the environment through transparent and ethical conduct that:
- contributes to sustainable development, including prosperity and public health;
- take into account stakeholder expectations;
- is consistent with applicable law and consistent with international standards of conduct;
- is integrated with the organization's activities and practices in its relationships.
- CSR is a very broad concept, with a number of different initiatives or procedures. The thematic areas highlighted in the PN-ISO 26 000 standard are best illustrated. According to the results of the Franco-Polish Chamber of Commerce is not only growing involvement of the enterprise boards, where approximately 60% of companies assigns responsibility for CSR management (over 12% more than in 2016), but also more than 21% of a dedicated department of CSR (only 8% a year earlier). The management of CSR are gaining importance as well: HR (from 11% to 23% in the current edition), marketing and corporate foundations, while several percent decline of the PR department. CSR is gaining in importance, while growing trends: concern for employees, building inclusive organizational culture, perhaps also in the treatment of CSR as a driver of product innovation or service (marketing). The growing importance of corporate foundations in the area of corporate social responsibility (from 3% to nearly 14%) seems to confirm that companies focus their CSR activities on social issues. This may also be supported by an increase in the use of integrated budget for marketing, CSR and PR activities - (33% vs. 18% in 2016). Such an approach is understandable if there is a single social goal, e.g. strengthening the potential of women - as well as integrating activities inside and outside the organization. Another favorable tendency - much less often the companies use ad hoc budgets (27% vs. 37% in 2016), and 5% decrease in the number of those that do not have such budgets at all (7.7% in 2016). The number of companies with a dedicated CSR budget is maintained (25% vs. 22% in 2016). If we look at the budget, the data seems less optimistic - nearly 50% of respondents to CSR activities spend up to 100 thousand zloty a year, and only about 11% of companies have more than 1 million. It seems, however, that the budgets distributed (partially HR, partly in communications or marketing, etc.) must be particularly common practice, which explains the relative small amounts of dedicated CSR.

Budgeting and allocating responsibility for CSR is one of the elements of strategic management. The maturity of CSR in the organization is certainly a systemic approach, i.e. implementation of activities in accordance with the adopted strategy or long-term plan. This year's strategy declared 41% of organizations (compared to 43% in 2016), but the number of companies with an annual/two-year CSR action plan has increased significantly - to over 21% (just 9% a year ago). In conclusion, 2/3 companies treat CSR strategically, and 1/3 of companies still take ad hoc actions. An important element of organization maturity and strategic approach to CSR is

5   STASIAK-BETLEJEWSKA, R., TUČEK, D.: CSR as a Factor Shaping the Quality and Safety in the Construction Companies. In *Proceedings of 17th International Symposium on Quality. Quality Makes a Difference. Conference Proceedings*. Zadar, Chorwacja : Croatian Quality Managers Society, 2016, p. 371-380.

reporting. In relation to the expert in this dimension we observe an increase from 50% to 60%, is probably largely due to the implementation of the EC Directive on the disclosure of non-financial data and on. Diversity policy. It is worth noting that the role of internal reporting standards (33% vs. 26% a year earlier) is growing; At the same time, reporting complies with external standards, accompanied by auditing (10%, down from 14% in 2016). But what really worries is the fact that nearly one third of the organization is not reporting. The current (2017) barometer also shows that companies are increasingly understanding not only that CSR communication should include a wide range of stakeholders, but rather select the right tools and channels. During the year, internal communications using intranets, corporate newspapers or direct meetings little has changed. A significant change is in communication with the environment and the use of social media (from 38% to 51% in 2016) and online services (from 14% to 27% in 2016). This trend is in line with the findings of the Edelman Trust Barometer, which shows a huge drop in confidence, including trust in the media, particularly traditional. Poles, like other nations, are most likely to trust online sources (search engines, portals, corporate sites).

3 Diversity in the enterprises

Diversity is a term that, in the context of corporate responsibility (CSR), refers to the diversity of employers. Divergence may include such factors as sex, racial affiliation, national and ethnic origin, religion, religion, non-denominational, worldview, degree and type of disability, health status, age, psychosexual orientation or gender identity, as well as family status, other possible discriminatory considerations. Enterprises introduce programs such as diversity management, whose aim is to equal opportunities in the workplace and the interplay of the employers team in its diversity. Today, companies place increasing emphasis on equal opportunities for growth and employment, that diversity in the workplace. The diversity of workers is understood very broadly - as all possible – visible and invisible, innate and acquired - aspects in which people differ and are similar, e.g. gender, age, race, ethnicity, disability, sexual orientation, religion, place of residence, language, marital status, education, work experience, lifestyle.[6] Diversity management is a conscious action organization, which means noticing the differences between people in the organization (and beyond) and the conscious development of strategies, policies and programs that create an atmosphere of respect for and use these differences to the organization. The goal of diversity management is to create a work environment in which every employee feels respected and appreciated and in which he or she can fully realize his or her potential, contributing to the success of the organization. This is the way to connect business and social goals, and diversity management is a part of responsible business.[7]

Term of diversity management is connected with term equal treatment that is associated with non-discrimination in any way, both directly and indirectly, on the basis of: gender, age, disability, health, race, nationality, ethnic origin, religion, religion, non-

---

6   RAWLUSZKO, M.: Polityka równych szans a zarządzanie różnorodnością. In *Przewodnik dobrych praktyk. Firma równych szans.* Warszawa : Gender Index, Undp. Ewual, 2007, p. 28-29.
7   FORUM ODPOWIEDZIALNEGO BIZNESU: Różnorodność. In *Zrozumienie, poszanowanie, zarządzanie.* Warszawa : Forum Odpowiedzialnego Biznesu, 2009, p. 4-5.

denominational, political belief, union membership, psychosexual orientation, identity gender identity, family status, lifestyle, form, scope and basis of employment, other types of co-operation, and other prerequisites for discriminatory behavior.[8] There is also a term of gender that is strictly associated with term of diversity management. Gender is a set of characteristics, behaviors, actions, attributes, attitudes, social roles, attributed to a man and a woman by a broadly understood culture. Different roles and behaviors can lead to gender inequalities, i.e. differences between men and women, systematically giving the benefit of one group. The study of gender has shown that its definition changes according to social, political and cultural conditions. Gender Studies is derived directly from the tradition of women's studies, which dates back to the beginning of the Second Wave, the so-called Second Feminine Movement, which has been developing since 1968 (the category of femininity has been replaced by wider gender). Gender dictionary means gender, male or female, in grammar. In Polish literature, it often appears in the original or translated as "cultural gender" or "socio-cultural gender." This male-female gender features gender differences, emphasizes the difference in social status, career prospects, career prospects, career patterns, etc. Therefore, gender is linked to diversity management.[9]

There is Diversity Charter that is an international initiative supported by the European Commission in Austria, Belgium, the Czech Republic, Denmark, Estonia, Finland, France, Spain, the Netherlands, Ireland, Luxembourg, Germany, Poland, Portugal, Hungary, Italy. The Charter is a commitment signed by organizations that decide to prohibit discrimination in the workplace and work to create and promote diversity, and expresses the company's willingness to involve all employees and business and social partners in these activities. The organizations that decide to implement this tool work for cohesion and social equity. Signing the Diversity Charter in Poland is voluntary and free. The idea of establishing the Charter of Diversity was born in France in 2004 in a report issued by the French think tank Montaigne Institute. In the publication "Les oubles de l'égalité des chances" 5 by Yazid Sabega (French President of AXA) and journalist Laurence Méhaignerie, there is a proposal to create a coherent document that not only organizes equal treatment policies, but also affects State policy, e.g. through public procurement. The inauguration of the Charter took place on October 22, 2004, when 33 companies, including several small and medium enterprises, signed the Charter 6. With the cooperation of the private and public partners and the support of the political authorities, the General Secretariat for Diversity Charter has been established, which focuses on promoting and raising awareness of SMEs and micro enterprises. The subsequent Diversity Papers appeared as autonomous documents adapted to the specificities of equal treatment in a given country. However, the idea and design of the project have always been linked to the French Charter, which is by far the largest and most developed initiative in Europe. The Diversity Card in France was the first such document in Europe and became an inspiration for other countries.

Since 2010, the Diversity Charter initiative across Europe has been merged, creating an EU-funded platform funded by the European Commission under the project

---

8   Ibidem, p. 8-9.
9   LEŚNOWOLSKA WOJSŁAWOWICZ, E., ANDREJSZUK, M.: *Łączy nas różnorodność! Przewodnik po karcie różnorodności.* Warszawa : Forum Odpowiedzialnego Biznesu, 2013, p. 20-23.

"Supporting own initiatives to promote workplace diversity across the EU" (European Commission 2012). The initiative of creating the Polish version of the Diversity Charter was established during a meeting of representatives / drug companies with French capital in May 2011. In 2012, the Responsible Business Forum launched a draft Diversity Charter in Poland, the idea of which is to promote diversity management and tackle discrimination in the workplace. Responsible Business Forum in Poland supports and promotes issues associated with diversity in work places for years including different publications such as: *Firma = variety. Understanding, respecting*, *Management* (2009) or *Management diversity in Poland* (2009). The Diversity Charter - a European initiative coordinated by the Responsible Business Forum in Poland, commits its signatories, inter alia, to the implementation of equal treatment and diversity management policies, anti-discrimination education among all employees, active prevention of discrimination and harassment in the workplace, and reporting on actions taken and promote diversity management among business and social partners. Diversity is an opportunity that benefits both private and public organizations as well as the general public. There is a wealth of evidence and arguments justifying diversity in the workplace to understand why more and more European companies are implementing diversity and equality strategies not only for ethical and legal reasons, but also for business benefits. One of these benefits is to expand opportunities associated with recruiting and retaining staff through the use of diverse pool of the most qualified people. Effective ways to promote diversity help you reach a broad talent base, leading to greater innovation and new product marketing opportunities.

Mechanisms promoting diversity in the workplace also contribute to broadening the customer base and facilitating access to markets. Companies and customers in Europe are increasingly diversified in terms of demand for a variety of quality products and services. Having a team of employees that reflects more and more diverse society can make the company more responsive to the needs of diverse customers. The European Commission is aware of the benefits of diversity in the workplace and has been actively combating discrimination through legislation for over a dozen years, enabling millions of people to take full advantage of their potential and thousands of businesses can benefit from their talents. Numerous directives on equal treatment of men and women in employment and occupation, access to goods and services and social security, the Employment Equality Directive or the Racial Equality Directive are legal instruments that contribute to the implementation of equality. The Diversity Charter is primarily a private initiative that works with public administrations and social organizations to raise awareness about the benefits of diversity and the impact of diversity on improving the social and professional development of the country. Charters often create tools and promote exchanges of experience, helping businesses overcome the problems of lack of performance. At the same time, they help to appreciate the differences that contribute to creating an innovative and competitive environment in Europe. Today, the Charter of Diversity has signed nearly 7000 companies and public institutions from the European Union.

According to the signatories of the Charter of Diversity, the company's atmosphere (74%), corporate image (71%), attractiveness and retention of talented people (58%), loyalty of employees (53%), overall competitive advantage (39%) and

customer diversity 27%). These areas, according to the signatories of the Diversity Charter, have improved through diversity management. As you can see, diversity management can have a huge and positive impact on employees. And it brings very concrete benefits. Paradoxically, companies not involved in diversity management have responded fairly well to the question of the potential benefits that could bring diversity to their organizations. In the first place they changed the atmosphere of the company (46%), successively strengthening its image (41%) and attracting talents and loyalty (39%). Summing up the research results of the 2014 and 2016, in the signatory group, 98% of respondents agree that signing the Charter has had an impact on the development of their diversity policies and activities. Compared to 2014, this is an increase of 3 percentage points. At the same time, the Charter's impact on the policies and operations of companies in the field of diversity is stronger - at present the arithmetic mean is 3.53 vs. 3.13 two years earlier. By signing the Diversity Charter, companies gain access to the Diversity Charter Platform and, therefore, many useful tools such as good practices (92% of indications) and contacts with companies involved in diversity (74%). Very valuable signatories also have access to publications and tools for managing diversity (94% of indications). Table 1 presents the research results on the interpretation of diversity management in the enterprise.

Table 1: Research results on the questionnaire related to question What do you understand as a term of diversity management?

Question	Reply on the question [%]
A friendly working environment for the employee	21
Hiring employees of various profiles and qualifications, different workstations	13
Business and human resources management	13
Employment of diverse employees (e.g. age, gender, race, disability, etc.)	14
Various business activities	8
No associations	7
Employee diversity, multitasking	4
Training of employees, acquisition of qualifications	4
Utilizing the natural predispositions of the employee	3
Forms of employment	6
Motivation of employees	4
Flexible working time	3

Source: Research „Diversity management", PBS, Forum Odpowiedzialnego Biznesu, (n=71).[10]

In accordance to research results from research period 2014 – 2016, 98% of respondents agree that signing the Diversity Charter has had an impact on the development of their diversity policies and activities. Compared to 2014, this is an increase of 3 percentage points. At the same time, the Diversity Charter's impact on the policies and operations of companies in the field of diversity is stronger. By signing the Diversity Charter, companies gain access to the Diversity Charter Platform and, therefore, many useful tools such as good practices (92%) and contacts with

---

10   Ibidem.

companies involved in diversity (74%). Very valuable signatories also have access to publications and tools for managing diversity (94% of indications).

Conclusion

The idea of managing diversity is becoming increasingly widespread. Employers perceive employee diversity as being age, experience, lifestyle, gender, sexual orientation, cultural origin, education, but also health or communication style. They begin to invest in and diversify from it. To do this effectively and consciously, you need to prepare your company / organization / institution for diversity management. It is important to realize who our team is, what policies and practices we support diversity, and whether we are open to disadvantaged people in the labor market. Importantly, not every organization is able to implement all model diversity management solutions; Often it is not necessary to depend on the size of the organizational culture in which the socio-cultural context operates. Diversity is the fundamental value of modern society. Equal treatment and diversity management brings tangible benefits and impacts the development and innovation of the organization. Bearing in mind the respect for the diverse, multicultural society, and placing particular emphasis on corporate policies on managing diversity at the workplace.

References:
CZAPIŃSKI, J.: The State of Civil Society. Social Capital. Social Diagnosis 2013 Conditions and Quality of Life of Poles – Report. Special issue. In *Contemporary Economics*, 2013, Vol. 7, No. 3, p. 285-297. ISSN 978-83-61638-30-8.
EUROPEAN COMMISSION: Awareness of the Business Benefits of the European Diversity Papers. Managing Diversity in the Workplace. In *European Commission*. Luxembourg : Publications Office of the European Union, 2012, p. 6-8.
FORUM ODPOWIEDZIALNEGO BIZNESU: Różnorodność. In *Zrozumienie, poszanowanie, zarządzanie*. Warszawa : Forum Odpowiedzialnego Biznesu, 2009, p. 8-9.
FUKUYAMA, F.: *Trust: The Social Virtues and the Creation of Prosperity*. London : Hamish Hamilton, 1995.
KASTORA, E.: *Problems and Challenges in Organizations – The Importance of Social Capital.* Warsaw : Forum Odpowiedzialnego Biznesu, 2017.
LEŚNOWOLSKA WOJSŁAWOWICZ, E., ANDREJSZUK, M.: *Łączy nas różnorodność! Przewodnik po karcie różnorodności.* Warszawa : Forum Odpowiedzialnego Biznesu, 2013.
PUTNAM, R.: *Bowling Alone: The Collapse and Revival of American Community*. New York : Touchstone Books, 2000.
RAWLUSZKO, M.: Polityka równych szans a zarządzanie różnorodnością. In *Przewodnik dobrych praktyk. Firma równych szans*. Warszawa : Gender Index, Undp. Ewual, 2007, p. 28-29.
STASIAK-BETLEJEWSKA, R., TUČEK, D.: CSR as a Factor Shaping the Quality and Safety in the Construction Companies In *Proceedings of 17th International Symposium on Quality. Quality Makes a Difference. Conference Proceedings.* Zadar, Chorwacja : Croatian Quality Managers Society, 2016, p. 371-380.

Contact data:
Ing. Renata Stasiak-Betlejewska, PhD.
Częstochowa University of Technology
Faculty of Management
ul. Dabrowskiego 69
42 201 Czestochowa
POLAND
renatastasiak@wp.pl

DOES THE STRATEGIC APPROACH TO ON-LINE MARKETING WORTH FOR SME?

Hana Stojanová – Veronika Blašková

Abstract

The classic marketing approach is not enough to safeguard the prosperity of a company in the conditions of the 21 st century. Authors focus on the different forms of an on-line company marketing evaluation, operating in a polygraph sector. The data have been acquired from Google analytics program between years 2013-2015. The studied company acquired 18 efficient e-mail campaigns in a period of 21 days each. The campaigns have been studied separately with the same index of time, content and performance (demand). The article aim is to prove, if there is a link between each variables and how they change within the campaigns. The authors at work verify the assumption in GRETL program that there is a distinction in efficiency of different graphic advert performances as well as in time schedule of a certain campaign during a year. Based on the paper results has been formulated suggestion, to small and middle sized companies, reflecting as the results of contemporary scientific knowledge as the practical implementation.

Key words:

Campaign variables. On-line marketing. Sme. Strategic.

1 Internet marketing, the source of competition advantage

The Internet as a developing technology has significantly influenced the expansion of new business relationships and has advanced new market opportunities for companies.[1],[2] The present marketing development tendencies suggest that many marketing activities require more intensive communication with the inner and outer subjects of the company environment.[3] The classic marketing approach is not enough to safeguard the prosperity of a company in the conditions of the 21st century.[4],[5],[6] Product, price, distribution – is all easily simulated. A source of the unique competition advantage is more often found in communication with important target groups. The firms try to share the information about satisfying the needs of the addressees through the marketing communication.

1   PETERSEN, B., WELCH, L. S., LIESCH, P. W.: The Internet and Foreign Market Expansion by Firms. In *Management International Review*, 2002, Vol. 42, No. 2, p. 207.

2   HINSON, R., ADJASI, C.: The Internet and Export: Some Cross-country Evidence from Selected African Countries. In *Journal of Internet Commerce*, 2009, Vol. 8, No. 3, p. 309.

3   HARRIS, L., COHEN, G.: Marketing in the Internet Age: What Can We Learn from the Past? In *Management Decision*, 2003, Vol. 41, No. 9, p. 944.

4   MATHEWS, S., HEALY, M.: 'From Garage to Global': The Internet and International Market Growth, an SME Perspective. In *International Journal of Internet Marketing and Advertising*, 2008, Vol. 4, No. 2/3, p. 179.

5   For more information, see: KLEINROCK, L.: An Early History of the Internet: History of Communications. In *Communications Magazine, IEEE*, 2010, Vol. 48, No. 8.

6   MATHEWS, S., HEALY, M., WICKRAMASEKERA, R.: The Internalisation of Information, Knowledge, and Interaction Components of the Firm's Internationalisation Process. In *Journal of Marketing Management*, 2012, Vol. 28, No. 5/6, p. 733.

1.1 On-line communication

The on-line marketing communication, in the advert category, sales promotion, public relations or direct marketing, is closely linked with the firm strategy together with the business plan.[7],[8] There is a link between individual forms of communication in practice. The on-line marketing communication according to Janouch[9] brings many advantages compared to communication off-line:

- Monitoring and measuring, leading to an increase in the volume of data.
- In availability 24 hours a day 7 days a week, therefore non-stop communication.
- In complexity, possibility to address customers in several ways.
- In possibility of individual approach.
- With dynamic content, when the offer can be updated.

If the firm wants to reach the success on the selected market or segment, the marketing communication must not only be actively provided, but planned, managed, monitored and evaluated.[10] The turnout analysis of web pages can be used for the evaluation.[11],[12] Most of the firms use the Google Analytics tool to measure the campaigns, which is synoptic, intelligible and is free of charge.[13] To use this tool, the knowledge in programming or professional information technology is not needed for the orientation of the user. At Google company, when having an account and the parameters are set, it is possible to get the information about the usage of a firm's web pages, how efficient are the marketing campaign is, (especially PPC adverts and e-mail campaigns), and what conversion has been reached by the elected campaigns, if the addressed contacts brought the customers and what's the volume of new customers. The answers can be compared with the strategic company targets, eventually with partial marketing communication targets.[14]

The manager's task is to coordinate the team of highly qualified professionals, creating on-line marketing campaigns, which are the data analysts, marketers, creative consultants and graphic designers, IT specialists, salesmen and consultants. The basic answer of every manager is the campaign expense and the campaign investment return. Another criterion for the way and form of the marketing communication is the target group. According to the target group and its specification, one of the forms of communication is the most suitable. It is necessary to consider the form of communication with the price of the product. The wholesale square forms are being used with low priced products, on the other hand a higher priced product is

7   PŘIKRYLOVÁ, J., JAHODOVÁ, H.: *Moderní marketingová komunikace*. Praha : Grada, 2010, p. 320.
8   GLAVAS, C., MATHEWS, S.: How International Entrepreneurship Characteristics Influence Internet Capabilities for the International Business Processes of the Firm. In *International Business Review*, 2014, Vol. 23, No. 1, p. 228.
9   JANOUCH, V.: *Internetový marketing*. 2nd Edition. Brno : Computer Press, 2014, p. 376.
10 JEAN, R. J. B., SINKOVICS, R. R., CAVUSGIL, T.: Enhancing International Customer-supplier Relationships through IT Resources: A study of Taiwanese Electronics Suppliers. In *Journal of International Business Studies*, 2010, Vol. 41, No. 7, p. 1218.
11 KOTLER, P., LANGEROVÁ, J., NOVÝ, V.: *Moderní marketing*. 4th Edition. Praha : Grada, 2007, p. 1041.
12 CHAFFEY, D. et al.: *Internet Marketing: Strategy, Implementation and Practice.* 4th Edition. London : Pearson Education Limited, 2009, p. 702.
13 TONKIN, S.: *Výkonostní marketing s Google Analytics.* Brno : Computer Press, 2011, p. 432.
14 SHANE M. et al.: Internet Marketing Capabilities and International Market Growth. In *International Business Review*, 2016, Vol. 25, No. 4, p. 820.

mainly linked with PR communication.[15] On-line communication has gone through a long development since its beginning, from the payment placement, to (cost-per-thousand), to (cost-per-click) or (cost-per- action). Currently the new approach is being developed a new way - buying audiences. In this way, instead of purchasing cost-per-click, the company can buy a visit from a real customer with a suitable profile.[16],[17] In the year 2014 the internet advertising increased approx. by 10%, and assuming that on-line advertising will increase in the next year.
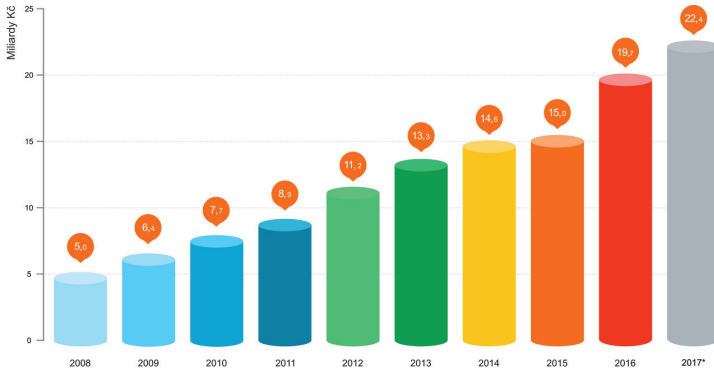
Picture 1: Development of internet advertising spending
Source: SPIR, MEDIAN: *PPM Factum. February 2017.* [online]. [2017-09-26]. Available at: <http://www.inzertnivykony.cz/>.

2 The market situation in Czech Republic

According to m-journal[18] in Czech Republic, the portal Seznam.cz and its services dominate from the aspect turnout (News.cz, Maps.cz, E-mail.cz etc.) Global companies as Facebook and Google together with YouTube fill the other positions. The server turnout is not measured with the Czech methodology NetMo-nitor, so their order can be only guessed. The local projects as Centrum Holdings or Dnes. cz follow. According to CSU,[19] the number of households equipped with a personal computer and connection to internet is increasing. Only six adults in one hundred do not own a mobile phone. More than a half of households own a tablet and use

---

15 HAVLÍČEK, K., KAŠÍK, M.: *Marketingové řízení malých a středních podniků*. Praha : Management Press, 2005, p. 172.
16 MADLEŇÁK, R., ŠVADLENKA, L.: Acceptance of Internet Advertising by Users in Czech Republic. In *Economics and Management*, 2009, Vol. 12, No. 1, p. 98.
17 MADLEŇÁK, R. et al.: Analysis of Website Traffic Dependence on Use of Selected Internet Marketing Tools. In *Procedia Economics and Finance*, 2015, Vol. 23, p. 123.
18 M – JOURNAL: *Infografika: 8 top způsobů jak b2b firmy oslovují své klienty*. [online]. [2017-09-26]. Available at: <http:http://www.m-journal.cz/cs/aktuality/infografika--8-top-zpusobu--jak-b2b-firmy-oslovuji-sve-klienty>.
19 CSU, ČESKÝ STATISTICKÝ ÚŘAD: *Na intrenet je připojeno 62 českých domácností ze sta.* [online]. [2015-04-10]. Available at: <https://www.czso.cz/csu/czso/ na_internet_je_pripojeno_62_ceskych_domacnosti_ze_sta20111129>.

a cable free connection. The quarter of all households use two or more computers. The cost situation in the internet communication area in Czech Republic is a bit more complicated, because of hundreds of servers on the market with different pricelists, several tens of advertising formats and many other formats how to advertise on-line. Generally the advertising costs can be divided between cost-per-thousand (CPT),the time period (usually a week) and price-per-click (PPC).The price for (PPC) advert is not easily identified, because the prices are determined at an auction, where each company offers a price, which they are willing to pay. The competition price has to be taken into the consideration and important factors as an advert placement (optimally on the top or on the right side of the page) and a chosen key word.
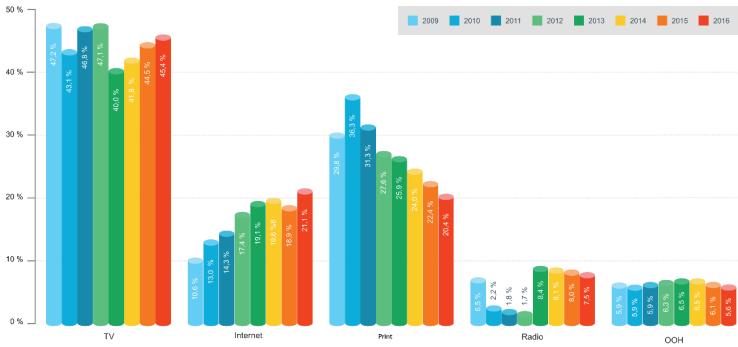
Picture 2: Development of shares of individual media (relative)
Source: SPIR, MEDIAN: *PPM factum. February 2017.* [online]. [2017-09-26]. Available at: <http://www.inzertnivykony.cz/>.

CTP is mainly used for introducing a brand to market, or reminding of a brand, because the cost is for displaying. People will remember the promoted brand and it is possible to make them buy by following the campaign.

2.1 Conversion of the visitors

A conversion measures the campaign success. If a person who is interested, clicks the link, it is considered a primary conversion, not a customer just yet, only a visitor on our pages. It is considered a secondary conversion, the moment a person makes an order, or buys a product or a service. Conversion of new clients in on-line shop is about 1%. In numbers, this means that only one person from a hundred visitors makes a purchase. The situation changes, if the user has already visited the specific page (i.e. e-shop). In that case the conversion can reach up to 20-30%. In practice, only 1% is to be reached or even below, which means the pages are designed inappropriately. The Bounce Rate gives the information about a visit of only one page without any other activity. The user loses interest and leaves the page without browsing any further because the design was poor or simply did not find the information needed. The Bounce Rate is about 30-60% of all websites, 20-40% at e- shops. If the target of the

campaign is generating sales, it is important to measure how much they reached and establish the resilience rate of investment input into the communication.[20],[21],[22]

3 Methodology and data

Authors focus on the different forms of an on-line company marketing evaluation, operating in a polygraph sector. The data have been acquired from Google analytics program between years 2013-2015. The studied company acquired 18 efficient e-mail campaigns in a period of 21 days each. The campaigns have been studied separately with the same index of time, content and performance (demand). The article aim is to verify, if there is a link between each variables and how they change within the campaigns. The authors at work verify the assumption in GRETL program that there is a distinction in efficiency of different graphic advert performances as well as in time schedule of a certain campaign during a year. If the p-value in t-test is calculated lower than a level of importance α (0,05), than we reject the null hypothesis. The null hypothesis explains that there is no relationship between studied variables, mathematically:

$$H_0 : \beta_j = 0$$

Alternative hypothesis is the opposite, explaining that there is an influence between two variables, mathematically:

$$H_1 : \beta_j \neq 0$$

In case of t-test, the authors prove an important difference in average indicator values of a successful advert, eventually in relative representation of resulted deals made by the consumers. To verify the inequality hypothesis, t-test was used. T-test is a method of mathematical statistics, which allows verifying the hypothesis of equality in mean values Null hypothesis $H_0 : \mu_1 - \mu_2 = 0$ and alternative hypothesis $H_1 : \mu_1 - \mu_2 \neq 0$ (means are different).[23],[24],[25] Promoted products were always the same, 'memory cards' of the photo book and the calendar. With a click in the link of an email, the customers were transferred to a website with the possibility to order the promoted products.

20   *Smartemailing.* [online]. [2017-09-27]. Available at: <http://www.smartemailing.cz>.
21   SCHENKER, M.: *7 Black Friday Rules for Maximizing Your Site's Conversions*. [online]. [2017-09-26]. Available at: <https://www.webdesignerdepot.com/2013/11/7-black-friday-rules-for-maximizing-your-sites-conversions/>.
22   *Bounce Rate*. [online]. [2017-09-26]. Available at: <http://blog.h1.cz/aktualne/2-nejcastejsi-myty-o-bounce-rate>.
23   HUŠEK, R., PELIKÁN, J.: *Aplikovaná ekonometrie: Teorie a praxe*. Praha : Professional Publishing, 2003, p. 263.
24   GUJARATI, N. D., PORTER, D. C.: *Basic econometrics.* 5th Edition. Boston : McGraw-Hill Irwin, 2009, p. 922.
25   HANČLOVÁ, J.: *Ekonometrické modelování*. Praha : Grada, 2012, p. 214.

4 Results

4.1 Impact of graphic visual

The first rated criterion was a graphic visual of the advert. The result of three similar layouts sent via e-mail differed only in pictogram. In this comparison, the customer database and the reaction to a different type of advert was more important rather than the market research itself. The database has been divided in quarters and one type of layout was sent to every quarter. A neutral theme has been chosen intentionally.

Table 1: Google analytics layout values differing in the pictogram

Pictogram	Arrow	Running man	Superman
Visits	2877	3293	2852
% new visits	20,89	19,83	23,84
New users	601	653	680
Immediate Release (%)	50,54	48,38	51,75
Pages to visit	5,77	6,55	5,21
Visit time	04:18	04:48	03:24

Source: Own processing

All three quarters of customers reacted to the e-mail identically, the biggest increase of visited pages was between the third and the fifth day after the campaign activation. It is evident that the pictogram alteration did not change the website turnout.

Picture 3: Layouts differing in the pictogram
Source: Own processing based on company data

Based on testing, the differences in acquired information for each pictogram were not statistically established. There was no proof of p- value < 0.05, while tested. Based on the result of visited pages with variant pictograms, we can ask if different values will be reached, while using simple text or picture e-mail. This question has been tested on two various layouts with primary assumption that the results will be more desirable with the help of a colourful picture.

Picture 4: Simple Text vs. Image layout
Source: Own processing based on company data

The final results of advertising have been compared in the same time period. The assumption of the e-mail creator that the picture e-mail will be more effective and will capture more attention, was incorrect. A simple text e-mail reached almost double value than a picture e-mail. We can explain this action with the customer curiosity. It gives the information to the printing office that their e-mails should be simple and make the consumer more curious.

Table 2: Image versus simple text layout values

Values	Image layout	Simple text
Visits	5322	11220
Transaction	17	27
sales (CZK)	10212	17218

Source: Own processing
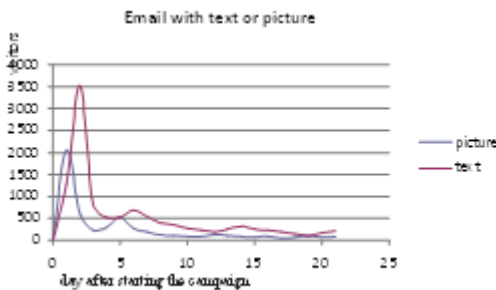
Chart 1: Traffic graph of different layouts
Source: Own processing

Another criterion has been timing in which season the campaign started. The content of e-mail was always identical and referred to websites where consumers could make the promoted purchase. The campaign always lasted 21 days.
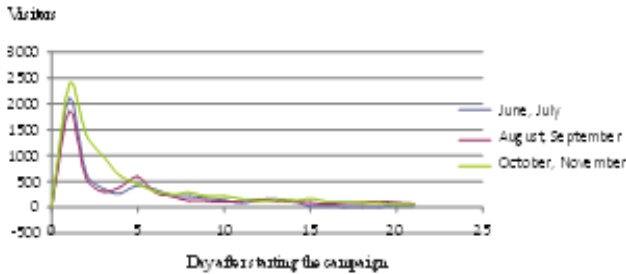
Chart 2: Comparison of web portal traffic in three different time periods
Source: Own processing

4.2 Comparison of implemented banner campaigns

Banner campaigns promoted 'memory cards', calendars, photo books. Their data show the bar below:

Table 3: Data of banner campaigns

	Views	Clicks	CTR (%)	Transactions	Sales (CZK)
Campaign A	47 696 377	84 339	0,18	12	7486
Campaign B	52 851 857	88 343	0,17	10	9216
Campaign C	97 790 678	199 451	0,20	93	61350
Campaign D	131 11 736	19 916	0,15	10	9316
Campaign E	47 699 360	86 418	0,18	11	4326

Source: Own processing

Values (CTR) from Google Analytics could be a signal for approximate effectiveness of banner adverts. It is only approximate because it does not give us the relevant information about performed conversions. It also depends on placing the banner. In professional literature, the values CTR of banner advert are quoted between 0.06-0.2 percent. The banner CTR could be improved by animation or video (Rich Media) where the value is approximately 1%. It has been proved by testing that there is an important difference for the campaign C statistically against other campaigns. By analysing this campaign, it has been established, the possibility of a personal consumption was made more visible free of charge in 82 places all over Czech Republic. That means, the customers saved the shipping expenses.

4.3 Evaluation of campaign expenses

By evaluating the campaigns, the campaign profit has been compared with the expenses for each campaign. The profit has been calculated by multiplying the transactions and the average profit per order. According to information of the studied company, the average profit per order makes 210 CZK. The campaign profit has been evaluated at the cost of 4600 CZK, for a simple e-mail and 7500 CZK for a picture and more advanced e-mail. The expenses for the graphic arrangement and an employee's time are included in this price.

Table 4: E-mail Campaign Costs

Campaign	Revenue	Campaign costs	Result
26.10-16.11.2013	18900	7500	+
3.11.-24.11.2013	15330	7500	+
28.11.-19.12.2013	27510	4600	+
3.6.-24.6.2014	4620	4600	+
17.6.-8.7.2014	4620	4600	+
29.7.-19.8.2014	5460	7500	-
27.8.-17.9.2014	2730	4600	-
29.9.-20.10.2014	5670	4600	+
22.10.-12.11.2014	5460	4600	+
27.11.-17.12.2014	13230	7500	+
6.12.-27.12.2014	22050	7500	+
10.12.-31.12.2014	7350	4600	+
13.12.-3.1.2015	6300	4600	+
15.12.-5.1.2015	5460	4600	+
16.12.-6.1.2015	10920	7500	+
23.12.-13.1.2015	10500	7500	+
27.1.-17.2.2015	1680	4600	-
6.1.-27.2.2015	2520	4600	-

Source: Own processing
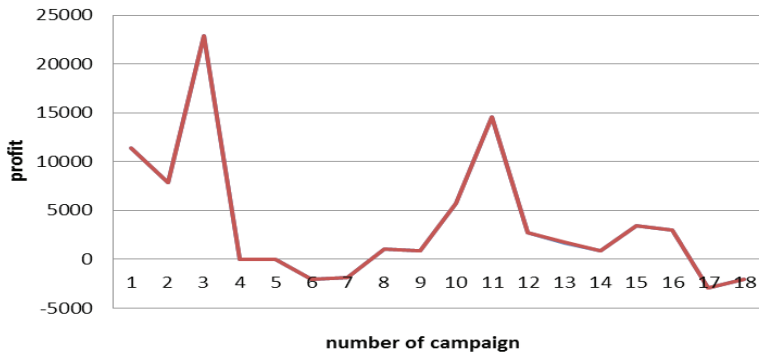
Chart 3: E-mail Campaign Costs
Source: Own processing

From the bar and the chart above, resulting in 14 out of 18 e-mail campaigns were successful. Respective, these campaigns have been able to generate enough profit to cover the campaign expenses. In case of an e-mail campaigns, those starting at the beginning of January or summer holidays, had the biggest losses.

Table 5: Cost of a banner campaign

	Campaign A	Campaign B	Campaign C	Campaign D	Campaign E
Visits	14965	233429	437194	233429	191978
Sales	7486	9316	61350	9316	4326
earnings per order	210	210	210	210	210
transaction	12	10	93	10	11
profit per camp.	2520	2100	19530	2100	2310
cost of campaign, seznam.cz	60000	60000	60000	60000	60000
evaluation	-57480	-57900	-40470	-57900	-57690
result	-	-	-	-	-

Source: Own processing

From the bar above can be said, not even one banner campaign was successful. Expenses in contrast to profit are extreme. Even the most successful campaign C, which has brought a profit of 20.000 CZK was at a loss. The expenses of 60.000 CZK are not sufficient with the campaign results. The other campaigns did not even reach 5% of return.

Table 6: Cost of a banner campaign

	Sklik	AdWords	Facebook
Cost per Click (CZK)	5	04.1	04.1
Visitors	12000	13043	14634
expected conversion of 2.5%	300	326,09	365,85366
earnings per order	210	210	210
planned profit	63000	68478	76829,268
campaign costs	60000	60000	60000
Evaluation	3000	8478,3	16829,268

Source: Own processing

In all campaigns, chosen by companies, the providers have established a conversion and a possible profit for the campaign. It is evident, the net profit (campaign profit after expense deduction) is around from 3.000 CZK to 17.000 CZK. To evaluate the PPC campaigns with the campaign expenses would result as an effective marketing tool to get new clients and new orders.

5 Discussion

Despite findings about which Internet marketing resources and capabilities contribute to firm performance in international markets remains unclear and especially the small and middle sized companies very often lack the resources, capabilities and knowledge of markets, mainly the foreign one,[26],[27] the internet may

---

26 CELUCH, K., MURPHY, G.: SME Internet Use and Strategic Flexibility: The Moderating Effect of IT Market Orientation. In *Journal of Marketing Management*, 2010, Vol. 26, No. 1/2, p. 131.

27 WILDEN, R. et al.: Dynamic Capabilities and Performance: Strategy, Structure and Environment. In *Long Range Planning,* 2013, Vol. 46, No. 1-2, p. 72.

serve as a tool to overcome limitation and specific restriction.[28],[29],[30] The existence of differences in a graphic effectiveness of performed adverts has been proved, as well as in timing a certain campaign throughout the year.[31],[32] The identical campaign has been compared, which was held in three different seasons. The results are almost identical. The highest turnout was always the first day after the campaign started and the turnout was also increasing the 4th-5th day. This fact could be explained with checking the e-mail by users, either every day or once a week. The campaigns reached the highest turnout before Christmas, almost 5 time more in contrast to campaigns in summer months. The pictogram alteration does not have any influence on the customer's reaction and the visit, because the customer's reaction was identical in each campaign. Even the expectation about picture e-mail being more advanced, was not approved. A simple text e-mail doubled the turnout values, than a picture e-mail. Based on these establishments, we can state, that e-mails should be simple, easy to understand and make the customers curious.[33],[34]

The banner campaigns promoted 'memory games' calendars and photo books as well as e-mail campaigns. CTR values from Google Analytics could be the signal to approximate effectiveness of the banner adverts. It is only approximate, because they do not give us the relevant information about performed conversions. The professional magazines usually state the CTR values of banner campaign in ratio of 0.06-0.2[35],[36] The fourteen out of eighteen campaigns were successful and were able to generate enough profit to cover the campaign expenses. In contrast, not even one banner campaign was successful. Even the most successful campaign C, which has brought a profit less than 20.000 CZK, was at a loss. The expenses of 60.000 CZK are not sufficient with the campaign results. The other campaigns did not even reach 5% of a return. In contrast the banner campaigns reached a high turnout of 440.000 visitors. The studied company provided the authors with the information about the offers for PPC campaigns. All providers set a conversion in each potential campaign and an appropriate profit has been defined. The net profit was around 3.000 CZK and 17.000 CZK. It is important for the companies to track not only the quality of campaign's

28   RAYPORT, J. F., SVIOKLA, J. J.: Managing in the Marketspace. In *Harvard Business Review*, 1994, Vol. 72, No. 6, p. 141-150.
29   PERKS, K. J., HUGHES, M.: Entrepreneurial Decision-making in Internationalization: Propositions from Mid-sized Firms. In *International Business Review*, 2008, Vol. 17, No. 3, p. 310.
30   TRAINOR, K. et al.: Integrating Information Technology and Marketing: An Examination of the Drivers and Outcomes of e-Marketing Capability. In *Industrial Marketing Management*, 2011, Vol. 40, No. 1, p. 162.
31   TIPPINS, M. J., SOHI, R. S.: IT Competency and Firm Performance: Is Organizational Learning a Missing Link? In *Strategic Management Journal*, 2003, Vol. 24, No. 8, p. 745.
32   For more information, see: ABROMS, L. C., MAIBACH, E. W.: The Effectiveness of Mass Communication to Change Public Behaviour. In *Annu. Rev. Public Health*, 2008, Vol. 29, No. 1.
33   TEO, T. S. H., CHOO, W. Y.: Assessing the Impact of Using the Internet for Competitive Intelligence. In *Information & Management*, 2001, Vol. 39, No. 1, p. 67.
34   PODSAKOFF, P. M. et al.: Common Method Biases in Behavioural Research: A Critical Review of the Literature and Recommended Remedies. In *Journal of Applied Psychology*, 2003, Vol. 88, No. 5, p. 879.
35   SHARMA, A., SHETH, J. N.: Web-based Marketing: The Coming Revolution in Marketing thought and Strategy. In *Journal of Business Research*, 2004, Vol. 57, No. 7, p. 696.
36   See: MULHERN, F.: Integrated Marketing Communications: From Media Channels to Digital Connectivity. In *Journal of Marketing Communications*, 2009, Vol. 15, No. 2.

effect but also the gain and all expenses the company records.[37,38,39] Compared with campaign expenses, the PPC campaigns can be evaluated as an effective marketing tool for gaining new clients and new orders.

Conclusion

Based on the paper results has been formulated the bellow mentioned suggestion, to small and middle sized companies, reflecting as the results of contemporary scientific knowledge[40,41,42,43] as the practical usage implementation:

- The company should include the PPC campaigns in their marketing. This decision should be supported by the information gained from the previous banner campaigns. The PPC campaigns will increase the awareness about the brand (access to a website) and they will also bring new orders.
- The company should exclude the banner campaigns. It should be only used when promoting a brand and gaining the most possible access to a website. Even though the banner campaigns own the correct CTR, they are not able to generate enough of profit.
- The company should use simple e-mail campaigns which proved the most effective
- Simple graphics and emailing will bring more customers to a website than graphically more complicated one. The company should avoid excessive and extensive orders.
- Attention to product offers before a season, to start the campaigns more often than two times a month, in November and December.
- The company should use an expansion strategy. Every campaign shows the interest for the company products, only campaign expenses do not always correspond with making profit. The company should continue to concentrate on an adequate finance allocation into the campaigns.

37   WATERS, R. D., LEMANSKI, J. L.: Revisiting Strategic Communication's Past to Understand the Present: Examining the Direction and Nature of Communication on Fortune 500 and Philanthropy 400 Web Sites, Corporate Communications. In *An International Journal*, 2011, Vol. 16, No. 2, p. 150.
38   MILICHOVSKÝ, F., ŠIMBEROVÁ, I.: Marketing Effectiveness: Metrics for Effective Strategic Marketing. In *Engineering Economics*, 2015, Vol. 26, No. 2, p. 211.
39   SHIMAJ, A.: Usage of Promotional Activities in the Service Sector – A Case Study on Bank Services Sector in Shkodër, Albania. In *Mediterranean Journal of Social Sciences*, 2015, Vol. 6, No. 255, p. 259.
40   For more information, see: SCHULTZ, D. E., SCHULTZ, H. F.: *IMC, the Next Generation: Five Steps for Delivering Value and Measuring Financial Returns*. New York City : McGraw-Hill, 2004
41   SCHULTZ, D. E., PATTI, C. H.: The Evolution of IMC: IMC in a Customer-driven Marketplace. In *Journal of Marketing Communications*, 2009, Vol. 15, No. 2, p. 75.
42   LAMBERTI, L., NOCI, G.: Marketing Strategy and Marketing Performance Measurement System: Exploring the Relationship. In *European Management Journal*, 2010, Vol. 28, No. 2, p. 139.
43   HENARI, T., INDRUPATI, J.: Entrepreneurial Success, Using Online Social Networking: Evaluation. In *Education, Business and Society: Contemporary Middle Eastern Issues*, 2012, Vol. 5, No. 1, p. 3.

References:

ABROMS, L. C., MAIBACH, E. W.: The Effectiveness of Mass Communication to Change Public Behaviour. In *Annu. Rev. Public Health*, 2008, Vol. 29, No. 1, p. 219-234. ISSN 0163-7525.

Bounce Rate. [online]. [2017-09-26]. Available at: <http://blog.h1.cz/aktualne/2-nejcastejsi-myty-o-bounce-rate>.

CSU, ČESKÝ STATISTICKÝ ÚŘAD: *Na internet je připojeno 62 českých domácností ze sta.* [online]. [2015-04-10]. Available at:
<https://www.czso.cz/csu/czso/na_internet_je_pripojeno_62_ceskych_domacnosti_ze_sta20111129>.

M − JOURNAL: *Infografika: 8 top způsobů jak b2b firmy-oslovují své klienty.* [online]. [2017-09-26]. Available at: <http:http://www.m-journal.cz/ cs/aktuality/infografika--8-top-zpusobu--jak-b2b-firmy-oslovuji-sve-klienty.html>.

CELUCH, K., MURPHY, G.: SME Internet Use and Strategic Flexibility: The Moderating Effect of IT Market Orientation. In *Journal of Marketing Management*, 2010, Vol. 26, No. 1/2, p. 131-145. ISSN 0267-257X.

GLAVAS, C., MATHEWS, S.: How International Entrepreneurship Characteristics Influence Internet Capabilities for the International Business Processes of the Firm. In *International Business Review*, 2014, Vol. 23, No. 1, p. 228-245. ISSN 0969-5931.

GUJARATI, N. D., PORTER, D. C.: *Basic Rconometrics.* Boston : McGraw-Hill Irwin, 2009.

HANČLOVÁ, J.: *Ekonometrické modelování.* Praha : Grada, 2012.

HARRIS, L., COHEN, G.: Marketing in the Internet Age: What Can We Learn from the Past? In *Management Decision*, 2003, Vol. 41, No. 9, p. 944-956. ISSN 0025-1747.

HAVLÍČEK, K., KAŠÍK, M.: *Marketingové řízení malých a středních podniků.* Praha : Management Press, 2005.

HENARI, T., INDRUPATI, J.: Entrepreneurial Success, Using Online Social Networking: Evaluation. In *Education, Business and Society: Contemporary Middle Eastern Issues*, 2012, Vol. 5, No. 1, p. 3. ISSN 1753-7983.

HINSON, R., ADJASI, C.: The Internet and Export: Some Cross-country Evidence from Selected African Countries. In *Journal of Internet Commerce*, 2009, Vol. 8, No. 3, p. 309-324. ISSN 1533-2861.

HUŠEK, R., PELIKÁN, J.: *Aplikovaná ekonometrie: Teorie a praxe.* Praha : Professional Publishing, 2003.

CHAFFEY, D. et al.: *Internet Marketing: Strategy, Implementation and Practice.* 4th Edition. London : Pearson Education Limited, 2009.

JANOUCH, V.: *Internetový marketing.* 2nd Edition. Brno : Computer Press, 2014.

JEAN, R. J. B., SINKOVICS, R. R., CAVUSGIL, T.: Enhancing International Customer-supplier Relationships Through IT Resources: A Study of Taiwanese Electronics Suppliers. In *Journal of International Business Studies*, 2010, Vol. 41, No. 7, p. 1218-1239. ISSN 0047-2506.

KLEINROCK, L.: An Early History of the Internet: History of Communications. In *Communications Magazine, IEEE*, 2010, Vol. 48, No. 8, p. 26-36. ISSN 0163-6804.

KOTLER, P., LANGEROVÁ, J., NOVÝ, V.: *Moderní marketing.* 4th Edition. Praha : Grada, 2007.

LAMBERTI, L., NOCI, G.: Marketing Strategy and Marketing Performance Measurement System: Exploring the Relationship. In *European Management Journal*, 2010, Vol. 28, No. 2, p. 139-152. ISSN 0263-2373.

MADLEŇÁK, R. et al.: Analysis of Website Traffic Dependence on Use of Selected Internet Marketing Tools. In *Procedia Economics and Finance*, 2015, Vol. 23, p. 123-128. ISSN 2212-5671.

MADLEŇÁK, R., ŠVADLENKA, L.: Acceptance of Internet Advertising by Users in Czech Republic. In *Economics and management*, 2009, Vol. 12, No. 1, p. 98-107. ISSN 1212-3609.

MATHEWS, S., HEALY, M.: 'From Garage to Global': The Internet and International Market Growth, an SME Perspective. In *International Journal of Internet Marketing and Advertising*, 2008, Vol. 4, No. 2/3, p. 179-196. ISSN 1477-5212.

MATHEWS, S., HEALY, M., WICKRAMASEKERA, R.: The Internalisation of Information, Knowledge, and Interaction Components of the Firm's Internationalisation Process. In *Journal of Marketing Management*, 2012, Vol. 28, No. 5/6, p. 733-754. ISSN 2333-6080.

MILICHOVSKÝ, F., ŠIMBEROVÁ, I.: Marketing Effectiveness: Metrics for Effective Strategic Marketing. In *Engineering Economics*, 2015, Vol. 26, No. 2, p. 211-219. ISSN 1392-2785.

MULHERN, F.: Integrated Marketing Communications: From Media Channels to Digital Connectivity. In *Journal of Marketing Communications*, 2009, Vol. 15, No. 2, p. 85-101. ISSN 1352-7266.

PERKS, K. J., HGHES, M.: Entrepreneurial Decision-making in Internationalization: Propositions from Mid-sized Firms. In *International Business Review*, 2008, Vol. 17, No. 3, p. 310-330. ISSN 0969-5931.

PETERSEN, B., WELCH, L. S., LIESCH, P. W.: The Internet and Foreign Market Expansion by Firms. In *Management International Review*, 2002, Vol. 42, No. 2, p. 207-221. ISSN 0938-8249.

PODSAKOFF, P. M. et al.: Common Method Biases in Behavioural Research: A Critical Review of the Literature and Recommended Remedies. In *Journal of Applied Psychology*, 2003, Vol. 88, No. 5, p. 879-903. ISSN 0021-9010.

PŘIKRYLOVÁ, J., JAHODOVÁ, H.: *Moderní marketingová komunikace*. Grada : Praha, 2010.

RAYPORT, J. F., SVIOKLA, J. J.: Managing in the Marketspace. In *Harvard Business Review*, 1994, Vol. 72, No. 6, p. 141-150. ISSN 0017-8012.

SHANE, M. et al.: Internet Marketing Capabilities and International Market Growth. In *International Business Review*, 2016, Vol. 25, No. 4, p. 820-830. ISSN 0969-5931.

SHARMA, A., SHETH, J. N.: Web-based Marketing: The Coming Revolution in Marketing Thought and Strategy. In *Journal of Business Research*, 2004, Vol. 57, No. 7, p. 696-712. ISSN 0148-2963.

SHIMAJ, A.: Usage of Promotional Activities in the Service Sector – A Case Study on Bank Services Sector in Shkodër, Albania. In *Mediterranean Journal of Social Sciences*, 2015, Vol. 6, No. 2S5, p. 259-264. ISSN 2039-9340.

SCHENKER, M.: *7 Black Friday Rules for Maximizing Your Site's Conversions.* [online]. [2017-09-26]. Available at: <https://www.webdesignerdepot.com/2013/11/7-black-friday-rules-for-maximizing-your-sites-conversions/>.

SCHULTZ, D. E., SCHULTZ, H. F.: *IMC, the Next Generation: Five Steps for Delivering Value and Measuring Financial Returns*. New York City : McGraw-Hill, 2004.

SCHULTZ, D. E., PATTI, C. H.: The Evolution of IMC: IMC in a Customer-driven Marketplace. In *Journal of Marketing Communications*, 2009, Vol. 15, No. 2, p. 75-84. ISSN 1352-7266.

Smartemailing. [online]. [2017-09-27]. Available at: <http://www.smartemailing.cz>.
Spir. [online]. [2017-09-26]. Available at: <http://www.inzertnivykony.cz/>.
TEO, T. S. H., CHOO, W. Y.: Assessing the Impact of Using the Internet for Competitive Intelligence. In *Information & Management*, 2001, Vol. 39, No. 1, p. 67-83. ISSN 0378-7206.
TIPPINS, M. J., SOHI, R. S.: IT Competency and Firm Performance: Is Organizational Learning a Missing Link? In *Strategic Management Journal*, 2003, Vol. 24, No. 8, p. 745-761. ISSN 1097-0266.
TONKIN, S.: *Výkonostní marketing s Google Analytics*. Brno : Computer Press, 2011.
TRAINOR, K. et al.: Integrating Information Technology and Marketing: An Examination of the Drivers and Outcomes of e-Marketing Capability. In *Industrial Marketing Management*, 2011, Vol. 40, No. 1, p. 162-174. ISSN 0019-8501.
WATERS, R. D., LEMANSKI, J. L.: Revisiting Strategic Communication Past to Understand the Present: Examining the Direction and Nature of Communication on Fortune 500 and Philanthropy 400 Web Sites, Corporate Communications. In *Corporate Communicatons: An International Journal*, 2011, Vol. 16, No. 2, p. 150-169. ISSN 1356-3289.
WILDEN, R. et al.: Dynamic Capabilities and Performance: Strategy, Structure and Environment. In *Long Range Planning*, 2013, Vol. 46, No. 1-2, p. 72-96. ISSN 0024-6301.

Contact data:
Ing. Hana Stojanová, Ph.D.
Mendel University in Brno
Faculty of Business and Economics
Zemědělská 1/1665
613 00 Brno
CZECH REPUBLIC
hana.stojanova@mendelu.cz

Mgr. Veronika Blašková, Ph.D.
Mendel University in Brno
Faculty of Business and Economics
Zemědělská 1/1665
613 00 Brno
CZECH REPUBLIC
veronika.blaskova@mendelu.cz

METHODS FOR CREATING PERSONALIZED MARKETING CONTENT IN B2B ONLINE COMMUNICATION

Filip Štroch – Michal Stoklasa

Abstract

To improve sales performance in B2B online marketing communication, we often use marketing channels such as e-mail. Therefore, it is required to develop effective campaigns to promote the product and secure the purchase transactions. The aim of the article is to document the use of personalized marketing content in B2B online communication and point out the best practices. The aim will be achieved through theoretical debate, methodology, research results and discussion. Theoretical debate will focus on content marketing, especially on B2B, marketing automation and its tools. Our research approach to content marketing personalization is through the use of A/B testing, such as wording effectiveness between the several industries to make the campaign visitors visit website where they can make a purchase. Through the use of marketing automation tools we were able to gather data from thousands of recipients and figure out the best practices. Such findings provide deeper insights into the use of those tools for personalized marketing content and their impact on sales performance.

Key words:

A/B testing. B2B. Content marketing. Marketing automation. Personalization.

Introduction

The growing importance of the Internet to B2B customer purchasing decisions has motivated B2B sellers to create digital content that leads potential buyers to interact with their company. Content marketing in general includes combination of strategy and creative content distributed through several types of marketing communication platforms such as social media, pay per click systems, search engine optimization, e-mail marketing, etc. By using them we are able to generate traffic of potential customers with specific buying intention to specialized e-commerce platform. The ratio between the traffic and purchases made on e-commerce platform is referred to as conversion rate. The higher the conversion rate, the more it is possible to increase the sales performance of the e-commerce platform. Since the conversion rate is becoming stable after a while, marketers tend to drive more traffic to the e-commerce platform through the digital channels mentioned earlier. Our aim is to document the use of personalized marketing content in B2B online communication and its impact on sales performance. The aim will be achieved through theoretical debate, methodology, research results and discussion. Theoretical debate will focus on content marketing, especially on B2B, marketing automation and its tools. Our research approach to content marketing personalization is through the use of A/B testing, such as wording effectiveness between the several industries to make the campaign visitors visit website where they can make a purchase. Through the use of marketing automation tools we were able to gather data from thousands of recipients and figure out the best practices.

1 Content personalization and A/B testing in B2B industry

According to Järvinen and Taiminen[1] marketing automation help us distribute the right content to the right customer in the right time. Each customer has different motivation according to their business model, their roles and responsibilities. Vajre[2] argues that the purpose of using these tools is to not only get contact information but specific data about buyers behaviour. Through the connection between visitor's IP address and customer relationship management system it is possible to gather a lot of information such as company name, address, phone number, industry, number of employees, revenues, business model, etc. When potential customers visit specific website, marketing automation system shows the personalized content using the data from the customer database in milliseconds. Companies are exposed to risks that have a significant financial and personal impact if marketing automation system is not set up properly. To avoid those risks it is vital to perform A/B testing in such way, visitors do not have wrong understanding of products and services. There were studies about B2B web analytics and A/B testing. Halligan a Shah[3] describes the four buying cycle stages of content marketing methodology. They prepared a content marketing model describing different buying stages of potential customers with the use of marketing automation. Wiersema[4] argues that by integrating marketing and sales systems, marketing teams can gain a deeper insight into customer data in Customer Relationship Management (CRM) and sales teams can then learn more about marketing activities.

2 Research approach to content personalization using A/B testing

Our approach is to prove that creating personalized marketing content in B2B online communication could positively affect the opening and click through rate to e-commerce website compared to marketing message with no personalization based on data of customer behaviour. To achieve such goal we will use marketing automation software which gathers important information about customer buying behaviour and through the use of cloud perform A/B testing to prove it. As a medium we chose e-mail as a traditional channel in B2B online marketing communication. The data we were working with were provided by company focused on distributing toner cartridges to companies in the Czech Republic

2.1 Technological prerequisites to content personalization

Content marketing personalization requires certain level of technological prerequisites to work properly. Because of growing importance of the Internet to B2B customer purchasing decision, several types of software platforms were made to deliver

---

1   JÄRVINEN, J., TAIMINEN, H.: Harnessing Marketing Automation for B2B Content Marketing. In *Industrial Marketing Management*, 2016, Vol. 54, No. 4, p. 164-175.

2   For more information, see: VAJRE, S.: *Account-Based Marketing for Dummies.* USA : Indianapolis, 2016.

3   See: HALLIGAN, B., SHAH, D.: *Inbound Marketing, Revised and Updated: Attract, Engage, and Delight Customers online.* 2nd Edition. Hoboken, New Jersey : Wiley, 2014.

4   WIERSEMA, F.: The B2B Agenda: The Current State of B2B Marketing and a Look Ahead. In *Industrial Marketing Management*, 2013, Vol. 42, No. 4, p. 470-488.

content based on specific rules set by users. Such software is commonly referred to as marketing automation platform. The objective is to attract, build and maintain trust with current and prospective customers by automatically personalizing relevant and useful content to meet their specific needs. The basic principle is to automatically identify existing customers who visit the website by the marketing automation software through an IP address, cookies, an e-mail address or a website login. Our approach is to use such marketing automation software to send personalized e-mail campaigns based on their buying behaviour made in the past. We prepared total of three different e-mail campaigns, all with the different approach to achieve higher opening and click through rates. We tested the different approach to subject of the e-mail, name personalization and content personalization using the data we received from the marketing automation platform.

2.2 A/B testing approach

The basic principle of A/B testing is to confirm or disprove certain hypothesis. In our case it would be the addition of personalized data to the creative of the campaign received from the marketing automation platform. The assumption is that creating personalized marketing content in B2B online communication could positively affect the opening and click through rates of e-mail campaigns. Therefore there is higher probability of purchases made by customers based on e-commerce platform conversion rate. Each individual campaign will be sent as a 50/50 split test to the customer database containing total of 25 000 e-mail addresses. Based on the results we would like to find the absolute difference between campaigns with personalized and non-personalized marketing content.

3 Findings

Based on the principles described in the previous part of the paper, we prepared total of three A/B tests, all with different approach to achieving higher opening and click through rates. The tests were made based on one year practice of e-mail campaigning of the company. The first test was based on the different approach to subject of the e-mail. Second test includes the effect of name personalization in the subject and content of the e-mail. The last test studied the difference of content creative within the e-mail body. Together with sending the e-mail campaigns we were also tracking the opening of the e-mail through the day if we could observe any pattern.

A/B testing of e-mail subject

Our research started with a basic A/B test. We have sent a campaign with the same creative to the whole mailing list containing total of 25 000 recipients divided evenly. The only change we made was with the subject of the e-mail. From the study of available data (year of e-mail testing) we have gathered the information that recipients are positively sensitive to numbers in the subject of the e-mail. That lead us to prepare variously formulated subjects (described in the tab.1) to confirm the hypothesis.

Chart 1: E-mail opening times through a day
Source: Own processing based on internal e-mail marketing automation system

This test results in more than 4% difference in opening rates. That is hundreds of e-mail openings which also positively affect the Click through rate to the website. That means higher probability to make a purchase.

Table 1: Click through rate with different subject of the e-mail

Subject of the e-mail	Open rat	Click through rat
Request a discount by purchasing toners with u	20.06	1.78
2700 CZK cashback: Request a discount by purchasing toners with u	24.19	2.56

Source: Own processing based on internal e-mail marketing automation system

A/B testing of name personalization
The second test had a different approach. Based on the information we have from the CRM system, we were able to incorporate customer names within creative incentive of the e-mail (both in the subject and the body of the e-mail). We have sent a campaign to the whole mailing list containing again total of 25 000 recipients divided evenly. The first group received e-mail without any salutation in subject or content of the e-mail. The second group received e-mail with their name incorporated to the body of the e-mail so it appears it is tailor-made directly for them.

Chart 2: E-mail opening times through a day
Source: Own processing based on internal e-mail marketing automation system

From the results we can see also more than 4% difference just in opening rates. The Click through rate of the e-mail was even higher than in the previous test. This also affects the probability of new purchases on the website.

Table 2: Click through rate with different salutation in the e-mail

	Open rat	Click through rat
Without name personaliattio	15.77	1.19
With name personalizatio	20.02	2.17

Source: Own processing based on internal e-mail marketing automation system

A/B testing of content personalization

Our aim for the last test was to confirm that different perception of the creative in the content (body of the e-mail) could positively affect the average click through rate of the e-mail. We have sent a campaign with the different creative to the same mailing list containing total of 25 000 recipients divided evenly. The changes were made in the suggested brand tag in the body of the e-mail based on previous purchases. Our assumption was that if people see a brand tag of the toner cartridges they have previously bought, it would encourage them to click on a link of it.

Chart 3: E-mail opening times through a day
Source: Own processing based on internal e-mail marketing automation system

From the results of the test we can see more than 3% difference in opening rates. It also affects the average click through rate to the website. Although it was not that significant like it was in previous tests, we are still near to 1% difference which means hundreds of clicks to website where customers can finish their purchase.

Table 3: Click through rate with different creative in the body of the e-mail

	Open rat	Click through rat
Not personalized conten	21.15	2.82
Personalized conten	24.27	3.53

Source: Own processing based on internal e-mail marketing automation system

Conclusion

The aim of the paper was to document the use of personalized marketing content in B2B online communication and point out the best practices. In general, we can see from the results of the A/B testing that creating personalized marketing content is vital to B2B online communication, as it positively affects the opening and click through

rates to the target website. That leads to higher probability of purchases made by customers. Therefore this three documented approaches are highly recommended as a standard part of e-mail campaigning in B2B online marketing communication. We were not able to observe a pattern in the opening times. This topic should be further tested in future research to receive appropriate data. These documented effects encourage us to proceed in more advanced tests from which we are receiving the first data. For example the abandoned cart e-mail incentive reportedly indicates the highest click through rate back to the website (almost 30%). Furthemore, based on the technology development of marketing automation, we were able to tag browsing history of customers which could indicate their intention to make a purchase of specific product. This product interest tagging and follow-up incentive together with abandoned cart incentive will be the subject of the future research.

References:

HALLIGAN, B., SHAH, D.: *Inbound Marketing, Revised and Updated: Attract, Engage, and Delight Customers online.* 2nd Edition. Hoboken, New Jersey : Wiley, 2014.

JÄRVINEN, J., TAIMINEN, H.: Harnessing Marketing Automation for B2B Content Marketing. In *Industrial Marketing Management*, 2016, Vol. 54, No. 4, p. 164-175. ISSN 0019-850.

VAJRE, S.: *Account-Based Marketing for Dummies.* USA : Indianapolis, 2016.

WIERSEMA, F.: The B2B Agenda: The Current State of B2B Marketing and a Look Ahead. In *Industrial Marketing Management*, 2013, Vol. 42, No. 4, p. 470-488. ISSN 0019-850.

Contact data:
Ing. Filip Štroch
Silesian University in Opava
Faculty of Business Administration in Karviná
Univerzitní náměstí 1934/3
733 40 Karviná
CZECH REPUBLIC
stroch@opf.slu.cz

Ing. Michal Stoklasa, Ph.D.
Silesian University in Opava
Faculty of Business Administration in Karviná
Univerzitní náměstí 1934/3
733 40 Karviná
CZECH REPUBLIC
stoklasa@opf.slu.cz

MARKETING PROJECT SUPPORTING
NON‑PROFIT ORGANIZATION ACTIVITY

Pavla Varvažovská – Martina Jarkovská

Abstract
Non-governmental non-profit organizations (NGOs) are an essential part of a democratic society primarily because they associate a large number of people and provide a wide range of services. Non-profit organizations further contribute to the development of economic, political, but above all social life. NGO depends on resources, especially financial ones; it is therefore very important to link the profitable and non-profit sector. At present this trend of linkage has a growing tendency. A large number of NGOs have a problem with financing their own activities, also because the number of organizations is steadily increasing and it is difficult to get to the fore in this competition. That is why in recent years, marketing projects have come to the fore either for the organization or have been created by the NGO itself. A marketing project can bring financial or material resources to a non-profit organization, improve the image of an organization or business, or help with the recruitment of NGO clients. The aim of this article is to draw attention to this fact through a case study of two non-profit organizations operating in the social sphere and businesses that these organizations have established as a marketing project on modern digital technologies. The conclusions are supported by a quantitative and qualitative survey. The results are summarized and the final recommendations are given.

Key words:
Cause related marketing. For-profit sector. Fundraising. Marketing, Nongovernmental non-profit organizations. Non-profit organizations. Non-profit sector. Project. Public relations.

1 Introduction

Non-governmental non-profit organizations (NGOs), sometimes referred to as non-profit organizations, are an important part of society primarily because they associate large numbers of people and provide a wide range of services. NGOs help develop economic, social and political life. The activities of NGOs are the production of goods and services, but as the name of the organization implies, the activity in question must not bring profits or revenues to a person who established, managed or funded a given NGO. We commonly speak about non-profit, non-governmental, non-governmental, non-profit, charitable, civic or voluntary organizations.[1] In January 2014, the new Civil Code came into force, including the Act on Commercial Corporations, which replaced the then applicable Commercial Code. The changes also affected non-profit organizations. The following types of non-profit organizations currently exist in the Czech Republic: Associations, Charities, Foundations, Institutes, Endowment funds, registered legal entities.[2] A non-state non-profit organization is an organization that is independent of government or state power and is founded and operates under special regulations resulting from new legislation. For multi-source NGOs funding a great emphasis is placed on fundraising. Fundraising does not appear in any other than non-profit sector. This activity relies on addressing donors and ideally creating a relationship (long-term partnership) with those donors. If fundraising is successful, the result is the acquisition of funds, tangible or intangible gifts, know-how or

1 PELIKÁNOVÁ, A.: *Účetnictví, daně a financování pro nestátní neziskovky.* Praha : Grada Publishing, 2016, p. 11.
2 STEJSKAL, J.: *Ekonomika neziskové organizace.* Praha : Junák – Svaz skautů a skautek ČR, Tiskové a distribuční centrum, 2014, p. 23.

volunteer work.[3] Boukal adds that fundraising can be translated into Czech as "fund raising". It is a continuous activity that fulfils the financial-economic strategy of non-profit organizations in order to obtain resources at a necessary structure and level. It is a big mistake for non-profit organizations to seek financial resources only.[4]

In earlier years, marketing was perceived as the ability to sell, but in the new sense an emphasis was placed on meeting the customer's needs. Marketing is defined as: The social and managerial process through which individuals and groups satisfy their needs and wishes in the process of producing and exchanging products and values. A great question in marketing is what philosophy the society should follow. Whether to bring to the fore the interests of the company, the customers or the entire company. As a result, a conflict often arises. Marketing concepts include: manufacturing, product, sales, marketing and social marketing concepts.[5] The concept of social marketing is considered to be the latest concept and is based on the idea that a company must meet customers' wishes and needs better than competitors, taking into account not only the interests of customers but also the long-term interests of the company. The problem with the marketing concept is that it does not focus on society. Experience in the management of non-governmental non-profit organizations shows the importance of working with small- and medium-sized businesses to identify societal challenges and the potential to use marketing projects to address them.[6] It is important to be aware of the issues of ecological problems, insufficient resources or the social sphere. More and more companies have to meet the demands of a company that expects companies to comply with basic ethical and environmental standards.[7]

Shared marketing dedicates the company's contributions to a pre-event that supports the solution of a particular target group's problem in the company. Shared marketing is often referred to as a "gift in the form of a percentage of sales". It is a form of cooperation between a company and a non-profit organization. The company offers products or services, and a certain percentage of revenue is paid by a non-profit organization. A non-profit organization then lists the name of the company on the promotional materials or sponsors list. As Ledvinová says, it does not always have to be just a percentage of sales. A non-profit can use the products of the company itself for their activities, whether in the form of gifts or for their own purposes. In order for shared marketing to succeed, it is important that the non-profit organization and the company have public confidence. Another necessary condition is that shared marketing presents topics that are tempting, respected and encouraged. In recent years the so-called "storytelling products have gained on popularity.[8] Corporate Social Responsibility (CSR) began as a voluntary activity and, over time, there has been an ever-increasing shift towards legal obligations. CSR leads to cooperation between

3   STEJSKAL, J., KUVÍKOVÁ, H., MAŤÁTKOVÁ, K.: *Neziskové organizace – Vybrané problémy ekonomiky se zaměřením na nestátní neziskové organizace.* Praha : Wolters Kluwer Česká republika, 2012, p. 36.
4   BOUKAL, P.: *Fundraising pro neziskové organizace.* Praha : Grada Publishing, 2013, p. 28.
5   KOTLER, P., KELLER, K. L.: *Marketing management.* Praha : Grada, 2007, p. 40.
6   HUME, C., HUME, M.: What about Us? Exploring Small to Medium Australian Not For-profit Firms and Knowledge Management. In *Journal of Knowledge Management*, 2016, Vol. 20, No. 1, p. 104-124.
7   KOTLER, P., KELLER, K., L.: *Marketing management.* Praha : Grada, 2007, p. 74.
8   LEDVINOVÁ, J.: Profesionální fundraising: Jak se osvobodit od finanční závislosti. Praha : Akademie múzických umění v Praze, 2013, p. 62.

companies and NGOs. For non-profit organizations, it is therefore very important to have a sophisticated fundraising strategy. The main idea of the CSR concept is the belief that modern business ventures should place more emphasis on responsible and considerate negotiations, notably on a broader society, not just on the business and the long-term wealth of the enterprise. Corporate Social Initiatives typically have two goals to meet corporate social responsibility (CSR) commitments and improve corporate performance. However, the use of social causes for commercial purposes can give rise to consumer concerns. Undoubtedly, the strongest motivation for marketing is the motivation of profit, even though it supports altruistic values. Altruists tend to react negatively to the perception of commercially motivated socially responsible initiatives. There is a contradiction in this area.[9]

Public relations take care of the good image of the business and help the public to positively look at the business. Public relations for non-profit organizations are strongly linked to fundraising. However, it cannot be said whether the organization should focus primarily on fundraising or public relations.[10] A suitable marketing tool that includes charity initiatives and sales promotion can be positive for consumer behaviour. Generally speaking, charity initiatives and consumer moral identities are linked to social marketing. They support the consumer's choice to buy a branded brand.[11] If the company is socially responsible for its environment, it brings a number of benefits to it, for example, strengthening the credibility of the company, differentiating itself from competition, branding the consumer, obtaining and retaining quality employees, building reputation and resulting in strong market positions, turnover and increase in product quality.

2 Objectives and Methodology

The aim of the paper is to highlight the important role of marketing projects involving the support of non-governmental non-profit organizations through a case study of two non-profit organizations active in the field of social services. These are Café Therapy[12], established by SANANIM[13], and TA KAVÁRNA[14], which is under the leadership of Borůvka Prague, Public Service Company[15]. TA Café opened in September 2007 and is run by Borůvka, a public benefit organization with the support of Jedlička's Institute and Schools. The café serves as a training area for young people with physical disabilities. Borůvka Prague, a Public Service Company, was founded in April

9   ZASUWA, G.: Do the Ends Justify the Means? How Altruistic Values Moderate Consumer Responses to Corporate Social Initiatives. In *Journal of Business Research*, 2016, Vol. 69, No. 9, p. 3714-3719.
10 ŠEDIVÝ, M., MEDLÍKOVÁ, O.: *Úspěšná nezisková organizace*. Praha : Grada Publishing, 2012, p. 59.
11 HE, H. et al: Moral Identity Centrality and Cause-related Marketing: The Moderating Effects of Brand Social Responsibility Image and Emotional Brand Attachment. In *European Journal of Marketing*, 2016, Vol. 50, No. 1-2, p. 236-259.
12 CAFÉ THERAPY: *Editorial. Café Therapy.* [online]. [2016-12-18]. Available at: <http://www.cafe-therapy.cz/>.
13 SANANIM: *Výroční zpráva 2015.* [online]. [2016-11-20]. Available at: <http://www.sananim.cz/ke-stazeni/vyrocni-zpravy.html./>.
14 TA KAVÁRNA: *Náš cíl.* [online]. [2017-01-15]. Available at: <http://www.takavarna.cz/nas-cil/>.
15 BORŮVKA PRAHA: *Výroční zprávy 2015.* [online]. [2016-11-25] Available at: <http://www.boruvkapraha.cz/public/files/download/vyrocni-zpravy/Vyrocni_zprava_2015.pdf>.

1998, formerly as the Borůvka Civic Association. Borůvka also introduces the public to the issues of physical disability and job opportunities. SANANIM Charity Services s.r.o. (Limited Liability Company) is a separate legal entity that is 100% owned by SANANIM. SANANIM Charity Services was founded in 2005 and operates Café Therapy, which was established the same year. SANANIM z.ú. (registered institute) is a non-governmental non-profit organization that was established in 1990 and operates in the field of drug addiction. People who are at risk of drugs are provided assistance in the network of programmes and services that make up the system of prevention, care, treatment and re-socialization. This activity reverses the myth that drug dependence cannot be completely cured. It also participates in the development of drug policy at all levels of the state administration. Café Therapy is a social firm that employs clients after drug addiction treatment and offers them the possibility of protected employment. This is where SANANIM's clients often get their first work experience and their motivation for working life.

A quantitative part was used to collect data using questionnaires. There were two questionnaires, one for the general public (188 respondents), the other for Café Therapy (108 respondents) and TA KAVÁRNA (102 respondents). Both questionnaires (both for the public and for the customers) were aimed at supporting non-profit organizations. The data obtained was analysed and then used for the calculation of statistical hypotheses. A qualitative survey was conducted in the form of a semi-structured interview. The interviews were held with Café Therapy and TA KAVÁRNA executives. Subsequently with the employees and, last but not least, with the customers of these companies. Interviews with business executives were conducted to identify how businesses operate in terms of funding and public relations. The following interviews with employees and business customers were conducted to illustrate the situation. It was important for business visitors to verify whether they perceived the non-profit of businesses and the dimensions of public relations, or whether they were in line with management's or employees' claims. Business insight was from a regular independent customer and was a direct response to a business visit. It was interesting to compare individual responses, given that these enterprises are managed by non-profit organizations and offer employment to clients of these organizations. Café Therapy is under the leadership of SANANIM. TA KAVÁRNA is under the leadership of Borůvka Prague, Public Service Company. The interviews were recorded on the recorder with the consent of the participants.

3 Results and Discussion

A quantitative survey of non-profit organizations support to the general public showed that 82% of people supported non-profit organizations by purchasing a product or service. In this respect, more women (92%) than men (64%) support the non-profit organization. Regarding age assessment, a positive response prevails for all groups. Only for the oldest age group, i.e. over the age of 66, the answer is negative. These results were to be expected given that the non-profit sector has only been expanding significantly in recent years, targeting the working-age population. Generally speaking, customer responses arise from the nature of the business. TA KAVÁRNA is located in the Jedlička's Institute, it has a limited opening time and

there are many objects in the interior that reflect the non-profit sector and can be purchased. And because employees are people with disabilities, there is also obvious a certain charity of the cafe. Café Therapy, on the other hand, is situated in the centre of Prague and the interior of the restaurant does not indicate that it is a business under the auspices of a non-profit organization.

At the beginning of the quantitative survey it was necessary to determine the following statistical hypotheses:

Hypothesis 1: The more educated the public, the more it will contribute to a non-profit organization by purchasing a product or service

Hypothesis 2: The higher the revenue community of the public, the more it will contribute to a non-profit organization by purchasing a product or service

Hypothesis 3: The more educated the public, the more it will be interested in what specifically the non-profit organization contributes to.

The value of the test criterion (27.7860) is greater than the critical value (7.815), so the zero hypothesis is rejected. The level of respondents' education influences the support of non-profit organizations. To determine the dependence force, we use the Pearson coefficient of contingency (C = 0.3588). Dependency can be classified as moderate. The value of the test criterion (4.181) is less than the critical value (9.488); therefore the zero hypothesis is accepted. The amount of respondents' income does not affect the support of non-profit organizations. The level of education of respondents has an impact on the interest of what the non-profit organization actually contributes to. We use the Pearson coefficient of contingency (C = 0.3685). Dependency can be classified as moderate.

The working hypotheses that have been confirmed include:
- The largest group of respondents who supported non-profit organizations will be between 26 and 50 years of age.
- Most respondents think that non-profit organizations are based mostly on financial income.
- Most respondents are influenced by any dissatisfaction with the product/service.
- Most respondents do not know any business that supports non-profit organizations.

On the contrary, the working hypotheses that have been rejected:
- Most of the respondents prefer a product that obviously supports the non-profit organization.
- Most respondents primarily want to contribute to the non-profit organization, only later they are interested in a specific product.
- In the case of the first rejected working hypothesis, there was a difference in the fact that most of the respondents did not really care whether it was obvious that it was a non-profit support product.
- In the second rejected working hypothesis, the fact is that although most respondents want to contribute to non-profit organization and the specific

product is secondary to them, it is not a majority share. 48% of respondents gave this answer.

The detailed evaluation of some questions was very interesting. Due to capacity constraints, the evaluation of one question from the questionnaire is presented in this paper only. Question: Why do you think a non-profit organization sets up a business (such as a store or a restaurant)? It was intended to find out why the public thinks that non-profit organizations are setting up businesses. One of the answers was to "legalize other income", which is very negative. Respondents could choose multiple answers.

Table 1: Answers to the question "Why do you think a non-profit organization creates a business (e.g. a store or a restaurant)?" Note: Respondents could choose multiple answers

Number of respondents		Percent
Obtaining the money from customers	112	60 %
Image of a non-profit organization	40	21 %
Awareness	63	34 %
Mediation of a non-profit organization	88	47 %
Funding from sponsors	94	50 %
Fundraising (search for new sponsors)	63	34 %
Opportunity for employment of non-profit organization clients	104	56 %
Legalization of other income	23	12 %

Source: Own processing

Most people think that non-profit organizations set up businesses because of customer finances (60%), among other responses that earned the majority percentage was "employing non-profit organization clients" (56%) and "funding from sponsors" (50%). Respondents with the lowest percentage include "image of a non-profit organization" (21%), but above all "legalization of other income" (12%). The answer "legalize other earnings" is a negative response in relation to non-profit organizations. Therefore it is fortunate that it has the lowest representation among the answers.

Evaluation
A good finding regarding the question "why do you think a non-profit organization creates a business (e.g. a store or a restaurant)" is the fact that the smallest percentage of respondents selected "legalization of other income" as their response (12%). Another possible indicator is that the highest percentages belonged to answers "obtaining the money from customers" (60%) and "opportunity for employment of non-profit organization clients" (56%). The qualitative survey that took place in the form of interviews with the representatives of Café Therapy and TA KAVÁRNA revealed that each company was created with a different intention. Café Therapy was created as a marketing project of the SNANANIM, in order to hire SANANIM clients after drug addiction treatment. TA KAVÁRNA was established as a marketing project of Borůvka Prague in order to create a pleasant place to relax for teachers of the Jedlička's Institute and parents whose children are just attending the institute.

The later aim was to hire and train people with disabilities. Both these projects also aimed to raise funds for the activities of their non-profit organization. The problem is that both companies are currently operating without grants and subsidies. Therefore, traffic must only be managed by sales from customers or sponsors. IN this regard, Café Therapy is doing well managing its business. Unfortunately, TA KAVÁRNA no and has to use the help of Borůvka Prague and organize a collection. Another help was from the employment office. However, at present, there are no funds from businesses to non-profit organizations, even if the businesses wish to help themselves.

The qualitative survey included interviews with employees and customers of these businesses. The employees of both businesses know why the non-profit organizations founded Café Therapy and TA KAVÁRNA. The key outcomes of these interviews were from the area of public relations. An employee from Café Therapy mentioned as a convenient and successful form of public relations facebook and field events as a convenient and successful form of public relations. A female customer mentioned the facebook page only. Both interviewees at Café Therapy agreed that an inappropriate form of relationship with the public is the presentation of non-profitability on the menu only. Many authors share the opinion that lately public relations consider a very important source of communication social networks (e.g. Karlíček).[16] In TA KAVÁRNA the employee did not provide the correct information about company financing. She thinks that profit from customers is enough to cover the running of the café. As a convenient form of public relations she mentions facebook social networking and non-profitability presentation in the form of the employees. A TA KAVÁRNA customer knew about the company's non-profitability and the name of the NGO that founded the company. The public relations tools he uses include facebook where he watches news, employee stories, and information about evening programmes that he also attends.

Conclusion

From the case study it is possible to conclude particular proposals for the improvement of existing marketing projects for non-profit organizations, SANANIM (Café Therapy) and Borůvka Prague (TA KAVÁRNA). These recommendations are primarily applicable to the businesses in question; however, other non-profit organizations can take inspiration and possibly learn from the mistakes of these specific organizations. The main recommendation for Café Therapy is to present more of its non-profitability in the company. This recommendation is based on the results of the questionnaire survey as well as the information from the qualitative survey. The results of the quantitative survey show that 64% of customers know that the company is under the auspices of non-profit organization, but only 34% of visitors know the non-profit organization. For TA KAVÁRNA, which presents non-profitability more notably (not only environment, surroundings, but also handicapped employees) and Borůvka Prague, these values were higher. 90% of the customers know that the business was founded by an NGO, and in 78% they also know the name of the non-profit organization. This recommendation proposal is also linked to another questionnaire

---

16   KARLÍČEK, M.: *Marketingová komunikace: Jak komunikovat na našem trhu.* Praha : Grada Publishing, 2016, p. 79.

question which asked respondents about under which circumstances they would buy a product from an NGO. Almost half of the respondents (48%) answered they primarily wanted to contribute to the NGO. In the questionnaire for enterprises the authors asked respondents why they were buying product in the business. At Café Therapy, 19% of customers answered that they only want to contribute to the business. At TA KAVÁRNA this percentage was higher with 40% respondents saying that they wanted to contribute to the café alone. As regards the question about the reason for establishing a business, at TA KAVÁRNA 96% of the respondents answered correctly that the café was created because of the opportunity to employ its clients. In Café Therapy, this percentage is significantly lower (49%). A significant proportion of respondents (82%) are also interested in what specifically the non-profit organization contributes to.

Other recommendations are also related to the presentation of non-profitability, namely the increase in prices of snacks and drinks. Both the public questionnaire and the Café Therapy questionnaire revealed that if people knew that they would contribute to the non-profit organization, they would buy the product in the company, even if it was more expensive than the competition. In the questionnaire for the public this fact is represented by 73%. This is supported by the results of the Café Therapy questionnaire, where 90% of the customers said they would buy refreshments or beverages, even if they were more expensive than their competitors. It is a proposal for both companies to actively seek out and sign up for possible subsidies, both from the city district, the capital city of Prague and also from the European Union. In particular, TA KAVÁRNA is very dependent on this help, and if there is no subsidy, it means existential problems for the company. This recommendation is somewhat difficult to implement. Although Borůvka Prague has an employee who deals with fundraising, it often happens that the listed grants cannot be applied to a specific project. In Café Therapy they admit that they often neglect subsidies. The main reason for this is the absence of a specialist who would be interested in fundraising. Another option for getting stable contributions is to reach sponsors from companies or private individuals and try to establish close co-operation.

Another recommendation that once again concerns both businesses is to improve public relations, to get into the public's awareness. Both businesses have web and facebook sites where they are active. Through these pages they communicate with existing clients, but they do not address new potential customers. Suitable forms of public relations are field events (concerts, festivals, sports matches) where the company would present its refreshments and non-profitability. Café Therapy is beginning to apply this form of relationship with the public. Also, in TA KAVÁRNA, this form of public relations could help attract new customers. At TA KAVÁRNA, the authors of the paper recommend to extend the public relations to the surrounding area, specifically by means of posters or articles in local newspapers. Since the café has new websites, it is necessary to try to promote the sites better. The interviews revealed that visitors did not know this information. As TA KAVÁRNA is very active on the facebook social network where it has about 1,500 visitors, it would be useful to present the site there in the form of links. Café Therapy is also very active on facebook (about 1,000 visitors), so it is best to present its non-profitability there. So far, there is no mention on the social network that it is an enterprise that offers sheltered

employment. We can use TA KAVARNA as an example, as they introduce on facebook stories of their employees.

From the interview with the customer it also appears that these stories are interesting to the public. Visitors then feel they know exactly what they are contributing to. The qualitative survey shows another recommendation for TA KAVÁRNA, i.e. extending the opening hours until late afternoon and weekends. Customers, employees and the head Mrs. Šváchová would like to extend the opening hours and strive for the Director of the Jedlička's Institute to agree to the whole thing. TA KAVÁRNA would not only bring new visitors but also higher profits. The last recommendation for TA KAVÁRNA is to consider moving the business to a more attractive location. An example can be taken from the Café Therapy, which is located in the centre of Prague. Since Café Therapy is a non-profit enterprise, they do not pay rent in full, but a reduced amount. TA KAVÁRNA could achieve similar advantages through negotiations with owners of potentially suitable objects. Such locations can be, for example, business centres or busier streets in the centre of Prague. This relocation could lead to an influx of more customers, while at the same time TA KAVÁRNA could increase the prices of its products due to competition prices. There are currently a large number of non-profit organizations. It is very difficult to get to the fore and the favour of sponsors, especially with regard to obtaining funds. The paper in this context emphasizes the very important link between the profitable and the non-profit sector. Above all, the contribution focuses on the interconnection of these two sectors, especially on marketing projects involving support for non-profit organizations. A marketing project can bring financial or material resources to a non-profit organization, improve the image of the organization or the business, and, last but not least, help with the recruitment of NGO clients.

References:

BORŮVKA PRAHA: *Výroční zprávy 2015*. [online]. [2016-11-25]. Available at: <http://www.boruvkapraha.cz/public/files/download/vyrocni-zpravy/Vyrocni_zprava_2015.pdf>.

BOUKAL, P.: *Fundraising pro neziskové organizace.* Praha : Grada Publishing, 2013.

CAFÉ THERAPY: *Editorial. Café Therapy.* [online]. [2016-12-18]. Available at: <http://www.cafe-therapy.cz/>.

HE, H. et al.: Moral Identity Centrality and Cause-related Marketing: The Moderating Effects of Brand Social Responsibility Image and Emotional Brand Attachment. In *European Journal of Marketing*, 2016, Vol. 50, No. 1-2, p. 236-259. ISSN 0309-0566.

HUME, C., HUME, M.: What about Us? Exploring Small to Medium Australian Not For-profit Firms and Knowledge Management. In *Journal of Knowledge Management*, 2016, Vol. 20, No. 1, p. 104-124. ISSN 1367-3270.

KARLÍČEK, M.: *Marketingová komunikace: Jak komunikovat na našem.* Praha : Grada Publishing, 2016.

KOTLER, P., KELLER, K. L.: *Marketing management.* Praha : Grada, 2007.

LEDVINOVÁ, J.: *Profesionální fundraising: Jak se osvobodit od finanční*. Praha : Akademie múzických umění v Praze, 2013.

PELIKÁNOVÁ, A.: *Účetnictví, daně a financování pro nestátní neziskovky.* Praha : Grada Publishing, 2016.

SANANIM: *Výroční zpráva 2015*. [online]. [2016-11-20]. Available at: <http://www.sananim.cz/ke-stazeni/vyrocni-zpravy.html./>

STEJSKAL, J.: *Ekonomika neziskové organizace.* Praha : Junák – Svaz skautů a skautek ČR, Tiskové a distribuční centrum, 2014.

STEJSKAL, J., KUVÍKOVÁ, H., MAŤÁTKOVÁ, K.: *Neziskové organizace – Vybrané problémy ekonomiky se zaměřením na nestátní neziskové organizace.* Praha : Wolters Kluwer Česká republika, 2012.

ŠEDIVÝ, M, MEDLÍKOVÁ, O.: *Úspěšná nezisková organizace*. Praha : Grada Publishing, 2012.

TA KAVÁRNA: *Náš cíl*. [online]. [2017-01-15]. Available at: <http://www.takavarna.cz/nas-cil/>.

ZASUWA, G.: Do the Ends Justify the Means? How Altruistic Values Moderate Consumer Responses to Corporate Social Initiatives. In *Journal of Business Research*, 2016, Vol. 69, No. 9, p. 3714-3719. ISSN 0148-2963.

Contact data:
Ing. Pavla Varvažovská, Ph.D.
Czech University of Life Sciences in Prague
Faculty of Economics and Management
Kamýcká 129
165 21 Praha 6 – Suchdol,
CZECH REPUBLIC
varvazovska@pef.czu.cz

PhDr. Martina Jarkovská, Ph.D.
Czech University of Life Sciences in Prague
Faculty of Economics and Management
Kamýcká 129
165 21 Praha 6 – Suchdol,
CZECH REPUBLIC
jarkovska@pef.czu.cz

DIGITAL MEDIA MARKETING AND CORPORATE SOCIAL RESPONSIBILITY IN THE U.A.E. HEALTHCARE COMPANIES

Emil Velinov

Abstract
The paper attempts to present case study on how Global vendors of surgery beds and equipment are trying to target and penetrate the Middle East Healthcare sector by applying wide variety of Digital Media Marketing Tools. The paper argues that the Healthcare Global companies are rather risky and open to Foreign Direct Investments through Digitalization in the region of United Arab Emirates by setting up their business across the Emirates. In doing so, they try to tailor theirs Digital Media Marketing plans and Corporate Social Responsibility aspects in regard to the business needs of the Arab institutional and individual customers as hospitals, medical centres, clinics, etc. The paper sheds a light on specific International Marketing Strategies, which enable better cooperation and contracting with the local suppliers/distributors in the UAE through frame agreements and turnkey projects. The case study illustrates the stages of the marketing strategies formulation, implementation and evaluation of healthcare companies in the emerging market of UAE. Moreover, the study outlines that there are few barriers and obstacles, which hinder or hurdle the process of conducting business in the healthcare business on the territory of UAE.

Key words:
Corporate social responsibility. Digital media marketing. Healthcare companies. UAE.

1 Introduction

Theoretical Background
Businesses globally are increasingly aware of the impact of their business activities on society. They also admit that the world they live in presents a growing set of demands, challenges and risks that are not signalled through markets or traditional political processes on which they have relied for a very long time. Proponents of Corporate Social Responsibility (CSR) argue that CSR leads to enhanced brand image and reputation, increased sales and customer loyalty, and increased productivity and quality.[1] CSR in the context of large multinational firms means the firm's configuration of social responsibility and social responsiveness, policies, and programs can promote its relationship with the local society.[2] Much research indicates that small and medium-sized enterprises (SMEs) are lagging behind larger organization in the adoption of CSR practices.[3] Some SMEs have implemented into their operation the corporate social responsibility (CSR) practices that aim to balance their operations with the concerns of internal and external stakeholders such as employees, customers, suppliers and business partners, labour unions, local communities, non-governmental organizations and governments. Given that SMEs play an important role in most regional economies, which are in turn committed to sustainable development, it is of

---

1 For more information, see: MISHIRA, S., SUAR, D.: Does Corporate Social Responsibility Influence Firm Performance of Indian Companies? In *Journal of Business Ethics*, 2010, Vol. 95, No. 95, p. 571-601.

2 See also: LUO, Y.: Political Behaviour, Social Responsibility, and Perceived Corruption: A Structuration Perspective. In *Journal of International Business Studies*, 2006, Vol. 37, No. 37, p. 747-766.

3 See: JANSSON, J. et al.: Commitment to Sustainability in Small and Medium-Sized Enterprises: The Influence of Strategic Orientations and Management Values. In *Business Strategy and the Environment*, 2017, Vol. 26, No. 1, p. 69-83.

critical importance to understand SMEs' drivers to adopting a sustainable approach to business.

The expected growth in the UAE's population leading up to 2020 is likely to increase the demand for healthcare. This demographic transition, along with rise in cost of primary treatment and lifestyle related diseases is inevitably leading to the growth of the healthcare industry not only in UAE, but also in the Gulf countries region. The recent introduction of mandatory health insurance is driving new revenue as well. UAE has always maintained high standards in healthcare. A rising population and the growing medical tourism sector has led to increased healthcare demands in the UAE. The introduction of UAE Vision 2021 strategy by the government supports this extraordinary growth by committing to provide a world-class healthcare system. The practice shows that organizations in the UAE are yet to fully recognize the potential of using digital media as a tool to implement its marketing strategies. Marketing in social media sites will be of benefit to them as the number of online social networking users in the UAE are increasing rapidly.[4] When it comes to digital marketing for healthcare, there is still a large gap between what the consumer is searching for online & the health information available. 92% of the UAE population accesses the internet and the country leads Gulf countries in e-commerce growth.[5] Almost all government institutions in Dubai provide online information & digital payment services through updated websites & apps as part of the visionary m-commerce strategy introduced by His Highness Sheikh Mohammed bin Rashid Al Maktoum, Ruler of Dubai, UAE. Even though many sectors in Dubai such as food and hospitality, fashion, real estate, retail and many others have made tremendous advancements in digital marketing, the healthcare sector is not at its possible best. Imagine the large number of prospective customers, patients and interested parties surfing online 24x7 in search of an experienced doctor or health care facility in Dubai. The demand for digital health management is clearly enormous where the consumer can one day create and manage their personal health management "ecosystems". Using such self-care systems, the consumer would ideally be able to administer individual preferences, monitor and manage their health and healthcare, as well as how they choose to manage their health benefits and payments.[6]

Many of the healthcare organisations continue to have traditional marketing strategies with digital marketing at the most including the presence of a non-interactive website and a social media presence. Countless advertising agencies in Dubai provide cost-effective solutions to establish your presence online. Many a times, traditional marketing and advertising strategy is unable to look beyond a "patient". In the digital world, you address to a much wider audience, hungry for authentic health information from their local medical providers to improve their daily lives. Bridging this gap helps increase engagement, trust & loyalty of your healthcare facility within the community or target segment. Informative and engaging online presence through websites.

---

4   MENON, V.: *UAE Second in World List for Online Social Networking.* [online]. [2017-09-23]. Available at: <http://www.arabianbusiness.com/uae-second-in-world-list-for-online-social-networking-86111.html>.

5   For more information, see: MINIWATT MARKETING GROUP: *UAE Population Accesses the Internet and the Country Leads GCC in e-Commerce Growth.* Bogota : Bloomberg, 2016.

6   See: MACKINSEY: *Choose to Manage their Health Benefits and Payments.* New York City : MacKinsey Company, 2016.

social media & apps help vastly connect your audience on a continuous basis that has far more value long-term in retaining your customer than just a brief one-time consultation. In the health sector, a past study by Pew Internet and American Life Project revealed that 75–80 percent of internet users are turning to the internet to seek health and medical information and that older generation internet users whose ages range between 70 –75 years have increased from twenty six percent in 2005 to forty six percent in 2009.[7] Healthcare spending has increased rapidly, recording growth of 15%-plus over the past five years. The Dubai Chamber of Commerce and Industry forecasts a market of US$12 billion in healthcare services in the UAE by 2018. Dubai Healthcare City, a US$3 billion investment, was established in 2002 and aims to provide comprehensive, world-class medical facilities for the UAE and the Gulf communities. Harvard Medical School is reported to be involved in establishing a teaching hospital in Dubai. Other foreign institutions such as the Cleveland Clinic, Boston University and Johns Hopkins University are also active in the UAE. Some of the aggregated data are shown below in Table 1 below.

Table 1: Healthcare business

Item	2014	2013	2012	2011	2010	2009	2008	2007
No. of Hospitals	79	74	65	58	53	59	58	51
No. of Beds	4 164	3 730	3 494	2 556	2 557	2 665	2 549	2 076
No. of Clinics & Centers	...	...	...	2 927	2 394	2 087	2 057	2 135
No. of Physicians	10 165	9 921	8 669	7 655	7 440	6 847	7 342	5 412
No. of Dentists	3 035	3 123	2 751	2 384	2 257	2 408	2 412	1 879
No. of Nurses	16 882	15 540	12 536	10 611	9 473	7 948	8 688	3 876

Source: HEALTH ESTABLISHMENTS IN THE UAE: *Accumulative Statistics on Healthcare Business in the UAE*. Abu Dhabi : Ministry of Health, 2007-2014, p. 7.

Recent reports by McKinsey & Co. and Abraaj Capital have pointed to the region's demand for healthcare rising significantly in the coming years, with a projection of a 160% increase in beds by 2025 in the UAE, driven by high population growth, changing social demographics, a prevalence of health-risk factors (such as limited exercise and obesity) and an increase in health insurance services. Major enhancements to the volume and quality of services are expected to come from the private sector, a shift from the current situation, where the Government delivers about 60% of primary healthcare.

2 Methodology

In the paper are conducted secondary data collection based on annual reports from private and state-owned hospitals, clinics and medical centres for the period 2007-2014. The data have been analysed and aggregated for the purpose of the paper and it represents information on CSR and Digital marketing in the healthcare sector of the UAE. The data have been collected mainly from the Ministry of Healthcare of the UAE.

---

7   SKIBA, D.: Nursing Education 2.0: Twitter & Tweets; Nursing Education Perspectives. In *ProQuest Nursing & Allied Health Source*, 2009, Vol. 29, No. 2, p. 110-112.

3 Digital media marketing in the UAE

One refreshing example that is setting a model for inclusive implementation of digital technology across the healthcare facility is **Dr. Sulaiman Al-Habib Hospital** in Dubai Healthcare City. For example, **GE Healthcare**, its technology partner reports: "Other than making patients feel more at ease, the technology permeating every room in the 200-bed facility enhances diagnostics, improving performance, helping lower costs, and ultimately making the hospital a better place for doctors, radiologists and patients alike." Upcoming events like the second edition of the Chief Digital Officer Conclave, which took place in 2017 in UAE raises the bar in this region by helping organizations formulate effective digital strategies, bringing together the visionary leadership of the government of UAE with industry experts from the private sector, including healthcare. There is a change. As Mark Adams, Founder and CEO at Anglo Arabian Healthcare stated, "while traditionally healthcare marketing has tended to use more print and less digital, that trend is changing". UAE's dynamic culture and progressive governance will considerably effectuate the digital disruption long overdue in the future of healthcare. Before using social networks for a business, it is better to trial them "before you start thinking of using it as a marketing tool".[8] The purpose of social networks is for individuals to participate and connect with one another, therefore, if you are using social networking for your business do not advertise as people will think that they are talking to an organization not an individual which will sabotage the opportunity of building relationships. As it is shown in Table 2 below almost all companies in the U.A.E. are using Facebook for engaging the customers through different digital marketing platforms.

Table 2: Digital Marketing Platforms for Customer engagement in the U.A.E. market

	Social Network	Share of Social Media Apps for Digital Marketing
1	Facebook	93 %
2	Twitter	79 %
3	LinkedIn	71 %
4	Opportunity	25%

Source: GLOBAL MEDIA INSIGHT: *Digital marketing platforms.* Abu Dhabi : GMI Blogger, 2016, p. 1.

Healthcare industry is seeing exponential growth across UAE. With private sector moving into **healthcare** and increasing their share in the market, competition now is on to reach out to their prospective consumers. Conventionally, offline advertisement was one of the most effective medium however with today's interconnected world of internet with smart devices like phones or tablets connect to internet, potential consumers are changing this market space, as they are able to access information with a click of a button. Most of the clinics and hospitals in Dubai have a very clear unique proposition on their websites, however it lacks the potential of being an eCommerce assert. A simple example would be to give consumers an option to make appointment with the doctors once they come the website. On the other hand, the effectiveness of digital channels are not being harnessed to its potential. In present time a largely

---

8   See also: DUSHINSKI, K.: *The Mobile Marketing Handbook*. New Jersey : Cyber Age Books, 2009.

percentage of today's consumers have a smart devise and they use these devises to get their information. Having said so, when it comes to marketing front lot of money is being spent in conventional offline media . Digital channels remains a second to offline channels or at best are used in silo therefore making it ineffective strategy.

4 Corporate social responsibility in the UAE

Some authors have discovered that Corporate Social Responsibility (CSR) is a complicated connotation to establish, intersections with different such notions as "corporate citizenship, sustainable business, environmental responsibility, the triple bottom line; social and environmental accountability; business ethics and corporate accountability".[9] It is extremely related to corporate environment and national environment. Specialists defined the concept of CSR stating that" CSR is the proposition that companies are responsible not only for maximizing profits, but also for recognizing the needs of such stakeholders as employees, customers, demographic groups and even the regions they serve".[10] Two principal works of Healthcare sector corporations should be considered before they resolve the difficult problems of serving the necessitous as some authors suggested.[11] At first, the business entities have to be gaining profits in a liable manner by communicating to HR, finance, marketing, supply chain and different divisions in the firm. Next, healthcare industry such as other business industries needs to emphasis on definite parts to the society and relate it thru their business. This does not need to straightway link to their services or products and this could be the obvious variance of healthcare businesses compared to different sector businesses. Yet, general, there needs to be clear influences and corporations have to understand that. As a consequence, by means of making business and generating money, business can be adding to the society. The International Humanitarian City which hosts more than 40 NGO being based in Dubai is again a proof that the country's renewed commitment towards the social commitment. The world class transport and the strategic location along with the supporting locals are encouraging many NGO's to set up their base here. This is the evidence of gaining momentum of corporate social responsibility in Dubai.

The proposal to include CSR to the new company law indicates the renewed commitment of the leadership of the country which believes in giving back to the community. The founding father of the country Sheikh Zayed was known for the humanitarian efforts. The business community also derives a lot of energy from him and is using their resources for the betterment of the society. There is wide variety of options available for the companies to donate for worthy cause in UAE. There are frequent blood donation camps organized by various institutions, charities like Dubai care, etc. provides an opportunity for the companies to serve the society. The Corporate Social Responsibility gives both the companies and individuals to prove that business is more than figures. The social networking platforms and corporate

9   MISHIRA, S., SUAR, D.: Does Corporate Social Responsibility Influence Firm Performance of Indian Companies? In *Journal of Business Ethics*, 2010, Vol. 95, No. 95, p. 571-601.
10   RETTAB, B.: *CSR Measurement and Impacts: A Baseline for UAE Businesses*. Dubai Chamber : Dubai, UAE, 2015.
11   RETTAB, B. et al.: *Gaining Grounds: Corporate Social Responsibility in Dubai 2014.* Dubai, UAE : Chamber Centre for Responsible Business, 2014.

events are also making CSR an important part in their discussion. Nowadays, many of the hospitals and clinics across UAE are aiming at increasing the CSR activities and they are constantly trying to implement new CSR practices from their Western counterparts but the degree and the core of these CSR practices are quite different from those, which we are observing in Europe. For example, beside the public listed companies, which are obliged to publish their sustainability reports through the GRI system, the rest of the non-listed companies on the stock exchange do not really publish separate reports on sustainability. Moreover, CSR practices are quite new phenomena for the majority of healthcare companies in the Middle East and it requires completely rethinking of what is CSR and how to be implemented in the real life. Therefore, the healthcare companies try to increase their awareness of CSR by acquiring best practices from different parts of the World and by investing a lot in CSR activities.

Conclusion

The UAE companies in the healthcare business perceive the digital marketing as a disruption. Thus, the companies outshine their competition with digital marketing strategies that highlight their niche services through engaging content and innovative campaigns. This will not only boost their organization's growth but will also empower their consumers building loyalty and trust - both of which are so much needed in healthcare today. Search engine like Google has reported high growth in search volumes, its related products, services in UAE. Google search influences a patient's response much before he / she pays a visit to a clinic or a hospital. Considering this patient behaviour, it is natural to ideally focus on digital marketing in Dubai for Health care segment. By incorporating Digital Marketing in Dubai, your media plan opens out to the ever-expanding world of digital world. But this obvious facet is overlooked by the global healthcare industry. There is much to be done in the future in the area of digital marketing in the healthcare business in the UAE as this sector is around two years behind compared to the other industries in the context of digital marketing development level.

References:

DUSHINSKI, K.: *The Mobile Marketing Handbook*. New Jersey : Cyber Age Books, 2009.

FONDEVILA, G. J. F. et al.: New Digital Metrics in Marketing: A Comparative Study on Social Media Use. In *Advances in Intelligent Systems and Computing*, 2017, Vol. 503, No. 3, p. 343-350. ISSN 2194-5357.

GEVA, A.: *Three Models of Corporate Social Responsibility: Interrelationships between Theory, Research, and Practice*. Waltham : Center for Business Ethics at Bentley College, Blackwell Publishing, 2008.

LEE, S.: *Implementing Corporate Social Responsibility in Healthcare Sector*. Shanghai : China Europe International Business School, Student Research Projects, Outputs, 2011.

LUO, Y.: Political Behaviour, Social Responsibility, and Perceived Corruption: A Structuration Perspective. In *Journal of International Business Studies*, 2006, Vol. 37, No. 37, p. 747-766. ISSN 0047-2506.

MACKINSEY: *Choose to Manage their Health Benefits and Payments*. New York City : McKinsey Quarterly, 2016.

MAON, A. L., SWAEN, V.: Designing and Implementing Corporate Social Responsibility: An Integrative Framework Grounded in Theory and Practice. In *Journal of Business Ethics*, 2009, Vol. 87, No. 87, p. 71-89. ISSN 0167-4544.

MENON, V.: *UAE Second in World List for Online Social Networking.* [online]. [2017-09-23]. Available at: <http://www.arabianbusiness.com/uae-second-in-world-list-for-online-social-networking-86111.html>.

MINIWATT MARKETING GROUP: *UAE Population Accesses the Internet and the Country Leads GCC in e-Commerce Growth.* Bogota : Bloomberg, 2016.

MISHIRA, S., SUAR, D.: Does Corporate Social Responsibility Influence Firm Performance of Indian Companies? In *Journal of Business Ethics*, 2010, Vol. 95, No. 95, p. 571-601. ISSN 0167-4544.

RETTAB, B.: *CSR Measurement and Impacts: A Baseline for UAE Businesses*. Dubai Chamber : Dubai, UAE, 2015.

RETTAB, B. et al.: *Gaining Grounds: Corporate Social Responsibility in Dubai 2014.* Dubai, UAE : Chamber Centre for Responsible Business, 2014.

SKIBA, D.: Nursing Education 2.0: Twitter & Tweets; Nursing Education Perspectives. In *ProQuest Nursing & Allied Health Source*, 2009, Vol. 29, No. 2, p. 110-112. ISSN 1536-5026.

VADAKEPAT, V. M.: Multi-culture Consumer Behaviour in the Abu Dhabi Markets. In *Education, Business and Society: Contemporary Middle Eastern Issues*, 2016, Vol. 6, No. 1, p. 42-54. ISSN 1753-7983.

Contact data:
Mgr. Emil Velinov, Ph.D
Škoda Auto University in Mladá Boleslav
Management and Marketing Department
Na Karmeli 1457
5354 19 Mladá Boleslav
CZECH REPUBLIC
emil.velinov@savs.cz

ONLINE MARKETING AS A CSR TOOL FOR WASTE SORTING

Šárka Vilamová – Anežka Podlasová – Adam Levit

Abstract
The article deals with online marketing and its use in the area of waste sorting in particular in the attempt to promote green marketing and Corporate Social Responsibility in practice. The authors aimed at evaluation of online communication of the authorized Czech company EKO-KOM, which specializes in packaging. Above all they considered its influence on waste sorting of one of the most important target group – citizens. For this very reason the article states not only the individual online marketing tools of the company, but also specific results achieved by this company in waste sorting area as a result of choosing appropriate communication campaigns.

Key words:
Communication. CSR. EKO-KOM. Online marketing. Social networks. Waste sorting,

Introduction

In connection with the amendment to Act No. 185/2001 Coll. on Waste, which prohibits the landfilling of both mixed and recyclable waste after the year 2024, it is necessary to constantly raise awareness of the need to sort waste. Because sorted waste can be reused. And thanks to online communication, it is primarily possible to tell citizens why and how to sort waste, including illustrative examples.

1 Corporate Social Responsibility

After the humankind has started to realize that the natural resources of this planet are not inexhaustible, the first ideas of the sustainability of human existence began to emerge. Well known is for example the report issued by the Roma club in 1972 under the title "Limits to Growth" and also the twenty-seven principles of sustainable development adopted at the UN Conference in 1992 in Rio de Janeiro. All that resulted in the fact that civilization is trying to introduce the principles of sustainability in various areas of human activity - and marketing is no exception. An important point is cooperation between the academic and industrial spheres, which can bring about mutually beneficial relationships.[1] Sustainable marketing, sometimes referred to as environmental, ecological, or more often green, or green marketing is basically marketing using the traditional concept with elements of sustainable development. Companies that introduce green marketing do that on the basis of the concept of Corporate Social Responsibility (CSR), which is a form of corporate self-regulation integrated into the overall business model.[2] Big differences are found between management in public sector organizations and private sector organizations.[3] Both

---

[1]   MINISTR, J., PITNER, T.: Towards an Ecosystem for Academic-Industrial Cooperation. In DOUCEK, P., CHROUST, G. (eds.): *IDIMT 2014 Networking Societies: Cooperation and Conflict. 22nd Interdisciplinary Information Management Talks. Conference Proceedings.* Linz : Trauner Verlag Universitat, 2014, p. 71-78.

[2]   For more information, see: BLÁHA, J., ČERNEK, M.: *Podnikatelská etika a CSR.* Ostrava : VŠB-TU Ostrava, 2015.

[3]   HAWRYSZ, L., HYS, K.: Process-Oriented Management in Public and Private Sector. In FILIPOVIC,

green marketing and CSR include three levels - economic prosperity, i.e. profit, social justice and environmental protection.[4] For both of these areas, corporate communication with stakeholders is of utmost importance, as it is helpful in using all the strategic business benefits that CSR has to offer.[5] For instance, companies that are considered socially responsible are perceived by their customers or by potential customers differently and thus stand a better chance to be chosen by them.[6]

2 EKO-KOM

The non-profit joint-stock company EKO-KOM is the only authorized packaging company in the Czech Republic. It was founded twenty years ago, in 1997, by industrial companies producing packaged goods. The main objective of the company is to operate a system ensuring that the used packaging is sorted, subsequently recycled and ultimately used as a secondary raw material or as a source of energy. The system is based on a cooperation of industrial companies and municipalities. At present, it includes more than twenty thousand companies and the number of cooperating municipalities exceeds six thousand. The main activities of the company include, first of all, ensuring the recovery of packaging and the use of packaging waste for its contractual clients, whose are obligated to do so under the Act No. 477/2001 Coll., on Packaging. The law applies to those entities, which produce or place packaged goods on the market. Furthermore, EKO-KOM is involved in the field of education and training of consumers and employees of clients in the field of sorting and recycling of waste. It also offers free consultations to its clients in the field of labelling and minimizing packaging sizes. It also tries to regulate the flows of sorted packages in cases where the market fails, see the 2008-2009 crisis.[7]

From the above stated may be concluded that the company mainly communicates with: clients, partners and public. The clients are those entities that are subject to the above-mentioned law and are obligated to provide the take-back and re-use of packages and cannot do that by themselves. As partners are considered the municipalities and cities, waste service providers, sorting companies and recycling companies. Municipalities and cities operate communal waste management systems, including collection, transportation, sorting, use and disposal of waste. The public can be divided into three smaller groups: general public, kindergarten children and students of elementary and secondary schools and least but not last small businesses.

D., URNAUT, A. G. (eds.): *Economic and Social Development: 2nd International Scientific Conference Book Of Proceeding. Conference Proceedings.* Varazdin : Varazdin Development & Entrepreneurship Agency, 2013, p. 1034-1042.

4   LÓPEZ-RODRÍGUEZ, S.: Green Marketing and a Broader Stakeholder Orientation. In *Academy of Marketing Studies Journal*, 2016, Vol. 20, No. 3, p. 14-25.

5   CHAUDHRI, V.: Corporate Social Responsibility and the Communication Imperative: Perspectives From CSR Managers. In *International Journal of Business Communication*, 2016, Vol. 53, No. 6, p. 419-442. [online]. [2017-09-27]. Available at: <http://journals.sagepub.com/doi/full/10.1177/2329488414525469>.

6   WITHISUPHAKORN, P., JIRAPORN, P.: The Effect of Firm Maturity on Corporate Social Responsibility (CSR): Do Older Firms Invest More in CSR? In *Applied Economics Letters*, 2016, Vol. 23, No. 4, p. 298-301.

7   *EKO-KOM: O systému.* [online]. [2017-09-24]. Available at: <http://www.ekokom.cz/cz/ostatni/o-spolecnosti/ system-eko-kom/o-systemu>.

This article focuses on communication with public as the designated target group. Speaking about marketing, the key areas here are education and training.[8] In order to raise public awareness about the necessity to sort and recycle waste, the company uses mainly various campaigns that are promoted in different types of media. In print it is usually publishing of several advertorials that are written in either investigative or informational nature or simply brief advertising stating the name of an on-going campaign. In 2016 the company released so-called "Waste newspapers" that were distributed in selected regions (e.g. Moravian-Silesian region) as a part of the "5+2" weekly magazine. The newspaper informed people about reasons to sort waste and provided instructions on which waste goes to the colourful containers and which does not or stated the myths about waste sorting. The newspaper had also a maze for kids aiming to teach them how to sort waste.

Probably the most successful ways of promoting waste sorting include advertising campaigns on television. The first television campaign was launched fourteen years ago and the latest this year, i.e. 2017. In the first phase, the campaigns were designed to convince the public about the importance of sorting waste. Other television spots ensured the public they were doing the right thing and motivated them to sort waste even better. At present the campaigns are made mostly for those who do not sort their waste yet or has stopped sorting it to make them realize that sorting is becoming more and more important. Most of the campaigns have been accompanied by the slogan "Má to smysl, třiďte odpad! – It's worth it, sort your waste!"[9] The public may remember, for instance, the spot with grateful nature when individual animals thank human beings for sorting waste – the bigger the amount of waste they sort; the bigger animal comes to thank them. In 2017 EKO-KOM launched a campaign with the main claim „Život dává smysl, když je vše na svém místě – třiďte odpad." - „Life makes sense when things are in order – recycle." where garbage men served passengers on a plane and flight attendants collect waste instead of them.

EKO-KOM also promotes sorting waste with the help of local authorities and regional authorities, where residents of selected municipalities are given sets of sorting bags. These sets are also distributed to various organizations. For example, in this academic year, the use of these bags began to be tested by the Palacky University in Olomouc, where the bags were assigned to individual rooms at Bedrich Wenceslas' dormitory. The company also participates in ravelling exhibition of products made from recycled material called "Brána recyklace" – "The Gate of Recycling" or in a project "Čisté festivaly" – "Clean Festivals" which involves twenty Czech festivals, among the best-known e.g. Colours of Ostrava, Rock for People or Beats for Love. EKO-KOM company shall promote waste sorting following the Act on Waste and the quantity and quality of the promotion is in the competence of the Ministry of Environment. IN the end it is not enough to only ensure a dense network of containers, but also constantly remind, support and motivate consumers of the need to recycle.

---

8   GROLMUS, L.: Komunikace a vzdělávací aktivity AOS EKO-KOM. In *Sborník 18. konference Odpady a obce 2017. Conference Proceedings*. Praha : EKO-KOM, 2017, p. 116-119. [online]. [2017-09-25]. Available at: <http://www.ekokom.cz/uploads/ attachments/OD/SBORN%C3%8DK%20 17_20170619.pdf>.

9   Rozhovor s Ing. Lukášem Grolmusem, ředitelem oddělení komunikace AOS EKO-KOM, o nové komunikační kampani. In *EKO-KOMunikace*, 2017, No. 1, p. 2-3. [online]. [2017-09-23], Available at: <http://www.ekokom.cz/uploads/attachments/Klienti/Ekomunikace/EKOKOMunikace%20 012017.pdf>.

3 Online Communication of EKO-KOM with Selected Target Groups

Online communication has become increasingly important in recent years, especially in the area of social networks. If anyone wants to reach out to the young generation, social networks and other websites are the best way as this target group spends the most time there.[10] With smart phones and tablets, they can be online anywhere twenty-four seven. Having a Facebook page or an Instagram profile is a standard practice today. It has even been said that if you are not on Facebook, it is like you do not exist. Most companies have of course spotted this and they try the use the potential that social networks bring.[11] It is as simple as posting one interesting photo, comment or a video that attracts the target group so they start to follow the page. And as the target group is on their Facebook or Instagram every day there is a great chance that they will notice the post. The best thing to do is to redirect users to a specific website where they will be able to find more information as it is more likely that they will notice a post on a social network before opening specific website without seeing it before. EKO-KOM runs several websites with different content for different users i.e. age groups yet their aim is the same – promoting waste sorting. Probably the most recognized website is *www.samosebou.cz*.[12] The main element of this web is a tab called "magazine" offering interesting information about sorting waste in the Czech republic as well as abroad together with other notable news and trends in waste sorting.
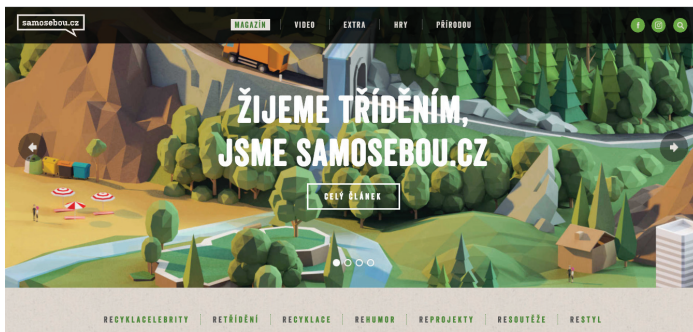
Picture 1: website samosebou.cz
Source: *Samosebou.* [online]. [2017-09-24]. Available at: <https://www.samosebou.cz/>.

The page also publishes articles related to culture and waste, such as the already mentioned project "Clean Festivals." Moreover, the website includes spots from all company's campaigns. In 2016 it also offered several spots showing how the waste

---

10 VANĚK, M., KOZEL, R., BALLARIN, M.: Digital Marketing in the Conditions of a Public Educational Institution. In ČÁBYOVÁ, L., PETRANOVÁ, D. (eds.): *International Scientific Conference on Marketing Identity – Digital Life 2015. Conference Proceedings*. Trnava : FMK UCM in Trnava, 2015, p. 353-362.

11 KOZEL, R. et al.: The Cooperation of Teachers and Students on Facebook. In DOUCEK, P., CHROUST, G. (eds.): *IDIMT-2012: ICT Support for Complex Systems: 20th Interdisciplinary Information Management Talks. Conference Proceedings*. Linz : Universitatsverlag Rudolf Trauner, 2012, p. 277-285.

12 *Samosebou.* [online]. [2017-09-24]. Available at: <https://www.samosebou.cz/>.

is being processed. These series released under the claim "Vytříděný odpad se vám odmění" – „Sorted waste will pay off" aim to show what is happening with sorted wasted before it becomes new product. The main goal of the campaign is to show the public the importance of recycling on specific examples. To make the page attractive it has features like games and knowledge quizzes focusing on recycling thanks to which kids can learn how to sort waste properly. The overall concept of the website appears to be primarily intended for younger generation. For the smallest children, EKO-KOM has prepared a website called *tonda-obal.cz*,[13] which is linked to the Tonda Obal School Education Program on the road. The web is divided into four sections: for children under eight, for children over eight, for parents and for teachers. To educate the youngsters the company has chosen to use vivid pictures with little texts and games related to this theme. The main character of the web is a boy called Tonda Obal who speaks with the kids.

Another website run by the company is *jaktridit.cz*[14] that targets anyone who wants to be involved in the waste sorting "business". This website focuses the most on the issue of waste sorting. It includes detailed information about sorting; particularly what goes into which container and frequently asked questions part where the visitor can learn a lot about waste sorting. Integral part of the page is news and trends in recycling, statistics about recycling and information about possible use of sorted waste. This website should serve above all those citizens who are already actively involved in the recycling issue and want to become even more educated. The company also uses current popularity of food blogs and cooking pages. It has created a webpage called *jakvkuchyni.cz,* linked to Facebook, Instagram and Youtube profiles. Even though the web primarily targets women, men seem to like it as well. Besides recipes one can find there quizzes called "Umíte třídit odpad jako naše Irča" – „Can you recycle as well as our Irča?". The most popular out of the above mentioned EKO-KOM websites was in 2016 the page *samosebou.cz* that had a web traffic over half a million visitors. Second place belongs to the web *jakvkuchyni.cz* closely followed by *jaktridit.cz*. Last place goes to the site *tonda-obal.cz*.

The company also has their own website *ekokom.cz*[15] that is designed primarily for its clients, which as noted above, are those entities that according to law no. 477/2001 Coll., on Packaging are obliged to take-back packaging and waste and for the partners of the company. The website serves as mean for publishing press releases, information about workshops or contact information of various kind. The website is linked to social network profiles on Facebook[16] and Instagram.[17] Facebook page „*Má to smysl, třídím odpad!*" has about 91.400 fans, which are about 13.000 more than at the end of 2016. Most of the posts are in a form of educational info graphics picturing specific waste and what to do with it. In case the user needs to be advised on how to sort waste they can write specific question and get their answer within hours. If the company realizes that there are many users asking the same question, the answer may serve as

---

13 *Tonda – Obal.* [online]. [2017-09-24]. Available at: <http://www.tonda-obal.cz/>.
14 *Jak třídit.* [online]. [2017-09-24]. Available at: <http://www.jaktridit.cz/priroda/>.
15 *EKO-KOM.* [online]. [2017-09-24]. Available at: <http://www.ekokom.cz/>.
16 *Facebook of EKO-KOM.* [online]. [2017-09-24]. Available at: <https://www.facebook.com/MaToSmyslTridimOdpad/>.
17 *Instagram of EKO-KOM.* [online]. [2017-09-24]. Available at: <https://www.instagram.com/samosebou_tridim/>.

a clue for creating the next post so everyone, who may have doubts about this matter, will be satisfied. Selection of the posts is based on a specific time of a year, i.e. in summer they help users sort the used sunscreen package, during Christmas period then where to put used wrapping paper or carp bones, etc.

Company's profile on Instagram was the last step towards connecting with public that the company took in 2016. The *samosebou_tridim* has only 710 followers, but that is most probably caused by little investments to promote it, e.g. on Facebook. Pictures that are posted there are linked to specific articles on *samosebou.cz* or show various numbers related to waste sorting aiming to motivate people to recycle, such as how many square kilometres of forest have been saved thanks to recycling and so on. EKO-KOM also tries to raise interest of the followers by various competitions. Last competition linked to the most recent campaign's claim, i.e. "Život dává smysl, když je vše na svém místě – třiďte odpad.", „Life makes sense when things are in order – recycle.", had the users share photos of things that are not in order.

Picture 2: Post of the EKO-KOM company on their Facebook page „Má to smysl, třídím odpad!"
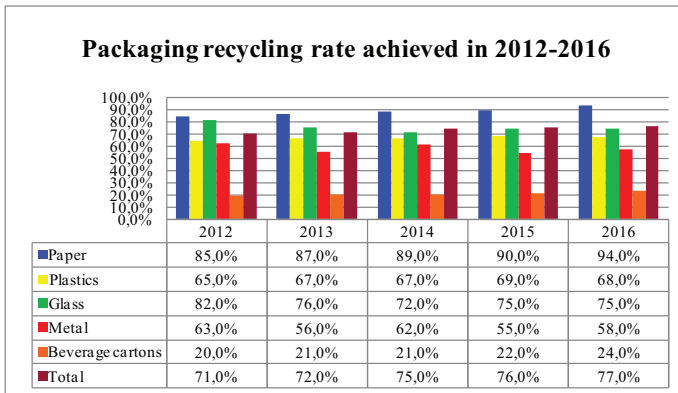Source: *Facebook of EKO-KOM.* [online]. [2017-09-24]. Available at: <https://www.facebook.com/MaToSmyslTridimOdpad/>.

4 Results Achieved by EKO-KOM's Online Communication with Selected Target Groups

The possibility to sort waste has become available for more and more citizens thanks to increasing number of containers. At present there are approximately three hundred thousand containers, which should be sufficient for 99% of Czech citizens. Some 134 citizens can use one collection point, while in other European countries it can be hundreds or even thousands. And it can be stated that more and more Czech people use this option every year.[18] The survey, conducted annually among the population

18 *Výsledky třídění a recyklace v systému EKO-KOM za rok 2012 – 2016.* [online]. [2017-09-25].

aged between 15 and 74 years shows an increasing trend in waste sorting. In 2003 63% of Czech citizens sorted their waste and in 2016 it was already up to 72%.[19] Moreover, this value is recognized as a natural sorting rate within the Eurozone. Nevertheless this 9% increase was already monitored in 2014 and therefore it seems that the number of the so-called recyclers has been stagnating in the past three years. The good thing is that the number has not been decreasing as it did between the years 2007 and 2009, when the number of recyclers went down by 5%. The biggest number of new recyclers has been found between the years 2003 and 2007 when the number went up by 5%. Between 2003 and 2006 the company launched a communication campaign that has been, according to the statistics, successful. In recent years the biggest benefit that can be seen in EKO-KOM's campaigns is that the number of recyclers has not gone down, yet, it would be even better if the number has been going up.

However, the amount of sorted waste has been increasing every year. The graph below illustrates that some commodities have fallen in the last five years. For example, the development of metal recycling describes basically a sinusoid. Undoubtedly, the amendment to Act No. 185/2001 Coll. on Waste, which prohibits the purchase of metals from private entities in cash, was undoubtedly the reason that affected the recycling in 2015. On the contrary, there is an increasing trend in the recycling of beverage cartons, which is probably helped by better availability of containers. However, despite the decline in the recycling of some commodities, the overall recycling rate in the Czech Republic is higher year on year. In the last five years it has even increased by six per cent.

Packaging recycling rate achieved in 2012-2016

	2012	2013	2014	2015	2016
■ Paper	85,0%	87,0%	89,0%	90,0%	94,0%
■ Plastics	65,0%	67,0%	67,0%	69,0%	68,0%
■ Glass	82,0%	76,0%	72,0%	75,0%	75,0%
■ Metal	63,0%	56,0%	62,0%	55,0%	58,0%
■ Beverage cartons	20,0%	21,0%	21,0%	22,0%	24,0%
■ Total	71,0%	72,0%	75,0%	76,0%	77,0%

Chart 1: Packaging recycling rate achieved in 2012-2016 (own processing)
Source: *Výsledky třídění a recyklace v systému EKO-KOM za rok 2012 – 2016.* [online]. [2017-09-25]. Available at: <http://www.ekokom.cz/cz/ostatni/o-spolecnosti/media/tiskove-zpravy>.

Available at: <http://www.ekokom.cz/cz/ostatni/o-spolecnosti/media/tiskove-zpravy>.
19   REMR, J.: Postoje obyvatel k problematice třídění komunálního odpadu. In *Sborník 18. konference Odpady a obce 2017. Conference Proceedings.* Praha : EKO-KOM, 2017, p. 114-115. [online]. [2017-09-25]. Available at: <http://www.ekokom.cz/uploads/ attachments/OD/SBORN%C3%8DK%2017_20170619.pdf>.

As noted above, it appears that over the past three years, the number of people, who recycle, has neither been growing nor dropping. The fact that the number of recyclers is still the same may be definitely caused by the fact that these people already recycle and at present are only getting better at it. To broaden the horizons of recyclers regarding the recycling and sorting, the most effective tool is the EKO-KOM's webpage, where people can find how to sort their waste even more effectively. For instance, when one checks the increasing number of recycled beverage cartons, it is obvious that the promotion that has been carried out focusing on highlighting the quality of used recycled paper was very successful and taught many citizens how to sort better. For those citizens who have decided to sort beverage cartons the company created a website *kamsnapojacem.cz*, where they can find out whether their city is involved in separate sorting or where to find the containers. The EKO-KOM company is also aware of the slightly downward trend in glass sorting, so the website as well as social networks remind people of the main purpose of recycling, i.e. saving primary raw materials.

People's interest in sorting can also be noticed on social networks. The users ask many questions either by placing a post on the wall or under posts published by the page. Their questions usually relate to recycling of waste that is not shown on the labels of containers, bags and websites or waste without a special code. There are questions such as where to put used deodorant, bottle caps, packages from baby food or pet food. All the above shows that people want to sort and they want to do it right and social networks help them do it, help them find the right answer. In recent years, citizens have also started to like the vermi-composts used for biodegradable waste. There are plenty of websites to guide how to build a vermi-compost, and EKO-KOM's sites are no exception.

Conclusion

Today the online communication is somewhat a standard communication tool for companies. And that also goes for the only Czech authorized packaging company EKO-KOM, a.s. The main target audience of its communication is the public and the company tries to educate it in the area of waste sorting. To do so they use several websites, namely *samosebou.cz*, *jaktridit.cz*, *tonda-obal.cz* and *jakvkuchyni.cz*. Each website aims at a different target group. They also use social networks Facebook and Instagram and their Facebook page is quite popular. The biggest advantage of this page is that the fans can ask their questions about waste sorting directly. Judging from the number of posts it seems that the public shows interest in this matter. According to the company's annual reports, more waste is collected each year compared to the year before. Undoubtedly, the campaigns of the company educating the public about the purpose of waste sorting contribute to that. Mostly young generation may learn via social networks how to sort waste. If they take recycling as a standard part of their life it can be expected that the future generation will also recycle, as these individuals will raise them. In the future, the company should try to promote their profile on Instagram, which currently has only about seven hundred followers. It could also approach some of the young youtubers, or create their own, who would use the vlogs to draw attention to the need to sort waste.

References:

BLÁHA, J., ČERNEK, M.: *Podnikatelská etika a CSR*. Ostrava : VŠB-TU Ostrava, 2015.

CHAUDHRI, V.: Corporate Social Responsibility and the Communication Imperative: Perspectives From CSR Managers. In *International Journal of Business Communication*, 2016, Vol. 53, No. 6, p. 419-442. ISSN 2329-4884. [online]. [2017-09-27]. Available at: <http://journals.sagepub.com/doi/full/ 10.1177/2329488414525469>.

EKO-KOM. [online]. [2017-09-24]. Available at: <http://www.ekokom.cz/>.

EKO-KOM – O systému. [online]. [2017-09-24]. Available at: <http://www.ekokom.cz/cz/ostatni/o-spolecnosti/system-eko-kom/o-systemu>.

Facebook of EKO-KOM. [online]. [2017-09-24]. Available at: <https://www.facebook.com/ MaToSmyslTridimOdpad/>.

GROLMUS, L.: Komunikace a vzdělávací aktivity AOS EKO-KOM. In *Sborník 18. konference Odpady a obce 2017. Conference Proceedings*. Praha : EKO-KOM, 2017, p. 116-119. [online]. [2017-09-25]. Available at: <http://www.ekokom.cz/uploads/attachments/OD/SBORN%C3%8DK%2017_20170619.pdf>.

HAWRYSZ, L., HYS, K.: Process-Oriented Management in Public and Private Sector. In FILIPOVIC, D., URNAUT, A. G. (eds.): *Economic and Social Development: 2nd International Scientific Conference Book Of Proceeding. Conference Proceedings.* Varazdin : Varazdin Development & Entrepreneurship Agency, 2013, p. 1034-1042.

Instagram of EKO-KOM. [online]. [2017-09-24]. Available at: <https://www.instagram.com/ samosebou_tridim/>.

Jak třídit. [online]. [2017-09-24]. Available at: <http://www.jaktridit.cz/priroda/>.

KOZEL, R. et al.: The Cooperation of Teachers and Students on Facebook. In DOUCEK, P., CHROUST, G. (eds.): *IDIMT-2012: ICT Support for Complex Systems: 20th Interdisciplinary Information Management Talks. Conference Proceedings*. Linz : Universitatsverlag Rudolf Trauner, 2012, p. 277-285.

LÓPEZ-RODRÍGUEZ, S.: Green Marketing and a Broader Stakeholder Orientation. In *Academy of Marketing Studies Journal*, 2016, Vol. 20, No. 3, p. 14-25. ISSN 1095-6298.

MINISTR, J., PITNER, T.: Towards an Ecosystem for Academic-Industrial Cooperation. In DOUCEK, P., CHROUST, G. (eds.): *IDIMT 2014 Networking Societies: Cooperation and Conflict. 22nd Interdisciplinary Information Management Talks. Conference Proceedings.* Linz : Trauner Verlag Universitat, 2014, p. 71-78.

REMR, J.: Postoje obyvatel k problematice třídění komunálního odpadu. In *Sborník 18. konference Odpady a obce 2017. Conference Proceedings.* Praha : EKO-KOM, 2017, p. 114-115. [online]. [2017-09-25]. Available at: <http://www.ekokom.cz/uploads/attachments/OD/SBORN%C3%8DK%2017_20170619.pdf>.

Rozhovor s Ing. Lukášem Grolmusem, ředitelem oddělení komunikace AOS EKO-KOM, o nové komunikační kampani. In *EKO-KOMunikace*, 2017, No. 1, p. 2-3. [online]. [2017-09-23]. Available at: <http://www.ekokom.cz/uploads/attachments/Klienti/Ekomunikace/ EKOKOMunikace%20012017.pdf>.

Samosebou. [online]. [2017-09-24]. Available at: <https://www.samosebou.cz/>.

Tonda – Obal. [online]. [2017-09-24]. Available at: <http://www.tonda-obal.cz/>.

VANĚK, M., KOZEL, R., BALLARIN, M.: Digital Marketing in the Conditions of a Public Educational Institution. In ČÁBYOVÁ, L., PETRANOVÁ, D. (eds.): *International Scientific Conference on Marketing Identity – Digital Life 2015. Conference Proceedings*. Trnava : FMK UCM in Trnava, 2015, p. 353-362.

Výsledky třídění a recyklace v systému EKO-KOM za rok 2012 – 2016. [online]. [2017-09-25]. Available at: <http://www.ekokom.cz/cz/ostatni/o-spolecnosti/media/tiskove-zpravy>.

WITHISUPHAKORN, P., JIRAPORN, P.: The Effect of Firm Maturity on Corporate Social Responsibility (CSR): Do Older Firms Invest More in CSR? In *Applied Economics Letters*, 2016, Vol. 23, No. 4, p. 298-301. ISSN 1350-4851.

Contact data:
assoc. prof. Ing. Šárka Vilamová, Ph.D.
VŠB – Technical University of Ostrava
Faculty of Mining and Geology
17. listopadu 15/2772
708 33 Ostrava – Poruba
CZECH REPUBLIC
sarka.vilamoval@vsb.cz

Ing. Anežka Podlasová
VŠB – Technical University of Ostrava
Faculty of Mining and Geology
17. listopadu 15/2772
708 33 Ostrava – Poruba
CZECH REPUBLIC
anezka.podlasova.st@vsb.cz

Ing. Adam Levit
VŠB – Technical University of Ostrava
Faculty of Mining and Geology
17. listopadu 15/2772
708 33 Ostrava – Poruba
CZECH REPUBLIC
adam.levit@vsb.cz

ASTROTURFING MARKETING IN THE POLITICAL CRISIS OVER THE POLISH JUDICIARY BILL IN 2017

Zbigniew Widera

Abstract

The aim of this paper is to indicate how the astroturfing method is used in the political crisis over the Polish judiciary bill in 2017. The analysis of literature sources was used as the research method to support the theoretical introduction. Following it, the main method of the analysis of the media content was applied. The formulated hypothesis claims that despite the lack of clear answer regarding astroturfing being the manipulation in this particular case, the importance of astroturfing method in the political market is growing. This topic raises a further question if this method will become a permanent and acceptable tool for political marketing.

Key words:

Astroturf marketing. Astroturfing. Political market. Reform of the judiciary.

Introduction

The astroturfing method, which was preceded by the widespread buzz marketing, has now become a particularly dangerous tool in the hands of interest groups, threatening the internet as a forum for free, independent and constructive debate. The manipulation of public opinion, especially by seemingly grassroots civil movements, has become so widespread that it has raised the objection of academics investigating this phenomenon. Professor Bing Liu of the University of Illinois estimates that one third of all online consumer reviews are fake.[1] Edward T. Walker, a sociologist of the University of California, in his book "Democracy for Rent," makes it clear that today most of the civil organization movements is inspired by the efforts of corporate advisory firms and political influence organizations.

1 Astroturf marketing

The term 'astroturfing' derives from the brand name of synthetic carpeting called "AstroTurf", designed to look like natural grass despite being artificial. The term is said to have been first used by a former Senator Lloyd Bentsen.[2,3] There is, however, a dispute regarding the date of the first use of the term 'astroturfing' by Bentsen. Accordingly, Klotz claims it happened in 1986,[4] while Malbon states it was first used in 1985.[5] To understand the meaning of astroturfing it is essential to know what a

---

1   TIAN, E.: *Reviewing the Psychology of Online Reviewers.* [online]. [2017-09-25]. Available at: <http://archive.peninsulapress.com/2013/03/20/reviewing-the-psychology-of-online-reviewers/>.

2   DIGGS-BROWN, B.: *Strategic Public Relations: An Audience-Focused Approach. California* : Wadsworth Publishing, 2011, p. 60.

3   LYON, T. P., MAXWELL, J. W.: Astroturf: Interest Group Lobbying and Corporate Srategy. In *Journal of Economics & Management Strategy*, 2004, Vol. 13, No. 4, p. 563.

4   KLOTZ, R. J.: Internet Campaigning for Grassroots and Astroturf Support. In *Social Science Computer Review*, 2007, Vol. 25, No. 1, p. 5.

5   MALBON, J.: Taking Fake Online Consumer Reviews Seriously. In *Journal of Consumer Policy*, 2013, Vol. 36, No. 2, p. 146.

grassroots movement is. A grassroots movement is one that involves the engagement of local community volunteers around usually a single issue or concern that energizes individuals to initiate a collective action. The main objective of grassroots movement is to support change at the local, regional, national or international level by joining together in a common cause.[6] What differs astroturfing form grassroots movement is that grassroots movements arise spontaneously, while astroturfing happens due to efforts engineered by politicians, governments, corporations, or public relations firms. Therefore, the term astroturfing is a wordplay and, if successful, astroturfing actions resemble actual grassroots efforts. There are multiple definitions of astroturfing. McNutt and Boland refer to it as "synthetic grassroots organizing",[7] Hoggan and Littlemore define an astroturf group as a "fake grassroots organization animated by a clever public relations campaign and a huge budget, while the Dictionary of Journalism defines it as "the creation of a false or exaggerated impression of grassroots support".[8] Astroturfing is also defined as a political term. Krashinsky, Mackenzie and Pickard claim that astroturf organizations are quite often used for political activities.[9] According to McNutt & Boland, it is the political arena that stimulates majority of astroturf activity.[10]

The sources of untrue and deceptive messages addressed to society can be found in advertising content."Advertising is a truth-free zone today," said an American marketing critic Jonathan Salem Baskin, the author of several bestsellers on manipulative business methods, at the Conference of The Advertising Self-Regulatory Council in New York. The lack of truth in advertising is a growing phenomenon. According to research results of the American company Lab42 as much as 76 percent of the American consumers does not trust advertisements (the survey was conducted in fall 2012 and covered electronic media, the press and the internet) and regards the advertising message as exaggerated, to say the least. Just 2.8 percent, which should be emphasized, claims that advertising information is accurate. Least credible, according to the respondents, are advertisements for slimming products - as much as 90.4 % of respondents does not believe what they are told in these advertisements, ads for cosmetics – 81%, alcohol – 68%, finance – 65.5%, and automobiles – 65.4%. According to the research results of the Research Center for Economic Behavior conducted for the PoZnajomosci.pl website. Poles are more susceptible to advertisement than Americans. "58% of us considers advertising as deceptive, 71.1% of respondents claims that there are too many advertisements in the media and that their purchasing decision is primarily a matter of opinion of their friends and family. On the other hand, however, the European Trusted Brands report of 2010 shows that Poles are one of the most trusting European nations when it comes to the news published or broadcast

6   CHO, C. et al.: Astroturfing Global Warming: It Isn't Always Greener on the Other Side of the Fence. In *Journal of Business Ethics*, 2011, Vol. 104, No. 4, p. 573.
7   McNUTT, J. G., BOLAND, K. M.: Astroturf, Technology and the Future of Community Mobilization: Implications for Nonprofit Theory. In *Journal of Sociology and Social Welfare*, 2007, Vol. 34, No. 3, p. 165.
8   HOGGAN, J., LITTLEMORE, R.: *Climate Cover-up: The Crusade to Deny Global Warming*. Vancouver, BC : Greystone Books, 2009, p. 36.
9   CHO, C. et al.: Astroturfing Global Warming: It Isn't Always Greener on the Other Side of the Fence. In *Journal of Business Ethics*, 2011, Vol. 104, No. 4, p. 572.
10 McNUTT, J. G., BOLAND, K. M.: Astroturf, Technology and the Future of Community Mobilization: Implications for Nonprofit Theory. In *Journal of Sociology and Social Welfare*, 2007, Vol. 34, No. 3, p. 167.

in the media. The news found on the internet was trustworthy for 72% of the Polish respondents, with the average European result of 49%.[11] To what extend, however, the carefully disguised astroturf marketing activities are transparent for their audience whose alertness regarding the advertising messages should be increased? The results of the research conducted on the Polish market indicate that caution in the assessment of media messages addressed to the public is highly recommended.

2 Astroturf marketing in the Polish politics

On the Polish political market, on the internet, the concept of 'astroturfing' began to gain popularity in the context of protests organized as a result of the political party's, Law and Justice (PiS), enforcement of a judicial reform. On 21st of July 2017, the presidential photographer, Andrzej Hrehorowicz, quoted the definition of 'astroturfing'. Senator Jan Maria Jackowski of PiS affiliation in an interview published on the wPolityce.pl internet portal used the term 'megasociotechnic' when referring to the manifestations of the opponents of the policy of PiS. He said: 'One can get an impression of a spontaneous shaping of the public opinion, but at the bottom of it lies a strong sociotechnical influence, the so-called *astroturfing*.' Also the media engaged directly in an attempt to interpret the current events. "A lot points to the fact that we are dealing with the mechanism of astroturfing in Poland now" - diagnosed a reporter working for Anita Gargas' investigation magazine on 21 July. What is more, the official program of the Polish state television (TVP), "TVP News", presented a network of links which allegedly stood by the organization of the opposition to the reform of the judiciary."[12]

Jacek Sasin, PiS deputy, talking about the phenomenon of the so-called *astroturfing*, linked this diagnosed by himself phenomenon with the activities of the political opposition stating: „Poland is today the target of mass disinformation on the part of opposition circles. One example is an analysis published by the Civic Initiatives Foundation, a non-governmental organization, which suggests that PiS prepared a law on the National Electoral Commission, which aims to make it a political issue. This situation has caused a worldwide concern that Poland is trying to create a mechanism for unreliable parliamentary elections and it is yet another attack on democracy in our country." The program referred to the report on politykawsieci.pl website, which stated that the Polish internet served as a tool of Polish politics, where astroturfing was present. As a proof of this statement the authors pointed to the fact that all internet users' comments allegedly started to appear at the same time. The comments came from accounts of real people living in South America, including Venezuela and Chile, as well as Africa, Pakistan and South Korea. Using private accounts without the consent of their owners is a common practice today. When analyzing media reports, it is difficult to disagree with the statement published on the politykawsieci.pl website: "Regardless of who is the participant involved in the Polish Internet, both sides of the Polish political discourse must realize that some very dangerous contestant who "has

---

11   *Gazetaprawna*. [online]. [2017-09-25]. Available at: <http://serwisy.gazetaprawna.pl/media/artykuly/806495,reklama-zaczela-udawac-prawdziwe-informacje.html>.

12   *Wprost*. [online]. [2017-09-25]. Available at: <https://www.wprost.pl/tylko-u-nas/10066603/Wszyscy-dziwnym-trafem-maja-identyczne-swieczki-O-co-chodzi-z-teza-o-astroturfingu.html>.

not come here by accident and is definitely nobody's friend" has just entered their world."[13]

3 Virtual reality?

Subjective presentation of media messages complicates the proper assessment by the viewers or readers of the media, and obscures the phenomenon of manipulation in the media. A spectacular illustration of this thesis are the publications of state media strictly dependent on the political option currently exercising power. "A massive attack. And not some spontaneous action but a carefully planned one. On the Internet on forums and social networks the same anti-government slogans are published" - this is how the editors of the TVP 'News' program advertise on their website their broadcast material about this phenomenon previously unknown in Poland."[14] Frequently, the presented opinions, to make them look more credible, are supported by the expert viewpoints. "Experts have analyzed 15,882 tweets bearing the hashtag #AstroTurfing, #StopAstroTurfing, and #StopNGOSoros posted by 2,408 website users. Most of the analyzed tweets contained the following phrase "I oppose the use of the mechanism" and a black band with the text written in yellow font. Such entries began to slowly appear on the Polish Twitter by 9 p.m. on Saturday - at the rate of about 3 posts per minute. Suddenly, the frequency of posts surged to reach a whopping 200 subscribers with hashtags #AstroTurfing per minute. The commotion lasted just over one hour. By midnight the rate of posts dropped to around 10 entries. According to the experts, such one-off outbursts of posts are typical of organized and partially automated social media campaigns."

The more detailed the experts' opinions are the more reliable picture of the phenomenon they present. Without referring to the credibility of the quoted information, it should be emphasized that the expert statements, especially those that require a thorough understanding of the subject matter, are difficult for the recipients to assess and evaluate because they would have to search for other professional viewpoints which for the competitive media are much harder to obtain than the widely available opinions of e.g. politicians. For the illustration of the thesis, the following part of the article is quoted: "But that does not end there. As it turns out, over a third of all the entries has been published by merely 50 users, and the most active top ten internet users posted 1,804 entries within two hours, which makes one post per four seconds. Experts point out that such frequency is almost impossible to achieve by the "human" users, so the publications almost certainly have been generated by computer. All the more so, as experts argue, #AstroTurfing tweets have been most frequently sent from profiles that despite being active for two years or sometimes only several months, already have tens of thousands of entries on their accounts. An example? For instance a profile signed @AnnaWitme who has posted almost 67 thousand entries since December - this means an average of 300 entries per day, which is about one every five minutes.

---

13 *Niezalezna*. [online]. [2017-09-25]. Available at: <http://niezalezna.pl/102770-astroturfing-do-polski-wszedl-bardzo-niebezpieczny-przeciwnik-ktory-nie-zjawil-sie-tu-przypadkiem>.

14 *Newsweek*. [online]. [2017-09-25]. Available at: <http://www.newsweek.pl/polska/polityka/astroturfing-rzekoma-walka-z-manipulacja-okazala-sie-manipulacja,artykuly,413718,1.html>.

According to experts, the nature of #AstroTurfing campaign indicates that it could not have been spontaneous and spread across the network organically, recruiting random users identifying with its message. Eventually the movement failed to take off. When after midnight, on Sunday, the master minds' pressure began to decrease, ordinary users did not take bait and tweets with the hashtag AstroTurfing almost entirely disappeared from Polish Twitter. It was only after the right-wing media broadcast and publications and "The News" program that they showed again, but this time with much less frequency. Towards the end of the program, the main news service TVP1 has stated that astroturfing was "an element of a hybrid war."[15] "If these were the spontaneous spurts of people from Poznan and Cracow, then practically every single one of these groups would have their demands (...) and yet they look like having been distributed everywhere by fax," said prof. Kazimierz Kik in the interview for the portal wPolityce.pl. Under the post published by the profile TVN24 there were comments posted / launched at the same time. The comments come from accounts of real people living throughout Latin America" - politykawsieci.pl portal reports. Some politicians gained several thousand followers overnight. (...). The data point to anomalies connected with the large share of accounts outside the Polish border"- writes the web service politykawsieci.pl.

Not only did the information use an opinion of a popular academic, and in this case it was a politically explicit person, but in order to reinforce the effect, all the representatives of the academic circles have been referred to, suggesting that the presented opinion is a unanimous viewpoint of the entire, highly respected, socially group. "The researchers have found out that 33% of messages sent from Twitter in Poland came from fictitious accounts. Accusations were directed towards Russia - entries were to strengthen Polish nationalism and aversion to Ukraine. The internet portal wirtualnemedia.pl wrote about a research conducted by the University of Southern California. The results showed that "20% of bots tweeting about the latest elections in France have been hired on the black market, and posted fake news to discredit the current president, Emmanuel Macron." Similarly, it is said that fake accounts were active during the US elections. Who is behind such manipulations in Poland? Nobody knows."[16]

Conclusion

Astroturfing, without attempting to assess its authenticity in this particular case, but merely analyzing the media context in which it is described, can be a perversion of the civil initiative, socially harmful, especially for the uneducated society members. It is difficult to recognize because, like many new media tools, it emerges abruptly and evolves rapidly. When perceived from the perspective of companies or political groups that commission such activities and movements, astroturfing has two main advantages:

---

15   Ibidem.
16   *W. Ptech.* [online]. [2017-09-25]. Available at: <https://tech.wp.pl/precz-z-kaczorem-dyktatorem-pisza-konta-z-ameryki-poludniowej-kto-manipuluje-w-polskim-internecie-6147641280575105a>.

"First of all, since this kind of activity seems spontaneous and lacking central management, it is not possible - at least at first sight - to link it to any brand or political affiliation. In this way you can strike at the heart of your competition anonymously, almost risk-free. Of course, when the media discover the artificiality of the supposedly impromptu action, this is no longer an advantage. Sometimes, however, the network of connections between the ordering parties and the contractors is so confusing that it requires an elaborate journalistic investigation to reveal it."

Secondly, "if the campaign - for example, a citizen movement of opposition to specific legislation provisions that are being adopted by the Parliament - does not appear as if it came from some political force, it has a good chance of succeeding."[17]

The phenomenon of astroturfing, reprehensible in other countries, in the Polish reality, on the political market, debuts on an unprecedented scale. Its appearance heralds its rapid expansion. Due to its fraudulent nature, it requires the vigilance of observers, especially those in academic circles. It requires educating about and raising public awareness, building an atmosphere of dissent against attempts of such gross manipulation.

References:

Astroturfing do polski wszedl bardzo niebezpieczny przeciwnik, ktory nie zjawil sie tu przypadkiem. [online]. [2017-09-19]. Available at: <http://niezalezna.pl/102770-astroturfing-do-polski-wszedl-bardzo-niebezpieczny-przeciwnik-ktory-nie-zjawil-sie-tu-przypadkiem>.

CHO, C. et al.: Astroturfing Global Warming: It Isn't Always Greener on the Other Side of the Fence. In *Journal of Business Ethics*, 2011, Vol. 104, No. 4, p. 572-573. ISSN 0167-4544.

DIGGS-BROWN, B.: *Strategic Public Relations: An Audience-Focused Approach*. California : Wadsworth Publishing, 2011.

HARCUP, T.: *A Dictionary of Journalism*. Oxford : Oxford University Press, 2014. [online]. [2017-09-19]. Available at: <http://www.oxfordreference.com. proxy.kib.ki.se/view/10.1093/acref/9780199646241.001.0001/acref-9780199646241-e-103>.

HOGGAN, J., LITTLEMORE, R.: *Climate Cover-up: The Crusade to Deny Global Warming*. Vancouver, BC : Greystone Books, 2009.

KLOTZ, R. J.: Internet Campaigning for Grassroots and Astroturf Support. In *Social Science Computer Review*, 2007, Vol. 25, No. 1, p. 5-11. ISSN 0894-4393.

LYON, T. P., MAXWELL, J. W.: Astroturf: Interest Group Lobbying and Corporate Strategy. In *Journal of Economics & Management Strategy*, 2004, Vol. 13, No. 4, p. 563-568. ISSN 1530-9134.

MALBON, J.: Taking Fake Online Consumer Reviews Seriously. In *Journal of Consumer Policy*, 2013, Vol. 36, No. 2, p. 146-151. ISSN 0168-7034.

McNUTT, J. G., BOLAND, K. M.: Astroturf, Technology and the Future of Community Mobilization: Implications for Nonprofit Theory. In *Journal of Sociology and Social Welfare,* 2007, Vol. 34, No. 3, p. 165-167. ISSN 0191-5096.

---

17   *wPolityce.pl.* [online]. [2017-09-25]. Available at: <https://wpolityce.pl/polityka/103909-astroturfing-symulacja-spontanicznosci>.

Newsweek. [online]. [2017-09-19]. Available at: <http://www.newsweek.pl/polska/polityka/astroturfing-rzekoma-walka-z-manipulacja-okazala-sie-manipulacja,artykuly,413718,1.html>.

Reklama zaczela udawac prawdziwe informacje. [online]. [2017-09-19]. Available at: <http://serwisy.gazetaprawna.pl/media/artykuly/806495,reklama-zaczela-udawac-prawdziwe-informacje.html>.

Wprost. [online]. [2017-09-19]. Available at: <https://www.wprost.pl/tylko-u-nas/10066603/Wszyscy-dziwnym-trafem-maja-identyczne-swieczki-O-co-chodzi-z-teza-o-astroturfingu.html>.

Wptech. [online]. [2017-09-20]. Available at: <https://tech.wp.pl/precz-z-kaczorem-dyktatorem-pisza-konta-z-ameryki-poludniowej-kto-manipuluje-w-polskim-internecie-6147641280575105a>.

Contact data:
prof. UE dr. hab. Zbigniew Widera
University of Economics in Katowice
Faculty of Informatics and Communication
1 Maja 50
40 287 Katowice
POLAND
zbigniew@widera.pl

EDITORIAL POLICY

"*Marketing Identity*" is a reviewed scientific journal published annually by the Faculty of Mass Media Communication UCM in Trnava. The journal is dedicated to present the most significant theoretical, research and professional contributions to the international scientific conference "Marketing Identity" in order to provide the selected papers wider scientific and professional recognition.

The papers are written exclusively in English; all of them are reviewed and selected by the scientific committee of the journal. The editors of "*Marketing Identity*" journal consistently respect the principles of securing contentual and formal relevance of the published texts via set criteria, they actively participate in domestic and foreign academic cooperation in the name of scientific-research progress and expansion of existing set of knowledge from the fields of marketing and media communications and related topics and issues.

In case the published text (or manuscript intended for publication) violates the principles of ethical or professional approach to citing works of other authors; eventually if the entire texts or their parts are proven to be plagiarisms or own works already published in the past or simultaneously in several other specialized publications, the authors and co-authors take on the full responsibility. The editors of "*Marketing Identity*" consistently mind the need to avoid similar situations and after acceptation of final versions of manuscripts they check in detail adhering to professional procedures of scientific text creation and ethical principles associated with citing and paraphrasing works of other authors.

Publishing in "*Marketing Identity*" is not liable to any form of payment or voluntary financial gift.

CONFERENCE PARTNER:

The Club of Advertising Agencies Slovakia

SCIENTIFIC PARTNERS:

The Katowice Branch of the Polish Academy of Sciences

The Institute of Political Science of the Slovak Academy of Sciences

International Public Relations Center

The Polish PR Association

MARKETING IDENTITY: Online rules – part II.

Conference Proceedings from International Scientific Conference „Marketing Identity 2017: #onlinerules", 7th – 8th November 2017, Congress Hall of the Slovak Academy of Science, Smolenice, Slovak Republic

Fakulta masmediálnej komunikácie
Faculty of Mass Media Communication

lol 😜

FMK
Fakulta masmediálnej komunikácie
Faculty of Mass Media Communication

O N L I N E R U L E S