

Using Selected Attributes of Marketing Communications Management within SMEs in Slovakia

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Abstract—The aim of the article is to present the results of research on the current state of the art in the use of customer databases, CRM system and management of marketing communication through selected principles - ethical codes, socially responsible enlargement, integrated marketing communication and holistic marketing of SMEs operating in Slovakia according to company size. Research took place at 2017 and 2018, conducted through a questionnaire survey on a sample of 1009 SMEs in Slovakia. The data is processed using basic descriptive statistics. The detection of dependencies on the size of the enterprise in the application of the researched marketing communication attributes is tested through the Analysis of Variance - ANOVA. The presented conclusions provide an overview of the use of progressive approaches and principles of marketing communications management in SMEs in Slovakia and their comparison in terms of enterprise size.

Keywords—marketing communications, customer databases, CRM, SMEs

I. INTRODUCTION

Marketing communications are forced to respond to the turbulent environment of the globalized market [1]–[3]. A strong competitive environment creates enormous pressure on all attributes within logistics chains [4]–[7]. Businesses should therefore follow progressive trends [8]–[10] and select those that are beneficial and suitable for implementation not only in the area of marketing. The new trends in marketing communication are not self-sustaining and rarely act independently, but they can be very effective in the synergy of the marketing communication mix [11]. Current trends in marketing suggest that many marketing activities require far more intense communication with internal and external business entities [12]. The source of a unique competitive advantage [13]–[15] is increasingly sought in the field of communication, in relationships with important target groups. The activity of companies in the creation of customer databases is of great importance here. The availability of quality databases [16], [17], as well as the

ability to evaluate [18]–[20] and then efficiently use data, is one of the important elements of well-managed marketing. From this perspective, it is essential to have the quality in human resources [21] that are capable of these processes [22]–[25]. Today, we do not talk about marketing and marketing communications just as a certain discipline that helps us stimulate the market reaction. We are talking about a number of marketing techniques [26] that are gradually changing in specialized fields. Modern marketing communication trends include digital, viral, guerrilla and mobile marketing. Furthermore, it is promotional, event and direct marketing or product placement [11]. Considering a company's marketing principles, it is important to talk about integrated marketing communications, socially responsible marketing and management based on ethical codes or holistic marketing. For targeted customer relationship management, called CRM, which Wessling [27] defines as "active creation and maintenance of long-term customer relationships", is used. Indispensable components for communicating with customers are technologies, people and processes. Integrated marketing communication is a comprehensive process that involves analysing, planning, implementing, and controlling all personal and impersonal communication, media, messages, and sales support tools that target a specific audience. A clear, comprehensible, consistent and impressive message is thus delivered to particular target groups. Integrated communication uses multiple communication tools and channels at the same time. Such a process brings a synergistic effect when the effect of one tool strengthens the effect of the second tool and increases the overall effectiveness of marketing communication [28]. Modern corporate communication is not only a part of the marketing mix but it is linked to the personnel area [29]–[31] and other areas of the company. It is the interconnection of communication activities, which lead to the creation of tailor-made communication for particular target groups [32]. Such a concept is called integrated marketing communication [28].

Keller and Kotler [33] define holistic marketing as "design and implementation of marketing activities,

processes, and programs that reflect the breadth and interdependencies of their effects”. Holistic marketing includes an integrated view of customers and employees but also other companies such as competitors. Kotler and Armstrong [34] present their idea of the societal marketing concept. The core concept of this idea is to maintain and improve the well-being of customers and companies by constantly increasing customer value.

II. MATERIAL AND METHODS

This article aims to present research results referring to use of customer databases, CRM system, and management of marketing communications based on the following principles – ethical codes, socially responsible marketing, integrated marketing communication and holistic marketing in SMEs operating in Slovakia. Research took place at the beginning of 2018 and conducted through a questionnaire survey. When selecting the respondents from the basic set, the technique of simple proportional stratified selection was used according to the situation in SMEs in Slovakia in 2017 and 2018. A total of 1,600 SMEs were approached and given a questionnaire which was sent by e-mail or by mail directly to the address of the company’s headquarters, or some of these enterprises were addressed in person. At the end of 2017, a total of 257 questionnaires were returned and 752 questionnaires from small and medium-sized companies were collected at the beginning of 2018. The total number of SMEs returning the correctly filled out questionnaires was 1,009 (Small enterprise 86,1% and Medium-sized enterprise 13.9%) – this means a 63% return.

This article presents the partial results of research focused on the approach of enterprises in Slovakia to the planning and implementation of marketing communication, which includes the use of marketing communication tools, the way of decision making on marketing communication plans, the application of progressive principles within the marketing communication. The data obtained from the questionnaire survey is processed by the basic descriptive statistics from the point of view of the division of enterprises according to their size. The detection of dependence on the size of the enterprise in the application of the surveyed marketing communication attributes is tested through the Analysis of Variance – ANOVA.

III. RESULTS AND DISCUSSION

Small and medium-sized enterprises account for 99.9% of all business entities in the Slovak Republic. The article provides an insight into their approach in terms of creating and utilizing customer databases, using the CRM system and it also looks at its effectiveness. Also, the focus is on the use of marketing principles and concepts such as integrated marketing communications, socially responsible marketing, holistic marketing, and the following of codes of ethics. Fig. 1. presents the arithmetic average of the CRM system usage and its effectiveness as well as the creation of customer databases and their use. In the questionnaire, the companies could choose their answers using the scale from 1 to 3 – 1 represented *yes*, 2 *no* and 3 meant *cannot be judged*.

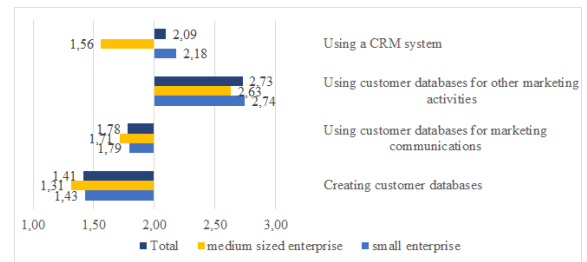


Fig. 1. Creating customer databases and using CRM. (source: authors)

Looking at Fig. 1., it is clear that most companies are using databases. Three quarters of small enterprises (75%, modus 652) create customer databases, only 18.1% do not create them, and 6.9% are unable to judge this. However, not all small enterprises use their created database for marketing communications – it is 60.4% out of 75% of companies that use their databases for this purpose while 39.6% of companies claim that they use their created databases for other purposes. Altogether, 87.2% of them use their databases solely for marketing purposes. A similar situation can be observed at medium-sized companies – 78.6% of them create databases, 11.4% cannot judge this and 10% do not create them. 64.3% use their databases for marketing purposes, while 35.7% do not use them for these purposes, and 18.6% use their databases for other than marketing purposes. The ANOVA test was used to investigate the differences of these attributes in terms of enterprise size. Table 1 presents the test results. There is no statistically significant difference between small and medium-sized enterprises in terms of creating and using customer databases at a 5% significance level.

From the perspective of the established CRM, enterprises had the option to choose the answer in the following scales:

1. from 1 to 3, where 1 – yes, 2 – no a 3 – cannot be judged: to find out whether the company had an established CRM
2. from 1 to 5, where 1 – effective, 2 – partially effective, 3 – cannot be judged, 4 – CRM not used, 5 – ineffective: to find out to what extent they consider the CRM system for effective.

Small enterprises (Fig. 1.) do not use CRM to a large extent (only 30.6% of the surveyed enterprises and 20.7% do not know this) and 30.3% consider it to be effective or partially effective. Only 1.2% considers it inefficient and 30% cannot judge it. The situation is significantly different at medium-sized enterprises – 61.4% of these companies have an established CRM system and 21.4% are unable to judge this. This results in a different view of efficiency – up to 31.4% consider this system for effective, and 24.3% for partially effective (this means that 55.7% see efficiency in their system), while 25.7% are unable to judge this and only 2.9% consider it for ineffective. An ANOVA test (Table 1) confirmed the significant difference in the introduction and assessment of the effectiveness of the CRM system from the point of view of the size of the enterprise at a 5% significance level.

TABLE I. TEST ANALYSIS OF VARIANCE (ANOVA) – CREATING AND USING CUSTOMER DATABASES ALONG WITH THE CRM SYSTEM DEPENDING ON THE SIZE OF THE ENTERPRISE

Specific attribute vs. company size		Sum of Squares	df	Mean Square	F	Sig.
Creating customer databases in the enterprise	Between Groups	1.625	1	1.625	2.796	0.095
	Within Groups	585.209	1007	0.581		
	Total	586.834	1008			
Use of created customer databases for the purposes of marketing communications	Between Groups	.723	1	0.723	0.758	0.384
	Within Groups	959.872	1007	0.953		
	Total	960.595	1008			
Use of created customer databases for other purposes except for marketing communications	Between Groups	1.621	1	1.621	3.459	0.063
	Within Groups	471.972	1007	.469		
	Total	473.594	1008			
Established CRM system	Between Groups	46.877	1	46.877	63.519	0.000
	Within Groups	743.178	1007	0.738		
	Total	790.056	1008			
CRM system effectiveness assessment	Between Groups	45.370	1	45.370	37.637	0.000
	Within Groups	1213.881	1007	1.205		
	Total	1259.251	1008			

Source: Authors

In this research, attention was focused on the question of whether marketing management of the enterprise follows the principles of holistic marketing, integrated marketing communications, socially responsible marketing, own code of ethics or code of ethics in the industry. The enterprises could answer this question by yes (1) or no (2). Fig. 2. presents the resulting arithmetic means of enterprise responses according to their size

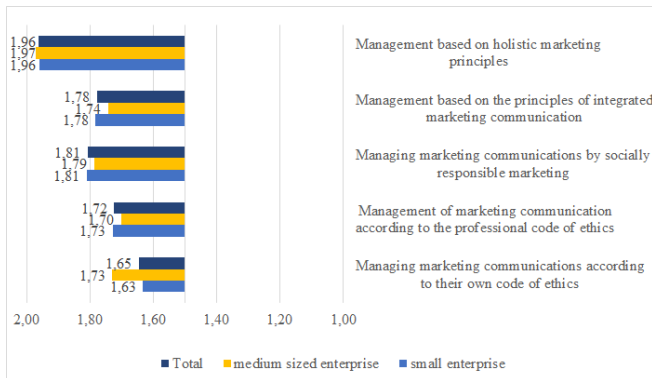


Fig. 2. Marketing management based on selected principles. (source: authors)

The least used are the principles of holistic marketing, which are used in the group of small enterprises by 4% and in case of medium-sized enterprises by 2.9% of the surveyed companies. Better results can be seen in applying the principles of integrated marketing communications and its ideas – these are used by 21.9% of small enterprises and 25.7% of mid-sized enterprises. The principles of socially responsible marketing are applied by 19.1% of small enterprises and 21.4% of mid-sized enterprises. The most used principles are marketing management in compliance with its own code of ethics; this was confirmed by 36.8% of small enterprises and by 27.1% of medium-sized enterprises.

Marketing management in compliance with the code of ethics in industry is used less and this was confirmed by 27.4% of small enterprises and by 30% of medium-sized enterprises. Table 2 presents the ANOVA test output for identifying significant differences in marketing management according to selected principles in terms of enterprise size. It is clear from the presented results that statistically significant difference (at the 5% significance level) is in the case of marketing management based on its own code of ethics, which is used to a greater extent by small enterprises.

TABLE II. TEST ANALYSIS OF VARIANCE (ANOVA) - MARKETING MANAGEMENT ACCORDING TO SELECTED PRINCIPLES DEPENDING ON THE SIZE OF THE ENTERPRISE

Specific attribute vs. company size		Sum of Squares	df	Mean Square	F	Sig.
Marketing management based on the principles of their own code of ethics.	Between Groups	1.130	1	1.130	4.951	0.026
	Within Groups	229.849	1007	0.228		
	Total	230.979	1008			
Marketing management based on the principles of the code of ethics in the industry.	Between Groups	0.082	1	0.082	0.410	0.522
	Within Groups	202.217	1007	0.201		
	Total	202.299	1008			
Marketing management based on the principles of the socially responsible marketing.	Between Groups	0.065	1	0.065	0.416	0.519
	Within Groups	157.861	1007	0.157		
	Total	157.927	1008			
Marketing management based on the principles of the integrated marketing communications.	Between Groups	0.179	1	0.179	1.027	0.311
	Within Groups	175.201	1007	0.174		
	Total	175.380	1008			
Marketing management based on the principles of the holistic marketing.	Between Groups	0.017	1	0.017	0.444	0.505
	Within Groups	37.476	1007	0.037		
	Total	37.493	1008			

Source: Authors

IV. CONCLUSION

In the global world, marketing and its current trends are comprehensively discussed from both the theoretical and practical perspectives. An interesting fact is the actual use of these trends at the level of small and medium-sized enterprises at country level. The aim of this article was to present the extent to which modern marketing trends are used by SMEs in Slovakia – these trend include creating of customer databases as well as their use in a daily business of the enterprises, then the established CRM system and its effectiveness and finally, marketing management and its specific principles such as holistic marketing, integrated marketing communication, socially responsible marketing and codes of ethics. A great number of small and medium-sized companies complain about high expenses associated with implementing integrated marketing communications. However, nowadays a lot of agencies at both local and international level provide an integrated offer resulting in integrated and more effective marketing communications at a reasonable cost. Looking at the presented results, it can be stated that SMEs are, compared to large companies, also active in creating customer databases. However, not all the

companies that create customer databases actually use them – approximately 14% of enterprises do not use them. The CRM system is used by most surveyed mid-sized enterprises, while only about one third of small enterprises use it. It can be stated that small and medium-sized enterprises consider this system to be effective, since companies that have introduced it declare it for effective or partially effective.

SMEs minimally use progressive marketing principles in their marketing management, while holistic marketing is the least used. Almost one third of medium-sized enterprises and over one third of small enterprises take into account their own codes of ethics. Industrial codes of ethics are considered by almost one third of SMEs.

ACKNOWLEDGEMENTS

This paper is an output of the science projects IGS 8110IGS201813, TL02000559 Secure cities for pedestrians and seniors and TL02000017 Intergenerational management to support digitization in construction.

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