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

# MARKETING
## IDENTITY

Digital Life - part I.

Ľudmila Čábyová
Dana Petranová
(eds.)

**|||FMK**
Fakulta masmediálnej komunikácie
Faculty of Mass Media Communication

DIGITAL LIFE

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

# MARKETING IDENTITY
## Digital Life – part I.

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Conference Proceedings
from International Scientific Conference
10th – 11th November 2015
Congress Hall of the Slovak Academy of Sciences
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Fakulta masmediálnej komunikácie
Faculty of Mass Media Communication

Trnava
2015

**MARKETING IDENTITY: Digital Life – part I.**
Conference Proceedings from International Scientific Conference „Marketing Identity 2015: Digital Life", 10th - 11th November 2015, 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**
**Digital Life**

*International Scientific Conference, 10th – 11th November 2015*
*Congress Hall of the Slovak Academy of Sciences*
*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 twelfth time at the Smolenice Castle, Slovakia, is organised by the Faculty of Mass Media Communication UCM in Trnava. The conference took place on 10th – 11th November 2015. It was attended by nearly 200 participants coming from 8 countries who were affiliated with more than 30 different academic and research institutions and 15 professional organisations.

The main theme of the conference was concisely expressed by its subtitle: Digital Life. The issue of digital life is currently related to ordinary lives of us all. Whether in terms of private life or business practices, people around the world are dragged into the digital environment, use its undeniable benefits and at the same time deal with inevitable negative aspects of digital communication. 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: Digital Marketing
- Section 2: Digital Consumer
- Section 3: Digital Games
- Section 4: Digital Media

We would like to pay particular attention to the third section aimed at discussing digital games – individual contributions to the associated issues

were aimed at various aspects of this highly dynamic and current field of scholarly interest which is, named as Theory of Digital Games, an important latest addition to the study programmes offered by the Faculty of Mass Media Communication. It is a rather new field of academic interest which is nowadays reflected on frequently and very enthusiastically.

We were honoured to meet many regular but also new participants and guests from abroad. Our foreign guests came from Austria, the Czech Republic, Germany, Poland, Romania, Russia and the United Kingdom. Besides welcoming many professionals 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 practical perspectives of discussion 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.

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/mi2015

**Faculty website:** http://fmk.sk

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

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**Dear Friends, Dear Colleagues,**
**Dear Members of Scientific Community,**

I am proud to present the conference proceedings related to the annual international scientific conference Marketing Identity 2015: Digital Life. The conference was organised by the Faculty of Mass Media Communication at the University of SS. Cyril and Methodius in Trnava on 10th and 11th November, 2015 in the Congress Centre of the Slovak Academy of Sciences in the Smolenice Castle (District of Trnava, Slovakia).

While looking for a suitable and interesting main topic of the 12th year of our traditional academic event, which would be able to attract the attention of scholarly circles and also open new communication lines in order to discuss and consider the given problems within business practice, we followed the message of Peter F. Drucker's famous quote: *"Innovation is the specific instrument of entrepreneurship... the act that endows resources with a new capacity to create wealth."* Nowadays, in the ever-changing business environment influenced by strengthening competition strategies, innovation is the main driving force of meeting all needs and expectations expressed by increasingly demanding customers. Marketing Identity 2014's main discussion topic, "Explosion of Innovation", was thus followed by focusing on digital forms of innovation in 2015.

The academic, research, project as well as publishing activities of the Faculty of Mass Media Communication are strongly associated with the field of media studies – our autumn scientific conferences focus on the issues of marketing, marketing environment, marketing communication and consumer behaviour, while the spring conferences look for answers to the questions of media functioning, media ethics and media philosophy.

Lately, our Faculty has been intensively engaged in scholarly reflections on the issues of digital games and digital games theories. The new study programme titled *Theory of Digital Games* was introduced in the academic year 2015/2016. It is a modern study programme, one of a kind in the Central European research and scholarly environment. Dana Petranová, Dean of the Faculty, outlines its importance and uniqueness: *"Digital games are, on the one hand, a young and so far unexamined artefact of our culture and society – on the other hand, the video and computer games industry is a dynamic part of media production and lucrative segment of the entertainment industry."*

Taking into consideration this basic premise, the scientific and organising committee of the conference decided to deal with the topic of **Digital Life** which was, in accordance with thematic specification of individual contributions, divided into 4 sections: Digital Marketing, Digital Consumer, Digital Games, and Digital Media. The digital life, being a unique phenomenon in its nature as well as the latest trend in communication in the 21st century, is frequently discussed by sociologists, psychologists, marketing specialists and media theorists. Contemporary generation of so-called digital natives[1] (the generation that was born to the world of digital media and the Internet) spends increasing amounts of time in the online environment. The virtual world gives the digital natives extensive opportunities to communicate via various channels, look for entertainment, educate themselves, establish their relationships, contribute to lives of smaller or bigger communities, make purchasing decisions or perform financial operations. On the contrary, digital immigrants[2] (older persons who were not born to the digital world) have to adapt to the new world which has emerged throughout their adult lives. This adaptation process is quite demanding – the aim here is not to feel as strangers within the new world of digital communication and culture. The outlined issues became the essential topic of discussions during Marketing Identity 2015.

I am delighted to conclude that the above-mentioned selection of 12th annual Marketing Identity conference's main topic was the right way to take steps towards deeper scholarly understanding of the related problems. Compared to previous years, the conference enjoyed more attention than ever before, whether in terms of the number of registered participants, the amount of presented scientific contributions or published academic texts of the highest quality. The conference welcomed nearly 200 attending scholars and professionals coming from 8 countries who were affiliated with 32 different academic institutions and research organisations. The conference proceedings *Marketing Identity 2015* are published in two different volumes, as *Marketing Identity – Part I.* and *Marketing Identity – Part II.* I am convinced that our Faculty's scientific events are so popular not just because of their proceedings being indexed in the renowned international citation database *Web of Science,* but also thanks to offering a unique, friendly and at the same time highly professional discussion environment which is, in terms of

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

scholarly fields of media studies and marketing communication and their development in Slovakia, currently unmatched. Using the words of renowned Professor Jaroslav Světlík, one of the regular conference participants, our conferences are nowadays unmatched also within the whole Central Europe.

Dear conference participants, please let me express my belief that the conference proceedings from *Marketing Identity 2015* you are holding in your hands will offer you a lot of interesting and inspiring knowledge and opinions useful for further academic or professional discussions and future development of the field of marketing communication. I believe that you will continue to honour us with your kind support and we will meet in Smolenice in 2016 and in many years to come.

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# MARKETING
## IDENTITY

2015

# Digital
# Marketing

# THE USE OF DIGITAL MASS MEDIA BY TOP OFFICIALS OF THE SLOVAK REPUBLIC

*Katarína V. Bratková*

**Abstract**
Social marketing and social media dominate current global media trends. For the last decade they have gone through significant technological development and various innovative processes. Media and marketing experts confirm that social media are part of most people's daily lives and are used in their daily work. Political leaders and state officials in Slovakia have become aware of the importance of social media and are using the medium for presentation of their ideas, as well as themselves. This paper assesses the use of social media by the primary government officials of the Slovak Republic (the President, Speaker of the National Council (Parliament), Prime Minister and Minister of Foreign and European Affairs) and also by their offices as part of a strategy for comprehensive marketing and communication via mass media.

**Key words:**
Communication. Digital marketing. Mass media. Presentation. Slovakia. Social media. State officials.

## Introduction

Mass media, without making any specific distinctions, has become the most used marketing and communication channel. The basic requirement for any presentation in today's digital age is use of digital mass media instruments. This is also confirmed by the tendencies of classic traditional mass media (newspapers, broadcast, television) to use digital sources and social media as complementary tools to their work, transferring the content of their materials directly to the internet and social media, which allows them to bring these dynamics to their work. More than three billion people use the internet according to the most recent statistical information. The most users of the internet are in Asia (47.8% of the total), Europe (18.5%), Latin America and the Caribbean (10.2%), North America and Africa (each 9.6%), the Middle East (3.5%) and *Austr*alia and Oceania (0.8%).[1] The largest growth in internet use has occurred in Africa (growth of more than 6839.1% since 2000), the Middle East (growth of more than 3426.1%) and Latin America and the Caribbean (1743.6%). The greatest internet penetration is in North America, followed by Europe and Australia and Oceania. These data confirm the growth in internet users, which has influenced the media and marketing communications as well as the behavior of users. Corporate research, titled the Connected Life, conducted by TNS Slovakia,

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1    *Internet World Stats.* [online]. [2015-11-05].
     Available at: <http://www.internetworldstats.com/stats.htm>.

divided Slovak consumers into four groups according to their behavior, approach and motivation[2]:

- **Leaders** (31%) – young people who spend more than 6 hours daily on the internet, for whom not only the content of the brand is important but also recommendations of other users of the brand.
- **Functionaries** (33%) – users who prefer traditional media but use the internet because they want to keep abreast of the times; they do not trust the internet media.
- **Observers** (17%) – these persons use the new technologies, they are consumers of the brands, but they do not build the content and they are not open to active communication.
- **Connectors** (21%) – a group of people with lower incomes using social media for interaction, where they follow the content of a brand.

These data also confirm that digital technologies have built up a new concept for mass media and marketing communication, which affects private companies as well as public and state administration. Experts on online media, digital PR and marketing experts have also confirmed this. Their opinion is that political marketing is almost like commercial *marketing*, it is only conducted differently.[3] Email marketing, mobile marketing and social media together are the most significant modality in digital marketing.

## 1 Use of the internet in the world

Quick communication and rapid interaction provided by internet tools and social media are the essential elements in the fast-developing and changing world. The digital world hit a milestone in 2014 according the Digital, Social and Mobile Worldwide report and 2015 was expected to record an even more intensive boom, with more than 50% of the world's population having internet access in 2016 through mobile devices.[4] Social media predict the same trend and developing countries expect massive growth of new users of social media by the end of 2015. The number of active internet users grew by 21% compared to the previous year and an additional 12% of users have social media accounts. The number of mobile users increased 5% and more than 23% use social media applications on their mobile phones.[5] According to this research, users spend an average of 4 hours and 25 minutes on the internet each day while the internet was used most frequently on the Asian continent (people in Asia had an average internet connection time exceeding 6 hours). Users of social media spend an

2   VALLO, A.: V online priestore sú 4 typy spotrebiteľov. In *Stratégie*, 2015, Vol. 21, No. 10, p. 43.
3   Stratégia: Online summit 2015. Internet pol roka pred voľbami. In *Stratégie*, 2015, Vol. 21, č. 10, p. 47.
4   *Digital, Social and Mobile Worldwide in 2015*. [online]. [2015-11-05] Available at: <http://wearesocial.net/blog/2015/01/digital-social-mobile-worldwide-2015/>.
5   Ibidem.

average of 2 hours and 25 minutes on the internet but Argentinians and Filipinos exceed this average and have daily internet usage of more than 4 hours. Facebook has 1.366 billion users in the world and is the most significant social medium (as of January 2015).[6] Strong monthly growth – more than 100 million users – is seen for instant messaging and chat programs such as WhatsApp, WebChat, Facebook Messenger and Viber.

## 1.1 Use of the social media in Slovakia's state administration

Very few companies exist that do not have a platform on the internet. This trend has been followed as well by state and public administration in Slovakia. The offices of all constitutional officials of the Slovak Republic have their own internet pages: the President of the Slovak Republic (https://www.prezident.sk/), the National Council of the Slovak Republic (http://www.nrsr.sk/web/) and the Government of the Slovak Republic (http://www.vlada.gov.sk/). Government ministries and other primary state institutions also have their own internet pages. Today, the success of a company or institution, in the current interconnected world, depends on the public being involved in the building of their content and values. This was shown in the election campaign of President Andrej Kiska, whose communication team turned a profit in the campaign through citizens' input.[7] The webpage of the President's Office has basic information about the office and its organizational structure, information about the primary duties of the office and data about heads of divisions in the office and their duties. The president's own internet page, with his personal profile, is a first for a president of the Slovak Republic and he used it as well in his presidential campaign (www.andrejkiska.sk). Neither the Prime Minister of the Slovak Republic, Robert Fico, nor the Speaker of the Slovak Parliament, Peter Pellegrini, has their own internet page. Other than the official internet pages, representatives of state institutions do not use social media (Facebook, Twitter, etc.) as a complementary media tool. The Government of the Slovak Republic and the Slovak Parliament have accounts on Facebook but they are rarely used by these institutions. The highest constitutional state institutions – Office of the President of the Slovak Republic, National Council of the Slovak Republic and the Office of the Government of the Slovak Republic – are presented on social media through the social accounts of their highest officials.[8]

- **President of the Slovak Republic, Andrej Kiska –** user of Facebook, Twitter, and YouTube
    - Facebook – 205,876 followers,
    - Twitter – 6,682 followers, follows 3 accounts, 20 tweets,
    - YouTube – 1,201 subscribers.

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6     Ibidem.
7     Stratégia: Online summit 2015. Internet pol roka pred voľbami. In *Stratégie*, 2015, Vol. 21, No. 10, p. 47.
8     Facebook, Twitter, YouTube, Blogs.

- **Speaker of the National Council of the Slovak Republic, Peter Pellegrini –** user of Facebook and Twitter
  - Facebook – 3,.589 followers,
  - Twitter – 8 followers, follows 3 accounts, no tweets,
  - Digital leader Peter Pellegrini (http://www.digitalnylider.sk/) – this position was developed from an initiative by the European Union in which he should carry out the goals of the EU digital agenda on the national level and supervise its implementation.
- **Prime Minister of the Government of the Slovak Republic, Robert Fico –** user of Facebook, Twitter and a Blog
  - Facebook – both activated accounts are available after a request to be a friend ,
  - Twitter – 193 followers, follows 93 accounts, 20 tweets,
  - Blog http://fico.blog.sme.sk/ – last time active was on 15 August 2015, the average lecture of the articles is 37,392.

Based on these data, Slovakia's constitutional officials use the various social media for their own personal presentation as well as for that of their office. The official internet pages are usually used for presentation of the office and Facebook is the most popular social media tool for officials' personal presentations. Based on the statement of Federica Mogherini, vice-president of the European Commission and High Representative for Foreign and Security Policy, Twitter has proven to be a most revolutionary social media tool in politics. She called it "an extraordinary channel of diplomacy and of communication".[9] The most active user of Twitter in Slovakia is Miroslav Lajčák, Deputy Prime Minister and Minister of Foreign and European Affairs of the Slovak Republic. He joined Twitter on 16 April 2013 and is followed by 7,919 users, follows 706 users and has published 2,575 tweets.[10] The Ministry of Foreign and European Affairs of the Slovak Republic also has its own Twitter account.

### 1.2 Ministry of Foreign and European Affairs of the Slovak Republic and social media

The Ministry of Foreign and European Affaires of the Slovak Republic is probably the most active state institution in social media. Besides its official internet page (www.mzv.sk) the ministry actively uses Facebook (https://www.facebook.com/mzv.sk/?fref=ts), Twitter (https://twitter.com/SlovakiaMFA), YouTube (https://www.youtube.com/user/mzvsr) and Flickr (https://www.flickr.com/photos/mzvsr).
- **Ministry of Foreign and European Affairs of the Slovak Republic**
  - Facebook – 3,675 followers,

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9  *Twiplomacy Study 2015*. [online]. [2015-11-05]. Available at: <http://www.twiplomacy.com/blog/twiplomacy-study-2015/>.
10  *As of 07.11.2015 on Twitter*. [online]. [2015-11-05]. Available at: <https://twitter.com/MiroslavLajcak>.

○ Twitter – 3,803 followers, follows 96 accounts, *899 tw*eets,
○ YouTube – 109 followers, 228 videos in six sections,
○ Flickr – 3 followers, 417 shared photos.
- **Miroslav Lajčák, Deputy Prime Minister and Minister of Foreign and European Affairs of the Slovak Republic**
  ○ Facebook – 2,330 followers,
  ○ Twitter – 7,919 followers, follows 706 and *2*,575 tweets,
  ○ Blog http://lajcak.blog.sme.sk/ – last time active on 30 July 2015, the average lecture of the articles is 14,247.

Two state secretaries of the Ministry of Foreign and European Affairs of the Slovak Republic, Igor Slobodník and Ivan Korčok, are also active on social media, using Facebook and Twitter in their public communications. State Secretary Slobodník is active on both Facebook, 76 followers, and Twitter, 74 followers, while State Secretary Korčok is only on Facebook, 305 followers. There are 50 Slovak Embassies, General Consulates, Permanent Missions, economic and cultural offices and other Slovak institutions, which are currently trying to unify their logos.



Source: *Ministry of Foreign and European Affairs of the Slovak Republic*. [online]. [2015-11-07]. Available at: www.mzv.sk.

Social networks are used by other government officials of the Slovak Republic, for example Peter Kažimír, Deputy Prime Minister and Minister of Finance, as well as the Slovak ministers of transport and defense.

### 1.3 Use of the social media by Self-governing regions of Slovakia

Some Slovak self-governing regions also use social media. Only the Košice Self-Governing Region has no presentation on Facebook. The Nitra Self-Governing Region has 142 followers (www.unsk.sk), the Trnava Self-Governing Region has 179 followers (www.trnava-vuc.sk) and the Trenčín Self-Governing Region has 369 followers (www.tsk.sk). These three self-governing regions have a reference to Facebook on their official internet pages. Three self-governing regions have surpassed 1,000 followers and the Prešov Self-Governing Region has created two accounts; one is based on a friend request, with 779 friends, and the other is a public account with 392 followers, together with 1,171 fans. The Banská Bystrica Self-Governing Region has a few more followers (1,184) than Prešov

and the 5,000 threshold has been exceeded by the Žilina Self-Governing Region with 5,194 followers. These last three self-governing regions have references on their Facebook pages to their official internet pages (www.vucpo.sk, www.bbsk.sk, www.regionzilina.sk). The Bratislava Self-Governing Region has the most successful Facebook page according to the number of its followers, even though it is somewhat confusing as the official Facebook page of the Bratislava Self-Governing Region is registered under the name *The Region Bratislava, the best place for living*; it has 24,080 followers. The Bratislava, Žilina and Banská Bystrica self-governing regions have increased their numbers of new fans and followers since August 2015 while the number of fans of the Nitra Self-Governing Region has decreased from 166 to 142.
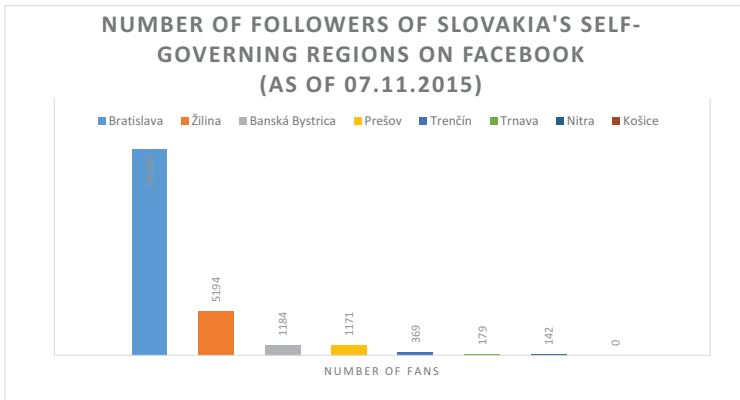


**Chart 1: Number of followers on Facebook accounts of the Self-Governing Regions of the Slovak Republic**
Source: *Facebook.* [online]. [2015-11-07]. Available at: <http://www.facebook.com>.

The non-governmental organization Transparency International Slovakia prepared a case study about the use of Facebook to present the official work of Slovakia's self-governing regions. This research found that information about official decisions of the self-governing regions was lacking in almost all the Facebook pages. Inter alia, the research paper asserts that "the news on the official Facebook page of the Banská Bystrica Self-Governing Region is more about the political and marketing activities of the regional governor than about the work of the self-governing Region".[11] Other self-governing regions dedicated the space on Facebook to their activities in an adequate form but the research report indicated that some of the activities of the Žilina Self-Governing Region were also dedicated to the Smer political party. In addition to the activities mentioned, other information about cultural activities was featured on Facebook.

11  MAČOŠKOVÁ, A.: *Ako využívajú sociálne siete samosprávy? Župan si mýli profil kraja so súkromnou stránkou.* [online]. [2015-11-05]. Available at: <http://www.aktuality.sk/clanok/303959/ako-vyuzivaju-socialne-siete-samospravy-zupan-si-myli-profil-kraja-so-sukromnou-strankou/>.

In general it can be asserted that Slovak political officials use social media in their work, mostly on Facebook. The aim of using social media is not only the presentation of political messages but also as a tool to approach the public. The accounts of Andrej Kiska, President of the Slovak Republic, Marian Kotleba, the Governor of the Banská Bystrica Self-Governing Region, Monika Flašíková-Beňová, a member of the European Parliament, and Rado Procházka and Jozef Mihál, members of the Slovak National Assembly [12], attest to the growing number of Facebook followers in Slovakia.

## 2 Visual identity of the state and public administration

It can be argued that the state and public administration at this time do not have a unified visual presentation. The first attempt at unification of the state's visual identity dates back to 2009 when the Ministry of Foreign and European Affairs of the Slovak Republic began to develop a unified presentation for the Slovak Republic abroad. This project remains ongoing but it should be finished next year after completion of this extensive project in branding the Slovak Republic. In addition to the new communication messages, building up a new, unified visual identity for the state administration is planned. Graphic designer Jraj Blaško has stated "the change in the visual identity should reach all components of state administration and should reflect the real internal changes in the organization of state administration".[13] The visual identity of the state administration can be characterized as the complex of visual components that connects the individual elements of the state (and eventually public administration) to a compact image that communicates their messages to the public (residents and foreigners) in a unified way. Blaško's research confirmed that the 13 ministries and 9 central institutions of state administration currently use different logos with diverse color schemes.

12  KYSEĽ, T.: *Fico, Kiska či Kotleba? Najúspešnejší politici na sociálnej sieti.* [online]. [2015-11-07]. Available at: <http://www.aktuality.sk/clanok/301924/fico-kiska-ci-kotleba-najuspesnejsi-politici-na-socialnej-sieti/>.
13  BLAŠKO, J.: *Aj štátna správa má svoju vizuálnu identitu.* [online]. [2015-11-05]. Available at: <http://brandingslovenska.com/juraj-blasko-graficky-dizajner-aj-statna-sprava-ma-svoju-vizualnu-identitu/>.

Source: *BLAŠKO, J.: Aj štátna správa má svoju vizuálnu identitu.* [online]. [2015-11-07]. Available at: <http://brandingslovenska.com/juraj-blasko-graficky-dizajner-aj-statna-sprava-ma-svoju-vizualnu-identitu/>.

The Netherlands, Denmark and Germany are some of the countries that have changed and unified the visual identity of their state administrations in the past and all of their state institutions use this unified motif.
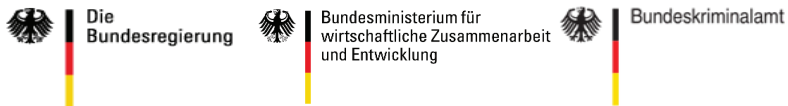


Source: BLAŠKO, J.: *Aj štátna správa má svoju vizuálnu identitu.* [online]. [2015-11-07]. Available at: <www.bundesregierung.de, www.bmz.de>.

The change of the visual identity of the state cannot be successful and accepted if it is not accompanied by a new comprehensive communication and marketing strategy. This has been confirmed by the effort of the Ministry of Foreign and European Affairs of the Slovak Republic that has already worked on preparation of a new branding strategy for several years, involving the public in the process. The brand Slovakia can be successful only if all state institutions and the public identify themselves with it. The Ministry of Foreign and European Affairs announced a new public procurement for the brand Slovakia for a second time in October 2015 after the selection commission was unable to table a definitive winner because none of the accepted projects fulfilled the specific requests. Twelve entities had been interested in the competition but only three of them prepared actual applications and only two projects could be evaluated because one of the three applications would not accomplish the goals. The selection commission could not reach a final decision as neither of the two remaining projects achieved more than half the votes of the commission members. The ministry then adjusted the requirements (the condition for a photo bank and video spot was eliminated) and called for a new procurement. The winner should become known at the end of the year 2015.

## 3 Twitter and world leaders

During recent years Twitter has developed into a solid tool for "digital diplomacy" for world leaders, governments, ministries, ministers and diplomats. Twitter has

become a powerful communication tool for government officials. According to the 2015 Twiplomacy Study, Twitter was the most important media channel for all parties during the Iranian talks in Lausanne, the main propagator of the historical hand-shaking between Presidents Barack Obama and Raul Castro and one of the main channels for the announcement of Hillary Clinton´s candidacy for U.S. president. Governments, which invest the financial and human resources for digital communication, are considering which of the methods is most effective. Currently, more than 4,000 embassies in the world use Twitter. The most popular and followed accounts are those of President Barack Obama (more than 56 million followers), Pope Francis (at least 20 million), Prime Minister Narendra Modi of India (at least 11 million) and President Recep Erdogan of Turkey (more than 6 million). Among government institutions, the White House has the most followers and President Petro Poroshenko of Ukraine has most rapidly increased the number of followers during the last year. According to this study, Pope Francis is the world's most influential leader in the digital era as his posts are quickly shared (retweeted) ten thousand times. The next positions are occupied by the King of Saudi Arabia and the President of Venezuela followed by President Obama (1,210 shares). The best interlinked diplomatic personalities are the ministers of foreign affairs of France (Laurent Fabius), Russia (Sergey Lavrov), the European EEAS (Federica Mogherini) and Norway (Børge Brende) all of whom have 80-100 mutual connections. The Ministry of Foreign Affairs of Sweden under Minister Carl Bild was the pioneer in digital diplomacy. The best country in using "Twiplomacy", is the United Kingdom with close to 240 accounts on Twitter, followed by Russia (160), Poland (157) and Israel (146). World institutions most followed on Twitter are the United Nations, the White House, the New York Times and Reuters News Agency. The President of Rwanda, the Prime Minister of Norway, the President of Ecuador and the ministers of foreign affairs of Rwanda and Kuwait reply most often to their followers. The largest number of world leaders registered on Twitter during the period 2010-2012. Although the most widespread tweet language is English, the most-used language is Spanish, followed by English, French, Arabic and Russian. The majority of ministers of foreign affairs publish their comments in English. Many representatives also use photos in their tweets. The team of Burson-Marstellera, in its 2015 Twiplomacy Study, identified and examined 669 accounts of the heads of state and governments and ministers of foreign affairs with offices in 166 countries in the world.[14]

Among the European institutions with registered Twitter accounts were the Council of Europe (139,000 followers and about 2,000 tweets), the European Commission (489,000 followers and 18,800 tweets), the European Parliament (182,000 followers and 13,200 tweets) and the EEAS (116,000 followers and 13,900 tweets). The European officials most active on Twitter are: Donald Tusk, President of the European Council with two active accounts (303,000

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14   *Twiplomacy Study 2015.* [online]. [2015-11-05]. Available at:
     <http://www.twiplomacy.com/blog/twiplomacy-study-2015/>.

followers, 3,832 tweets); Jean-Claude Junker, President of the European Commission also with two active accounts (205,000 followers, 1,194 tweets); Martin Schulz, President of the European Parliament with one (personal, not official) account (209,000 followers and 3,582 tweets); and Federica Mogherini, High Representative of the European Union for Foreign Affairs and Security Policy (176,000 followers, 5,328 tweets).[15]

The most active state on Twitter among the Visegrad Group (V4) is Poland and it has the most state officials and institutions on this medium (Office of the President, Office of the Government, Prime Minister and Ministry of Foreign Affairs). The least active from among the Visegrad Group is Hungary, where only the Prime Minister and his Government Office use Twitter. Twitter is used in the Czech Republic by President Miloš Zeman, Prime Minister Bohuslav Sobotka and Minister of Foreign Affairs Lubomír Zaorálek. The Czech institutions using Twitter are the Office of the Government and the Ministry of Foreign Affairs. The Presidency of the V4 also has its own account on Twitter; it was established during the Slovak Presidency.

## Conclusion

Ministries and central institutions of the state as well as the highest state officials in Slovakia have begun using social media as a presentation tool and the Ministry of Foreign and European Affairs has used them the most. But in comparison with foreign institutions, Slovakia still lags behind in the use of social media. The Slovak National Council (except for some Members of Parliament) does not use any social media to report on its work, in contrast to the European Parliament where social media are an important communication tool. To be closer to the European public the European Parliament uses 13 social media tools (EP Newshub, Facebook, Twitter, Google Plus, LinkedIn, Foursquare, Flickr, Instagram, YouTube, Pinterest, Spotify, Vine and emails) to present itself.[16] Considering the enormous growth in internet connections and the number of users of social media (not only young people), the Slovak government and state institutions should use social media more often for presentation of their work. Current trends show that expansion of digital media will continue into the future and take over the traditional duties and influence of the classic media.

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15  *As of 07.11.2015 on Twitter*. [online]. [2015-11-05]. Available at: <https://twitter.com/>.

16  *Európsky parlament*. [online]. [2015-11-05]. Available at: <http://www.europarl.europa.eu/atyourservice/sk/20150201PVL00030/ Soci%C3%A1lne-m%C3%A9di%C3%A1>.

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# MARKETING IN AN ENVIRONMENT
# OF THE SOCIAL NETWORKS

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**Abstract**
Social marketing applies a procedure of logical planning of processes consisting of the research aimed at the consumer, market analysis, segmentation, setting of targets, and the identification of strategies and tactics. The aim of each company that presents itself on the Internet is to have its websites frequently visited to ensure the market is aware of the company name, its products and services. Promotion of the company, its products and services through social networks provides benefits that cannot be achieved by an advertising campaign in other media.

**Key words:**
Social Marketing. Social Media. Social Networks. Social Web.

## Introduction

In the current digital era, the social networks and communication via them are used by more than half of the Internet population. This trend is constantly evolving and growing. A sense of identity is more variable; the feeling of privacy is expanding. What was once considered intimate is now being experienced along with millions of people by pressing a key.

We all live our lives through a variety of experiences with friends or acquaintances, who belong to our social circles. These are the people, who attend the same school, live on the same street, or work in the same company, as we do. Dresses they wear, phones they use and brands they like affect our positive or negative evaluation to a certain extent, making us to confront with them. They are the same consumers as we are but, nevertheless, they somehow subconsciously influence our opinions and ideas.

We all have once experienced a situation, where we were offered the products in the ads through celebrities from the show business or sports. We respond to their sincerity, humor or coercion and accept their marketing message that becomes reflected in subconscious changes in our existing way of life. We start thinking differently about our financial savings, the benefits of the best mobile operator guaranteed; we buy products that we haven't had noticed yet and, particularly, haven't put in our shopping carts. To draw from a relatively nearby history of the Internet communication, we could see it has passed several stages so far.

There were e-mails at the beginning that replaced traditional letters, but failed to offer the people any new possibility of interaction. The second stage was in the various forums, where almost everything could be discussed. Only later,

something new has come that made communication really interactive. These were the first chats. The real revolution in the Internet communication, however, has come about with the advent of social networks yet. Facebook, the social medium, raised the Internet communications to a highest possible level, apart from video calls through Skype. It has been operating for several years also in Slovakia, and many people have already considered it a part of their lives, such as the phones or e-mails.

## 1 Breakthrough of Social Networks in Slovakia

A massive increase in popularity of social media which, after 2007, started to be evident also in Slovakia, has significantly affected some still ingrained habits and patterns of behavior of Internet users. Servers like YouTube, Twitter, Technorati, and Delicious, but mainly the Facebook social network, have become the focal points of the virtual world over time. The pro-social functioning is something that makes social networking so popular; the focus there is to produce own content, personalize it, and share it with others.[1]

A study developed by the Institute for Public Affairs (IPA) has brought the answer as to how the Slovaks perceive social networks. The study looked at the topic of digital literacy and informatization of the Slovak society. The FOCUS Agency conducted a data collection in the field and their recording in the questionnaires on the basis of face-to-face interviews, by selecting a representative sample of 1,135 respondents of over 14 years of age. Data collected were processed and analyzed using standard statistical methods and practices with the professional SPSS software.[2]

**Table 1: The Use of Social Networking by 14+ Slovak Population**

| Use of social networks – the total share in the 14+ Slovak population | |
|---|---|
| Uses | 54 % |
| Knows, but does not use | 25 % |
| Does not know, has no idea what it is about | 21 % |

Source: VELŠIC, M.: *Social Networks in Slovakia.* Bratislava : IVO Bratislava*, 2012, p. 16.

The table shows that every other person in Slovakia has had a real contact or experience with the social networks. On the other hand, a quarter of the population consists of those who, although do know the social networks, haven't used it yet; another fifth is formed by respondents, who do not know social

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1    MURÁR, P.: Social Media in the Election Campaign of 2010 Municipal Elections. In *New Trends in Marketing. Consequence of the Economic Crisis – a Challenge for Marketing.* Trnava : FMK UCM in Trnava, 2010, p. 71-83.

2    VELŠIC, M.: *Social Network in Slovakia.* [online]. [2015-09-11]. Available at: <http://www.scribd.com/doc/86332262/Socialne-siete-na-Slovensku>.

networks at all, or do not know what it is. The survey also resulted in the fact that nearly 80 % of the Slovak population does respond to the existence of the social networks on the Internet (Table 2).

Table 2: Intensity/Frequency of Use of Social Networks – the Entire Slovak Population of 14+; the 14+ Internet Users

| The intensity/frequency of use of social networks in Slovakia | | | | |
|---|---|---|---|---|
| | The entire population of SR of 14+ | | Internet users of 14+ | |
| Daily/almost daily | 21% | High 21 % | 30 % | High 30 % |
| 4 – 5 days a week | 8 % | Medium 17 % | 12 % | Medium 25 % |
| 2 – 3 days a week | 9 % | | 13 % | |
| About once a week | 7 % | Low 16 % | 10 % | Low 22 % |
| 1 – 3 times a month | 4 % | | 5 % | |
| Less often | 5 % | | 7 % | |
| Knows what it is about, but does not use it | 25 % | | 22 % | |
| Does not know what it is at all | 21% | | 1 % | |

Source: VELŠIC, M.: *Social Networks in Slovakia.* Bratislava : IVO Bratislava*,* 2012, p. 18.

The general social importance of social networks is not documented only by the fact that they are actively used by every second Slovak, but also by the intensity or frequency they are being used. As can be seen from the table, these findings sound quite favorably. Every fifth inhabitant over 14 years of age uses social networks daily or almost daily.

Table 3: Frequency of the Use of Social Networks by Socio-Demographic Groups (in %)

| Frequency of the use of social networks by socio-demographic groups (in %) | | | | | |
|---|---|---|---|---|---|
| | | High | Medium | Low | Not used |
| Sex | Men | 21 | 18 | 19 | 42 |
| | Women | 21 | 17 | 13 | 49 |
| Age | 14 – 17 years | 59 | 21 | 11 | 10 |
| | 18 – 24 years | 51 | 27 | 15 | 8 |
| | 25 – 34 years | 30 | 29 | 16 | 24 |
| | 35 – 44 years | 13 | 23 | 26 | 38 |
| | 45 – 54 years | 12 | 12 | 22 | 55 |
| | 55 – 59 years | 5 | 8 | 8 | 80 |
| | 60 + years | 0 | 3 | 5 | 91 |

| | | | | | |
|---|---|---|---|---|---|
| **Education** | Primary School | 21 | 11 | 7 | 62 |
| | Secondary school, no school-leaving exam | 11 | 16 | 20 | 53 |
| | Secondary school with school-leaving exam | 26 | 23 | 18 | 33 |
| | University | 35 | 21 | 19 | 25 |
| **Employment** | Manual workers | 14 | 17 | 22 | 48 |
| | Collar workers | 28 | 27 | 20 | 25 |
| | Entrepreneurs, freelancers | 20 | 20 | 21 | 39 |
| | Students | 61 | 23 | 9 | 7 |
| | Unemployed | 16 | 18 | 16 | 49 |
| | At home | 22 | 24 | 19 | 35 |
| | Pensioners | 0 | 2 | 4 | 93 |

Source: VELŠIC, M.: *Social Networks in Slovakia.* Bratislava : IVO Bratislava*,* 2012, p. 17.

As is apparent from the data indicated in Table 3, the intensity of the use of social networks is quite differentiated in terms of various socio-demographic groups. The table documents the fact that the frequency sharply increases with the decreasing age of the respondents. A similar dependence can be seen in terms of education, i.e. the more educated user, the higher the frequency of the use of the social networks. A higher proportion of intensive users of social networking from among respondents with primary education is, however, worth mentioning.

There are even more significant differences that can be seen in terms of the economic activity of respondents. Although the daily use of social networks clearly dominates in the students (61 %), it is just over a quarter (28 %) among those working mentally, and only one fifth in entrepreneurs and housewives (or women on maternity leave), i.e. the Slovak average.

**Table 4: Use of Specific Types of Social Networking in %**

| Use of specific types of social networking in % | | |
|---|---|---|
| | % of the total Slovak population of 14+ | % of Internet users of 14+ |
| Facebook | 49 | 70 |
| Pokec (Chat) | 32 | 45 |
| WindovsLive | 6 | 8 |
| Twitter | 4 | 6 |
| MySpace | 4 | 6 |
| LinkedIn | 0,5 | 1 |
| Other | 9 | 12 |

Source: VELŠIC, M.: *Social Networks in Slovakia.* Bratislava : IVO Bratislava*,* 2012, p. 10.

The table shows that despite the high diversity and virtually unlimited regional accessibility of social networks, two of them are dominant in Slovakia. As shown in Table, Facebook can be regarded a "number one" network, as it is used by total of 49 % of the Slovak population, i.e. every second person at the age of over 14 years.

***Profiles of Users of Social Networks in Slovakia***
If developing a general profile of a Slovak user of social networks, it could look like this:
• Man as well as woman; user aged 14 to 44;
• Graduated from the secondary school or college/university; student, collar worker, entrepreneur;
• Respondent from an economically better situated home or household, consisting of young people or children below 18;
• Citizen of a bigger city or resident of the Bratislava region.


## 2 Internet – a Suitable Environment for Marketing Activities

Marketing is a summary of activities aimed at affecting the sale of the products, or creating brand awareness. Internet marketing, also including, for example, a communication with customers, is gaining an ever stronger position in recent years. There are several reasons as to why this is so, and what are the benefits of the Internet marketing compared to the "standard" one:
• ***Efficiency*** – the costs necessary for the conversion in the Internet marketing (e.g. customer order in the e-shop) are significantly lower;
• ***Measurement, statistics*** – something that traditional marketing lacks. When a billboard is placed next to the highway, it cannot be exactly determined how many people have spotted it, or how many of them bought the product; measurement of conversions and targets in the Internet marketing can be achieved in just a few clicks;
• ***Ability to work 24 hours a day, 7 days a week*** – it is an advantage for the Internet businesses, as the customers can find companies and their products whenever they need, from any location;
• ***The ability to instantly launch a campaign*** as soon as the company created an online store. Professionals can create a comprehensive campaign in few hours;
• ***Easy communication with customers*** through a Facebook status, where customers can post, e.g. what they would welcome in the e-shop; the company can also interact with their customers by creating simple polls, or sending newsletters;
• ***Endless number of promotional channels*** in the Internet marketing, through which a company can promote their product through different applications, virtual videos, Internet campaigns, or by creating eye-catching banners. In addition to the above reasons, every company could mention another ones. Internet marketing is moving steadily forward; there is always a possibility to come up with new ideas.

Internet marketing, or also online marketing, is defined as *the use of Internet services to implement and support marketing activities.*[3] Internet marketing, however, has also other names, such as electronic, i.e. e-marketing or i-marketing, on-line marketing, or web marketing. It can also be characterized as a number of activities, practices and procedures that seek to meet the objectives, acquire new visitors, keep them, and transform their visits to the purchases. In case of marketing on the Internet, the definitions can be applied that refer to the *on-line marketing. It is a qualitatively new form of marketing that can be described as managing the process of satisfying human needs with the information, services or goods via the Internet. Marketing on the Internet is the application of Internet and related digital technologies aimed at achieving marketing objectives.*[4]

*Marketing on the Internet, as we know it most often, involves:*
- *SEO – optimization for search engines*, it is to achieve the best possible position for the selected key words in search engines;
- *PPC* (Pay Per Click), advertisers pay per ads clicked, and not only for display (impressions);
- *Marketing on Facebook* – every company should have had its website in the past; today, the same applies to a site on the popular Facebook;
- *Online PR* (Public Relations) to ensure that people know about the company, and the company communication was positive;
- *Microsites*, also referred to as the support sites; it regards the creation of simple informational sites to promote a particular product.[5]


## 3 Marketing on the Social Networks

Marketing on the social networks is an area that is constantly evolving. The aim of each company, which is presented on the Internet, is to have their websites visited, and to make the market aware of the name of the company, its products and services.

In marketing, social networks can be used, in particular, to achieve the objectives, such as:
- *Building PR and reputation;*
- *Creation of a community of corporate supporters;*
- *Active communication with supporters;*
- *Space for publishing content;*
- *Advertising campaigns with precise targeting.*

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3    KRUTIŠ, M.: *What is Internet Marketing.* [online]. [2015-09-09]. Available at: <http://www.krutis.com/sekce/texty/Internetovy-marketing-obecne/>.
4    Ibidem.
5    *Internet Marketing.* [online]. [2015-09-19].
     Available at: <http://www.Internetovymarketing.biz/>.

The following, in particular, can be communicated trough social networks:
• *Current events* – interesting information of the corporate internal affairs;
• *Important information* – news, announcements, instructions for use, reviews and the like;
• *Surveys and various contests* – consumer surveys and competitions;
• *Interesting photos* – photos of presentations, exhibitions, corporate events and the like;
• *Video content* – information, instructional videos and reports.

If the goal of marketing is sales promotion, the following, in particular, can be promoted through the social networks:
• *Brand of the goods or services of personal consumption;*
• *Event or action;*
• *Restaurant, cinema, theater, and so on.*[6]

Better promotion through the social networks is also associated with an increased interest in further information on the offer, company, or e-shop, which can move the company a step closer to the successful sale of its products. Users of social networks are actively using their several functions. One user has one account created in several networks.[7]

Despite all the benefits offered by social networks to the marketing, they are not suitable for absolutely everyone, and they have their own specifics. It is, therefore, necessary to consider, as part of strategy, whether this or that social network and a selected advertising channel would be appropriate for a particular product or service. Companies should regard marketing on the social networks as an important complement to other forms of on-line marketing and the overall marketing plan or strategy. Many experts in this field, therefore, recommend the companies, which are not very familiar with this issue, to turn to those companies that already have gained their positive experiences with the marketing on the social networks.[8]

## 4 Results and Discussion

The aim of the own survey implemented on-line was to map the most recent forms of communication on the social networks, such as Facebook, Twitter, LinkedIn and Myspace, and bring a holistic view of their different forms of communication for the purpose of marketing on the social networks. As a priority, we focused on the potential offered by the most popular social network, **Facebook,**

6    KREA Marketing: *Marketing on the Social Network.* [online]. [2015-09-13]. Available at: <http://marketing.krea.sk/clanky/socialne-siete/>.
7    OWYANG, J.: The *Future Of The Social Web.* Forrester Research, Inc., 2009. [online]. [2015-09-09]. Available at: <http://www.ezisk.sk/827/AKO-MOZE-SOCIALNY-WEB-OVPLYVNIT-VAS-BIZNIS_14961.aspx>.
8    Ibidem.

and, by analyzing its communication tools, we provided an overview of the possibilities of their use in developing marketing strategies of companies, and reinforcing the interaction with customers. Facebook poses the same necessity for the most companies as the e-mail communication or web presentation do. Communication takes place in an environment, where the user feels comfortable, in an environment, where he/she is used primarily to communicate with friends. He/she thus adopts a marketing message better than conventional marketing tools.

The following characteristics reflect the number of people, who are active, communicate daily together and use the services offered to them by this social network, but they may represent target groups for the companies, which they can address and hit.[9]
• The number of registered users in Slovakia is constantly increasing;
• A most numerous age group consists of users aged 25 to 34, followed by users aged 18-24 (Chart 1);
• 48 % of men and 52 % women are registered users of the Facebook social network (Chart 1);
• Facebook became a most popular social network in the world in 2014 (with estimated 750 million visitors per month).
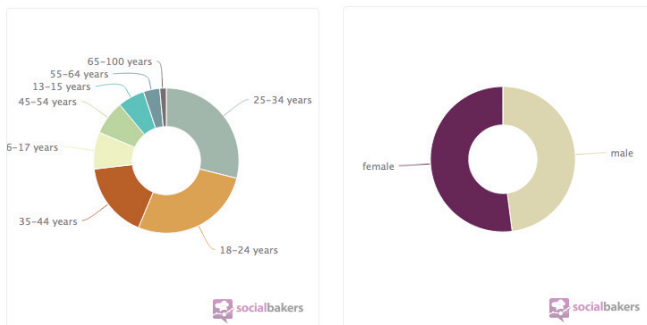


**Chart 1: Facebook – Demography of users by age and gender in Slovakia**
Source: *Facebook Statistics Slovakia 2013.* [online]. [ 2015-09-05]. Available at: <http://www.socialbakers.com/facebook-statistics/slovakia>.

Slovakia exceeded a threshold of two million users already in mid-November of 2012. In terms of the age, users are mostly represented by young people aged 25-34 years, i.e. 588,660 members. There are more women (52 %) on the biggest social network than men (48 %).[10] Communication, which may inform the customers about a new product or draw their attention to a great deal, can take various forms. This, however, always requires creativity. Only about

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9    *Facebook Statistics Slovakia 2012.* [online]. [2015-09-05].
     Available at: <http:// www.socialbakers.com/facebook-statistics/slovakia>.
10   Ibidem.

20 % of site fans in average notice a regular post. The company can, however, increase its "visibility" by the paid advertising. Also, when sharing the important information, it is worth to capture attention of the fans by a picture, animation, or any other form, which may enliven otherwise ordinary text. Finally, it is good to communicate and respond to the posts of other users that other companies, or brands, post to Facebook.

A well-functioning site on Facebook is based on the proper communication seeking to build positive relationships with the company clients. The key difference between it and other media or standard websites is in a two-way communication, a dialogue in a new form of social networking, which requires daily activity, creativity, but also understanding of the expectations of their customers.

## 4.1 Results of the Survey

To gain the practical experience from the management, communication and the overall presentation of the company on Facebook, the qualitative information was collected from three independent companies of different business areas, designated as Company A, Company B, and Company C. These companies communicate with their fans/customers through Facebook.

Brief characteristics of companies:
   **Company A**: A civic association, which focuses on the sports and artistic activities in the area of the fire, light and UV show, training activities in that field, and on organizing and hosting various workshops. It communicates through Facebook for four years.
   **Company B**: The company is engaged in dog training, operations of the dog hotel and kennel, and the sale of dog supplies for animals. It communicates through Facebook for less than 4.5 years.
   **Company C:** Sale of gift items and original print. It communicates through Facebook for nearly five years.

In the survey, we focused on the following areas:
• Utilization of corporate promotion through PPC advertising on the social networks;
• Building awareness of the brand, "the strength of the story";
• Method of obtaining new fans/customers;
• Motivation of the existing fans/customers;
• Organization and evaluation of campaigns;
• Use of e-shop to communicate with potential customers;
• Pointing out the mistakes and problems;
• Expectations and plans for the future.

**4.2 Lessons Learned from the Recent Survey**

- In recent years, Facebook has become one of the most powerful means of communication. It is used not only by physical persons, but also legal entities, i.e. companies and organizations. Presentation sites are created for the following reasons: exercise an impact on various aspects of the society and its members; the site is free, the only investment is the time; and easier handling when loading photos, texts and communications in comparison with the standard websites. Facebook (FB) has become widespread; people spend there much of their time and messages are quickly disseminated through FB. FB allows using mainly a form of free advertising;

- PPC advertising is one of the most interesting advertising channels on the Facebook; it allows precise targeting by age, interests, language and region, and also offers detailed statistics of effectiveness of campaigns. But given that these ads are paid, companies do not use them extensively. They usually advertise using a link placed on their Facebook board, and also to the official e-mails distributed to potential clients as a possibility to get further information; they also place them, upon agreement, on the stands of colleagues from other organizations or stands of their clients;

- Facebook applications are used, from a marketing point of view, as a tool to increase brand awareness, while increasing the loyalty of fans. Using them, the Facebook sites can communicate with their supporters, i.e. "Likers", or get new ones. Thanks to the feedback and statistics, we found that the FB fans prefer texts with photos or links attached to, which refer to the interesting articles in the field of operation of companies. These also include links that point to the planned actions organized by companies. The text published with no applications does not have such a response; a high response is a most effective marketing tool;

- Competitions on Facebook have become a very popular tool for gaining new fans and potential clients. The company can convert visitors of its Facebook site to fans by rewarding them with an exclusive coupon or an invitation to a special event. This way, the company can win a larger audience to work in the future with, and engage it in their promotional activities;

- The "Like" campaign brings new customers to the company website. Thus, the customer can get discounts, and the company a customer. This way, people alone are spreading corporate advertising messages about the products;

- Facebook e-shop is a common e-shop with the only difference that the sale takes place directly through the Facebook social network. E-shop on Facebook brings many benefits; it may, for example, easily reach a large number of potential customers, who may share the contents of e-shop with other sympathizers on Facebook. These can comment on the products, "weight" them, and thus contribute to the spreading of awareness of the e-shop by recommending products to their friends on the social network;

- It is important to note that, when establishing a FB site, contact details must be entered to the company's information, and so-called profile photos added, which reflect the activity of the company. The keyword/s/ must be added to the

title, in addition to the official name. At the beginning, a potential client may not be congested with too much information. If in the need for other, they have the option to make a contact and get the information of interest. The timing of ideas is also important. Communication should be regular, effective, with the up-to-date information;

- The main problems in managing the site include the opacity of applications. There is, however, a possibility to use the "support center", which may be addressed by the company in case of any problems. This is, however, possible only for the company that works with the site every day;
- The primary aim of creating a profile on Facebook is to win fans, and get into the minds of potential clients. By help of the site on Facebook, clients from different parts of Slovakia have the opportunity to learn about the companies, without directly approaching them with their inquiries. Publishing photos or other posts immediately increase traffic, which usually remains similar in the coming days, too.

## Conclusion

Promotion of the company, products and services through the social networks provides benefits that cannot be achieved by an advertising campaign in other media. The key to success is the efficient targeting of the advertising messages in such a way that the ad is displayed only to those users, whose profile information indicates that they might become future customers of the company. The company can benefit greatly from its communication on the social network. Given the fact that fans of the social network respond actively to its range of products and recommend them further, it becomes thus an important source of information, reservations or purchases.

Through the market survey that the company can implement, it may get response to the published comments or questions that provide the company with important feedback. This way, the company can timely respond to new ideas and take an immediate position, thus achieving a higher percentage of the final sales. Thanks to a new space, which contains a lot of information about offers or local events, a community is growing, and it mutually shares views, recommendations and observations, while actively responding to them. Social networks are being considered today a full-fledged system that enables communication with customers. Companies are aware of this fact and a number of their promotional sites is constantly growing.

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# VIRAL CAMPAING AS AN EFFECTIVE MARKETING PROMOTION INSTRUMENT

*Dagmar Frendlovská – Ondřej Kusovský*

**Abstract**
The article deals with the use of modern forms of marketing that have been gaining popularity in recent years with significant groups of cyberspace users. The power of viral marketing and viral campaigns is currently gaining momentum, despite the fact that a considerable mass of virtual environment clients often do not realize that they are part of this form of marketing. The success of viral campaigns can be attributed to well-developed strategy for such a campaign. To outline the functioning of various viral campaigns, we selected four specific campaigns that had already entered the virtual environment. A segmented sample of respondents was to evaluate given campaigns, which resulted in the fact that the viewer is often unaware of what is included. Chapter 3 describes the selected campaigns as follows: Dove Real Beauty Sketches, WestJet Christmas Miracle, Coca-Cola Unlock the 007 in You and Save the Children – Most Shocking and Second Day Video. 67.3% of carefully segmented respondents admit that they were willing to continue sharing a successful viral campaign. This proves that the potential of viral marketing is enormous. The theme of viral marketing itself is new and constantly evolving.

**Key words:**
Cyberspace. Marketing. Viral campaign. Viral communication. Viral marketing. Virtual environments.

## 1 Introduction

Marketing is among the areas that are constantly evolving, and actively use modern tools including the viral marketing. The power of viral campaigns has great potential, which affects a mass of clients in a relatively short time frame. Its scope is in the cyber environment and the financial demands of this marketing tool make up only a fraction of the budget for traditional advertising and promotions. Customers themselves have adopted this kind of advertising, and with a willingness to share it with friends who, often unaware that they support further dissemination, share the materials both for entertainment or for fear of the contents. We are daily overwhelmed by enormous amounts of information provided by the current virtual environment, so it is not easy to devise a successful viral campaign. The basis of success lies in a sufficiently coherent strategy through which we determine to whom our viral communications are targeted, and according to the specialization, we choose the appropriate channels, stories, topics and form processing. At the same time, we must realize that once we get into the world of viral communication, then our message can no longer be controlled and the potential impacts of a wrongly interpreted statement could fatally damage the reputation of such communication´s owner.

## 2 Viral marketing

The term viral marketing is attributed to Jeffrey Rayport who probably first used it in the article „The Virus of Marketing" for Fast Company magazine in 1996. The author equates the desire of marketers to viruses conduct – having the greatest possible impact.[1] Among the pioneers in the use of viral marketing in practice belongs the case of hotmail.com. In 1996 Sabeer Bhatia and Jack Smith launched an e-mail service which was available via the Web from any computer with an Internet connection. At the time when email was accessible mainly from corporate computers, it was a brilliant idea. To attract the users attention, it was enough to just add a short sentence at the end of each e-mail sent this way: „Get your free email at hotmail.com" (Livingston 2008, p. 17, 22). This notice has spread worldwide. In 1997, Microsoft bought Hotmail for $ 400,000,000. This example shows the enormous potential of viral marketing. The concept of viral marketing can be translated into Czech as „viral" marketing. Although the term virus evokes negative emotions in most subjects, this area of marketing has earned the name because of the way it spreads, the way very similar to the course of an epidemic. Most Internet users do not spread communication because of branding, but because it is fun, shocking, interesting, informative, etc., So they want to share it with others. For this reason, it ranks among the methods of word-of-mouth.[2]

The viral campaign is not time or space limited, it can come back in waves. A viral campaigns submitter has minimum power over the course of spreading. Therefore, they must consider all the impacts that a campaign can bring. In the case of inappropriately selected contents of the message, the whole campaign may turn against the original focus. People may be inappropriately parodying the campaign and thereby destroying the company's reputation.[3] We must remember that there is a sophisticated strategy behind most successful viral campaigns. The actual publishing videos on the Web is not always enough. The actual publishing of videos on the Web is usually not enough. We even do not learn about the unsuccessfully attempted viral campaigns. The term viral marketing is very recent, and perhaps this is why there are many different definitions. For the purposes of this work, the two that best describe the viral communication problems were chosen. According to Kotler[4]: „The Internet version of word-of-mouth marketing. E-mail messages or other marketing events that are so contagious that a customer wants to share them with their friends." „Viral marketing is a weapon that directly calls for sophisticated applications, for it can create tremendous response of consumers who become more and more immune against traditional forms of marketing communication."[5]

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1    RAYPORT, J.: *The Virus of Marketing.* [online]. [2015-04-20].
     Available at: <http//www.fastcompany.com/27701/virus-marketing>.
2    VAŠTÍKOVÁ, M.: *Marketing služeb: efektivně a moderně.* Praha : Grada Publishing, a.s., 2014, p. 146.
3    JANOUCH, V.: *Internetový marketing. Prosaďte se na webu a sociálních sítích.* Brno : Computer Press, 2010, p. 235.
4    KOTLER, P.: *Moderní marketing.* Praha : Grada Publishing, a.s., 2007, p. 199.
5    FREY, P.: *Marketingová komunikace: nové trendy* 3.0.3. Praha : Management Press, 2011, p. 82.

Viral marketing belongs to the methods of word-of-mouth. Each word-of-mouth campaign consists of five „Ts", which we must identify before the campaign is started and then plan a unique strategy. All five Ts are shown in Table 1.

**Table 1: Summary of five Ts**

| Step | Basic form | Advanced form | Description |
|------|-----------|---------------|-------------|
| *Talkers* | Volunteers , customers, bloggers | Influencers, agents | Spokespersons relate to the target audience. We try to deliver the topic which will be discussed. |
| *Topics* | Special offers , great service, new product | Viral campaigns, special interest events , new ideas | The theme corresponds to the message. It must be simple, easy to remember, people will want to talk about it. |
| *Tools* | Face-to- face, mail forwarding, coupons | Community Forums, blogs, social media | Selecting the right tool for communication. For social networks, e.g., inventing hastags ( keywords joining the campaign together). |
| *Take Part* | Join the conversations on blogs and forums | Active customer service , creating PR strategy | One of the most challenging activities. In case people start talking about an advertised brand , you need to start communicating with them. If you stop, the popularity wanes fast. |
| *Track* | Blog Search , getting feedback | Trends analyzing, measuring the success of campaigns | The most valuable is the direct link of an ordinary customer. Learning to handle feedback and use it in an effort to improve. |

Source: SERNOVITZ, A.: *Word of Mouth Marketing in Five Easy Steps.* [online]. [2015-04-27]. Available at: <http://www.marketingprofs.com/6/sernovitz1.asp>.

## 2.1 The spread of viral communication

Viral marketing spreads through the activity of users, who mostly do not even realize that they are disseminators themselves. According to Blake Rohrbacher[6], users with good experience confide in approximately twelve other people. If we consider the functioning of the opposite trend, then also a dozen people learn about negative experience. It turns out that viral marketing may be an incredibly effective two-edged sword . See spreading scheme in Figure 1.

<div align="center">
1<br>
11<br>
1111<br>
1111111111111111<br>
111111111111111111111111111111111
</div>

**Picture 1: Diagram of the spread of viral marketing**
Source: FREY, P.: *Marketingová komunikace: nové trendy 3.0.3.* Praha : Management Press, 2011, p. 78.

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6    ROHRBACHER, B.: *Classification of Viral Marketing.* [online]. [2015-04-20]. Available at: <http://www.clickz.com/clickz/column/1697970/the-power-viral-marketing>.

## 2.2 Types of viral communication

There are more classifications of viral marketing, e.g. Sweeney[7] divides them into:
• Word of mouth (we inform friends about interesting products and forward promotional coupons, etc.),
• Pass it on (we forward videos, interesting articles, and useful tools to people we know),
• Product or service based (we use the tools that are free and include their own marketing message – in the past, for example, Hotmail.com).

In contrast, Blake Rohrbacher[8] distinguishes four positive categories:
• valuable virus (positive reviews),
• sneaky virus (at recommendation to other customers, you receive a bonus for yourselves),
• living virus (popular messaging programs),
• worm virus (sharing entertaining, or controversial statements that can entertain),
and one negative category:
• heinous virus (attempt to warn friends before a negative experience, this form of the virus spreads very easily and is extremely damaging to the brand product itself).

Of Czech authors, Jurášková divides viral marketing[9], into active (companies produce viral messages and try to motivate sharing products) and passive virals (companies only rely on the quality of the product offered ). According to JH Beneke, 2010, published in an article by Dudovskiy[10], the division is as follows:
• passing to others viral messages – „viral communications forwarded to other users, primary kind, interesting messages conveyed online or offline, depending on what they are designed for,
• gossip-based viral messages – „viral communications based on gossip„ interesting innovations that may not be true. That may spread throughout the world, according to the topic of interest, or interest Gross,
• incentive-based viral messages – „motivational viral message„ individuals are motivated to spread viral messages,

7    SWEENEY, S.: *101 ways to promote your web site: filled with proven Internet marketing tips, tools, techniques, and resources to increase your web site traffic*. Gulf Breeze, FL : Maximum Press, 2006, p. 48.
8    ROHRBACHER, B.: *Classification of Viral Marketing*. [online]. [2015-04-20]. Available at: <http://www.clickz.com/clickz/column/1697970/the-power-viral-marketing>.
9    JANOUCH, V.: *Internetový marketing. Prosaďte se na webu a sociálních sítích.* Brno : Computer Press, 2010, p. 235.
10   DUDOVSKIY, J.: *Classification of Viral Marketing.* [online]. [2015-04-20]. Available at: <http//research-methodology.net/classification-of-viral-marketing/>.

• disguised viral messages – „hidden viral messages„ at first glance it is not clear what the statement represents. Arouses curiosity among customers who are themselves trying to learn more about the message.

## 3 Selected viral campaigns

To describe the functioning of various viral campaigns, we selected four specific campaigns that had already taken place in the virtual environment. The viral campaigns were intentionally chosen from different areas in which marketing operates. We used the snowball method, where the questionnaire is further distributed by means of the respondents who had already participated in the research ( viral campaigns work on a similar principle ). 124 women and 87 men were interviewed. The very issue of viral marketing is aimed at internet users and therefore the sample of respondents is, on average, better educated than the average of the Czech Republic. Specifically, the campaigns are as follows:
• Dove Real Beauty Sketches[11],
• WestJet Christmas Miracle[12],
• Coca-Cola Unlock the 007 in You[13],
• Save the Children – Most Shocking Second a Day Video[14].

The aforementioned viral campaigns were evaluated by a carefully selected group of respondents, which was to serve as a representative sample that would carry out the initial partial research on the issue. There will be then a second wave of the survey, which will involve several times wider sample of respondents. We deliberately selected campaigns which are targeted at different groups of citizens. For more reliable results, the individual viral campaigns were shown to different groups of respondents in different order so that the respondents were not affected by the most recent experience.

### 3.1 The success of presented viral campaigns among respondents

Most respondents were impressed by the campaign by Dove – Real Beauty Sketches. It was marked the most successful by 32.2% of all respondents and scored heavily among women of all ages. Education, or work position did not

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11  *Dove: Real Beauty Sketches.* [online]. [2015-04-21].
    Available at: <http://www.realbeautysketches.dove.com>.
12  *WestJet Christmas Miracle case study 2013 (Full Video) HD*. [online]. [2015-04-21].
    Available at: <https://www.youtube.com/watch?v=7Oqlwnq2xiU>.
13  PALMEN, M.: *Coke Zero Viral Video.* [online]. [2015-04-21].
    Available at: <http://www.coca-colacompany.com/coca-cola-unbottled/coke-zero-
    viral-video-unlock-the-007-in-you-you-have-70-seconds>.
14  JENNINGS, N.: *Save the Children 'Second a Day' ad is shocking, until you see
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    second-a-day-ad-is-shocking-until-you-see-a-real-syrian-child-refugee/>.

matter. The campaign Unlock the 007 in You by Coca-Cola received less than two percent less ie. 30.3%. The campaign mainly succeeded in men of older generations, men younger than 25 were impressed less. The campaign Save the Children – Most Shocking Video Second Day was the most impressive for 21.3% of respondents, namely working people with a far greater percentage than students (senior citizens did not find it impressive because of violence). It can be assumed that employees have, or will start families and are therefore far more affected by the theme of the child at risk. The same also applies to educated respondents. The campaign by the WestJet airline – Christmas Miracle made impression mostly on the age group of 16-25, and 16.1% of respondents found it to be the most interesting. The finding that the WestJet viral campaign was positively received by the least number of respondents was surprising, because the results of this campaign had shown a huge increase in profits. It might be due to the fact that the very air transport is, considering the area the Czech Republic covers, not very useful for normal travel. The popularity of Dove and Coca-Cola viral campaigns was expected. The Dove campaign itself made a very pleasant impression. The emotions seen in the video naturally make you think about the problem itself. What worked best for Coca-Cola, was the random choice of participants. There is no doubt that most men have at least once imagined what it might be like to be the successful 007 agent, and therefore the success of this viral campaign for men had been expected. The activity Save the Children worked on people´s solidarity. We had assumed that the campaign would most appeal to the current generation with children, because it describes child endangerment by war. In fact, this campaign had an impact on more age groups, especially on employed individuals, who are assumed to have or are expected to start a family.

## 3.2 Reasons why respondents labelled the particular campaigns

Dove Real Beauty Sketeches – most respondents appreciated a beautiful idea, and the fact that this communication makes people think while watching. They felt strong emotions, the message promotes self-esteem, is true to life, and its main idea and execution story is genuine. Coca-Cola Unlock the 007 in You – respondents appreciated the story, editing, music, and the processing itself. They found it brisk, and the opportunity to become James Bond amusing. Some respondents appreciated that it did not aim at emotions much, but focused on entertaining and engagement of passers-by. Save the Children Most Shocking and Second Day Video – child endangerment in the war aroused most sympathy among respondents, showing the worldwide problem that must be addressed. It contains a story that had the strongest effect. The respondents were shocked to see how the life of a happy child can change within minutes. WestJet Christmas Miracle – many respondents found it hard to imagine that such a thing might happen in the Czech Republic. The Christmas theme itself pleased many questionnaire respondents as well as the fact that it was strangers who received the gifts, although only in terms of promotion.

### 3.3 The campaigns spread and awareness among respondents

Most respondents ( ie . 43%) had become acquainted with a Dove viral campaign in the past. As the second most famous one was marked Save the Children (27 % of respondents were familiar with it).The viral campaign by WestJet had been seen by 25 % of respondents, and the Coca -Cola campaign by only 18 % of respondents , although it has been reported as the second most successful among the participants in the survey. It might be due to the fact that the actual spread was not carried out by such important people who would pass the concrete message on to a larger group of Czech population. 37 % of respondents had not encountered any of the above viral campaigns.

### 3.4 The willingness to share selected viral campaigns

Another objective was to determine whether respondents would be willing to share their experience further. This finding may help future creators of viral communication promote their work. Of all respondents, 32.7% of people would not participate on sharing any of the presented videos. The others would be willing to share one or more videos. The Dove viral campaign would be shared by 34% of respondents, Save the Children by 30%, the Coca-Cola viral communication by 28%, and the WestJet one by less than 18% survey participants. It is interesting that many respondents who had indicated previously that they would not forward a viral communication, would not mind sharing some of the selected campaigns with their friends. Some people do not realize the effect of viral marketing itself. The above mentioned facts indicate that campaigns containing a story, conveying emotions, or those which at first glance do not seem to advertise anything and give a feeling that anyone can take part in them, had the strongest impact on the respondents.

## 4 Evaluation

Chapter 3 describes four selected viral campaigns including the description of spreading process itself and its influence. The selected campaigns are as follows: Dove Real Beauty Sketches, WestJet Christmas Miracle, Coca-Cola Unlock the 007 in You and Save the Children – Most Shocking and Second Day Video. These campaigns were deliberately chosen, since they cover different areas of marketing application and functioning. Dove Real Beauty Sketches uses socological experiment to promote self-confidence and natural beauty of women, and ranks among the most successful campaigns among respondents. WestJet Christmas Miracle is an airlines campaign, which addressed many consumers around the world, but appeared among the less successful campaigns with the questionnaire respondents (the idea that such a thing might happen in the Czech Republic, seemed unrealistic to them). Coca-Cola Unlock the 007 in You used an entertaing way to engage passers-by, who could imagine themselves in the shoes

of James Bond, experience a unique adventure and, if successful, get tickets to the film. Although the campaign was least known to the respondents, they labelled it as the second most successful (The reason why the respondents did not know it so well, is probably that the campaign is primarily targeted on men, who are less active on social networks, and therefore it did not spread through the internet like the others). Most Shocking and Second Day Video by Save the Children was aimed to support children threatened by war, and most addressed the employed respondents who are assumed to be at the age when they have, or are planning to start a family. The most important pieces of information reveal that almost 80 % of respondents encounter a viral campaign at least once a week (many of them almost every day ). A successful viral campaign must come up with something new that will address potential disseminators. Most users appreciate originality. Viral campaigns that include a story are entertaining and/or informative. Women across generations are very well addressed by a message which increases self-esteem, or a communication which arouses emotions. On the contrary, most men appreciate agility, while longer notices cause a very quick loss of attention. Men do not appreciate strong emotions either. A campaign focused on men should primarily entertain them. Men do not mind a variety of skits and controversy, some actually expect such kind of thing. In the beginning, 49 % of respondents said they did not forward viral communication. After becoming acquainted with several successful viral campaigns, 67.3 % of them admitted willingness to share some with others. This shows the huge potential of viral marketing. People often do not realize that sharing communication actually means sharing the promotion of a particular brand.


## Conclusion

The paper reflects the issue of viral communication and viral campaigns. Its readers are introduced to the area of concern and then learn about a partial investigation into the issue. Chapter 3 describes the selected campaigns, Dove Real Beauty Sketches, WestJet Christmas Miracle, Coca-Cola Unlock the 007 in You and Save the Children – Most Shocking and Second Day Video. Most respondents were affected by the campaign by Dove – Real Beauty Sketches with 32.2%. The campaign by the WestJet airline- Christmas Miracle, which addressed 16.1% of respondents, had the least impact. The Dove viral campaign would be shared on by 34% of respondents, Save the Children by 30%, the Coca-Cola viral communication by 28%, and the WestJet one by less than 18%. 67.3% of respondents admit that they were willing to share a successful viral campaign further on. This proves that the potential of viral marketing is enormous. The theme of viral marketing is new and constantly evolving. The potential of viral marketing is currently not fully discovered and exploited. The partial research will be described in the thesis which served as a primary tool for monitoring this issue on a selected topic. In view of the issue´s great popularity among

respondents and favour with readers, a further investigation, involving a much wider range of segmented respondents, is currently being prepared.

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# DIGITAL COMMUNICATION IN THE ENVIRONMENTS OF SELECTED PUBLIC SERVICES

*Eva Gajarská*

**Abstract**
The digital communication has become part of our daily existence. Modern information and communications technologies affect all spheres of economic life, including the public sector. The paper deals with the issue of digital communications in public and state administration, the quality of websites and the information systems applied in selected public services. The main purpose of this paper is to present the project Central Government Portal, the required standards of the digital communications in the public sector and to define criteria for success from a user's point of view.

**Key words:**
Central public administration portal. Digital communication. Public administration. Website.

## Introduction

Modern information and communication technologies (ICT), advancing informatisation and new forms of marketing communication are making inroads into the government sector. The Central Government Portal is a major project in Slovakia implementing modern information technologies while delivering new means of communication and greater awareness and user comfort for residents. The websites of state government organisations and joint-stock companies in which the state remains the majority shareholder are additional examples. Websites remain the tip of the iceberg as these entities are faced with the mandatory implementation of modern digital technologies and systems to work in a more efficient manner in to the benefit of the public within the active creation of a knowledge society.

## 1 The informatisation of society as a fundamental characteristic of a knowledge society

Focus in a knowledge society is shifted to knowledge and the exploitation of information and communication technologies in a broader social and economic context. The informatisation of society includes the area of electronic government services, expansion of broadband internet and progress in the area of digital literacy. The economic basis of the transition from a traditional, industrial society to a knowledge society may be characterised by the following five areas:
1. Information and knowledge are considered a key resource for societal development.

2. Information and knowledge capital represent new forms of capital for companies that are more important than traditional forms of capital such as land, labour and capital.

3. Information generates a new production factor in the economy that underpins the creation of modern wealth and prosperity.

4. This expansion of the spectrum of production factors to include information requires a change in the value orientation of individuals and society as a whole with respect to information and skills as a primary source of economic development. A persistent focus on classical resources and forms of capital is considered a reason for lagging behind and a low level of competitiveness in national economies.

5. Information technologies allow information and explicit skills to be shared, archived, reproduced, analysed and exploited, which is why their implementation at all levels of society is considered such a high priority.[1]

One of the basic traits of an advanced knowledge society is a broad portfolio of electronic government services that decrease the administrative burdens on the public and businesses. e-Government is the name attributed to the electronic form of government services delivered by applying modern information and communication technologies in government processes where online communication works along one of the following pathways:

• G2E – Government to Employee,
• G2G – Government to Government,
• G2C – Government to Citizen,
• G2B – Government to Business,
• G2A – Government to Administration.[2]

The deployment of e-Government services shortens the time required for official affairs and processes, provides increased convenience by resolving such matters from home or in the office, reduces formal errors in completing forms and eliminates several multiple and repetitive requests for information, documents and data from residents and businesses. Lower costs and decreased corruption in public services are also expected. Overall, processes are streamlined in every respect, which leads to interaction between the government and residents and business entities.

## 2 Central Government Portal Concept

The Central Government Portal ("ÚPVS") launched in 2006 and significantly modernised over the past two years has moved Slovakia towards the construction

1      KAŠŠA, J.: *Organizácia založená na vedomostiach v období globalizácie a internacionalizácie.* Ružomberok : Verbum, 2009, p. 60-61.
2      *Informatizácia verejnej správy.* [online]. [2015-09-25]. Available at: <http://www.informatizacia.sk/egovernment/ 519s>.

of a knowledge economy. The ÚPVS provides centralised and unified access to different sources of information and government services that the public would otherwise have to locate on the different information servers of the individual departments. The goal of the portal is to modernise and facilitate communication between the public and the state in such a way that information and services are integrated provided from a single location, the portal at **www.slovensko.sk.**

The ÚPVS is a government information system designed to provide services and information to the public in the form of a common access point on the Internet in accordance with Act No. 275/2006 Coll. on Government Information Systems. The administrator is the Government Office of the Slovak Republic and the operator is the National Agency for Network and Electronic Services (NASES)[3].

The digital content of the ÚPVS portal delivers useful information and provides electronic services for RESIDENTS and BUSINESS ENTITIES. Its primary roles include directing users to use specific eGovernment services and relevant information resources. The architecture of ÚPVS information content considers the following principles:
- **differentiation of information content by type of target entity,** which may be a resident or business entity,
- **the configuration of information and services by real-life scenarios** to facilitate the efficient filtering and exploitation of extensive content based on specific situations encountered by users, including residents, foreigners living in Slovakia and business entities, to get the specific information needed to resolve their specific needs,
- **the configuration of information from a material perspective by individual types of agendas** including culture, transport and travel, finance and economics, living, education, science and sport, health, the environment, etc.

The primary principle is **virtual centralisation,** which provides users with a centralised solution in a virtual centralised progression of different services and agendas covered by different ministries that are made accessible from a single website. This helps users better orient themselves with respect to the information and saves them time. There is a clear reduction in bureaucracy as residents no longer have to travel to individual offices or complete and even notarise a vast quantity of documents as these matters can be resolved electronically and without this excess bureaucracy as the system facilitates the verification of the given information between the individual institutions. Residents can make use of these electronic services after logging in using an eID card, which is a national identification card with an embedded electronic chip and a personal security code (Figure 1).

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3   *Ústredný portál verejných služieb ľuďom. O portáli.* [online]. [2015-09-25]. Available at: <https://www.slovensko.sk /sk/o-portali/>.

**Figure 1: eID card template**
Source: *Aplikácia eID klient. Používateľská príručka pre operačný systém Windows (eID client application. User manual for Windows).*[online]. [2015-09-25]. Available at: <https:// eidas.minv.sk/TCTokenService/ download/Prirucka_eID_klient.pdf>.

New types of electronic identification cards (eID) have been issued since December 2013 with the millionth such identification card of this type issued in August 2015.[4] In addition to providing proof of a person's identity, these cards are used to facilitate access to e-Government services using the Internet. The cards support secure, efficient and trustworthy verification of a person's electronic identity using their personal data stored on the eID card chip and the following access codes:
• BOK – personal security code for log-in purposes,
• ZEP PIN – security code for creating a secure electronic signature,
• ZEP PUK – code for unblocking the ZEN PIN.

Access codes ensure the authentication of the client when using electronic services or electronic signature within the ÚPVS. The resident defines a BOK when receiving a new identification card with an embedded chip or may add such code later. At the same time a request is made of the District Police Office to issue a certificate and security codes to create a secure electronic signature valid for a period of 5 years.[5]

## 3 Scope of Digital Services for RESIDENTS

After logging in to the ÚPVS portal, residents have access to additional modules and functionalities such as the "Môj profil" (My profile) mailbox and electronic filing desk services of the given public authority in the "Služby ÚPVS" (ÚPVS Services) section. The range of information and electronic services available is structured based on individual real-life situations where residents need to:

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4    *Ministerstvo vnútra vydalo milióny kus elektronického občianskeho preukazu s čipom.* [online]. [2015-09-25]. Available at: <http:// www.informatizacia.sk/565-aktuality/21525c/>.
5    *Elektronické služby. Občiansky preukaz s čipom.* [online]. [2015-09-25]. Available at: <https://portal.minv.sk/ wps/wcm/connect/sk/site/main /obciansky-preukaz-s-cipom/>.

- **get a new identification card**,
- **get a driving license**, or an international driving license,
- **resolve matters related to their permanent residence**, e.g. reporting their permanent residence, receiving confirmation thereof, cancelling permanent residence, filing a motion to cancel the permanent residence of another person and cancelling permanent residence abroad, etc.
- **changes in motor vehicle records**, e.g. registering a vehicle, changing the owner or operator of a vehicle, de-registering or removing a vehicle from records, replacing registration plates, etc.,
- new **electronic vital records office services** have been made available since 1 October 2015, including requesting a duplicate birth, marriage or death certificate, etc. (Figure 2)



**Figure 2: ÚPVS services for residents**
Source: *Občan.* [online]. [2015-09-25]. Available at: <https://www.slovensko.sk/sk/titulna-stranka>.

The portal also offers residents a broad range of information concerning various areas of public services related to employment and employment law, finance and economics, health, travel and transport, resident obligations to the state, individual types of records, the essential types of records, etc.

The "Satisfaction with selected eGovernment services 2014" survey showed that up to 40% of residents had never heard of eGovernment services and a personal visit to an individual office was the most common form of communicating with such authorities. The use of eGovernment services actually dropped year-on-year by 8 percentage points to 38%, meaning 38% of all respondents resolved at least one official matter using electronic means. Residents most often search for information on official matters online, downloading forms from the websites of public institutions. The primary benefits are the time and cost savings they achieve, such as saving the time that would otherwise be spent travelling to an office. The overall complexity of electronic services is considered the primary

drawback along with the need to visit individual offices in person to resolve official matters.[6]

## 4 Scope of Digital Services for BUSINESSES

Business entities, including sole proprietors and legal entities, i.e. commercial companies, active domestically and abroad can use a number of features available in the ÚPVS portal that deliver useful information for business, cut back on administrative work and provide time savings when arranging certificates to do business. The range of electronic services and information for businesses includes:

- **trade license register services** in the form of a unified contact point facilitating the electronic submission of forms to register open, craft and restricted business activities, forms to suspend a trade license or terminate business activities, notices of changes to data in the trade license register, etc.,
- **commercial register services** that facilitate the submission of electronic requests for initial entry of a commercial company in the commercial register, requests to change a company's registered details in the commercial register or requests to expunge a company from the commercial register, etc.,
- **requests for copies of documents stored in the document repository in electronic form,** e.g. from the commercial register,
- **information and services for exporters** including current professional events, trade fairs, business missions, projects and requests for proposals, as well as a large amount of additional information,
- **news for foreign businesses** available in English versions and other information provided by the Ministry of Foreign Affairs of the Slovak Republic.[7] (Figure 3)



**Figure 3: ÚPVS services for businesses**
Source: *Podnikateľ (Business)*. [online]. [2015-09-25]. Available at:
<https://www.slovensko.sk/ sk/Podnikatel/>.

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6    *Survey: Spokojnosť s vybranými e-službami verejnej správy 2014. e-Government – rezidenčný segment 2014.* [online]. [2015-09-25].
Available at: <http://www.informatizacia.sk/782-menu/20299s>.
7    *Ponuka pre podnikateľov.* [online]. [2015-09-25].
Available at: <https://www.slovensko.sk /sk/Podnikatel/>.

Other AGENDAS available include taxation, employment, business, the environment and the EU.

The "Satisfaction with selected eGovernment services 2014" survey indicates that up to 59% of the contacted companies communicate electronically with authorities using the Internet while nearly half of all companies communicate with offices on a weekly basis and this need is growing. Most official matters resolved over the Internet involved statutory health and social insurance contributions for employees, corporate income tax returns and value added tax returns. 45% of contacted companies had no experience with eGovernment and up to 78% of these companies were not aware of the www.slovensko.sk (ÚPVS) portal. Another important finding is that only half of companies consider eGovernment services to be developed to such an extent that meets their expectations and needs.[8]

## 5 Measures of Success of the ÚPVS Portal from the User's Perspective

The use of the ÚPVS portal is intended to create a convenient and transparent user environment to ensure the portal is accessible, simple and trouble-free for users. Website quality is maintained by following specific government information system standards[9]and other standards related to graphic design, functionality, accessibility and security. It is important to consider the fact that the portal is intended for the general public, meaning persons with different levels of education and computer skills. In this regard, the range of information and services is configured in an appropriate manner while the transparency and readability of the website itself are sufficient. The most recent update of government information system standards designed to improve accessibility for handicapped users of websites remains unresolved to a sufficient level. Interest in feedback from residents to improve the functionality and informational content and the establishment of a Central Contact Centre reached by phone are positives.

The success of the entire project will be determined by residents, who must first learn how to use the portal. The electronic filings statistic (Table 1) may be used as a quantitative criterion defining the success of the ÚPVS portal. Given the electronic filings statistic, there is greater interest from business entities in commercial register services while residents are more concerned with a more

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8    *Survey: Spokojnosť s vybranými e-službami verejnej správy 2014. e-Government –
     biznis segment 2014.* [online]. [2015-09-25]. Available at:
     <http://www.informatizacia.sk/782-menu/20299s>.
9    KAPSZ, J.: Kvalita webových stránok verejnej správy a IS. In *INFOWARE*, 2013,
     No. 1-2, p. 24.

general agenda comprising various requests, complaints and statements filed electronically to different public authorities through their established mailboxes.

**Table 1: Statistics of electronic filings submitted through the ÚPVS**

| Filings submitted through the ÚPVS | January – December 2014 | January – August 2015 |
|---|---|---|
| Commercial Register services | 160,585 | 101,210 |
| Trade License Register services | 29,725 | 23,527 |
| General agenda /requests, complaints, statements/ | 27,553 | 87,407 |
| Other filings | 10,600 | 5,618 |
| TOTAL | **228,463** | **217,762** |

Source: *Štatistika (Statistics).* [online]. [2015-09-25]. Available at: <https://www.slovensko.sk/sk/ statistika>.

Awareness of eGovernment services was the most problematic area identified in the "Satisfaction with selected eGovernment services 2014" survey. Up to 55% of the population has the feeling that it lacks sufficient information with respect to eGovernment services. Actual awareness of the ÚPVS portal (www.slovensko.sk) is very low, with less than 20% of respondents aware of it, and only 58% of them actually use the portal. Finally, 96% of visitors to the ÚPVS portal consider it useful. The survey indicates that 40% of tablet and smartphone users would welcome an application for communicating with public authorities. Another problematic area is the assessment of the development of e-services, which are deemed weaker than those offered by other providers.[10]

## Conclusion

The informatisation of public and state administration covers an expanding set of functions for residents and, as such, their continuous improvement and development is important. The ÚPVS portal functions as a "Google for public services" and is used by residents to help navigate through public services involving the vital records office, social insurance, health insurers, permanent residence and registering vehicles. It delivers new electronic services, for instance simplifying the process of establishing a trade license-based sole proprietorship or submitting filings to the commercial register. The ÚPVS portal is in a phase of development that demands an on-going media campaign to promote its functionality and electronic public services in order to activate its use by a larger number of residents and businesses. Given the actual renaming of the portal, communication should focus on the new name www.slovensko.sk. It delivers improved efficiency as well as a new level of quality to public services within the building of a knowledge society.

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10   *Survey: Spokojnosť s vybranými e-službami verejnej správy 2014. e-Government –biznis segment 2014.* [online]. [2015-09-25]. Available at: <http://www.informatizacia.sk/782-menu/20299s>.

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*Občan.* [online]. [2015-09-25]. Available at: <https://www.slovensko.sk/sk/ titulna-stranka>.

*Podnikateľ.* [online]. [2015-09-25]. Available at: <https://www.slovensko.sk/sk/ Podnikatel/>.

*Ponuka pre podnikateľov.* [online]. [2015-09-25]. Available at: <https://www. slovensko.sk/sk/ Podnikatel/>.

*Survey: Spokojnosť s vybranými e-službami verejnej správy 2014. e-Government – rezidenčný segment 2014.* [online]. [2015-09-25]. Available at: <http://www. informatizacia.sk/782-menu/ 20299s>.

*Survey: Spokojnosť s vybranými e-službami verejnej správy 2014. e-Government –biznis segment 2014.* [online]. [2015-09-25]. Available at: <http://www. informatizacia.sk/782-menu/ 20299s>.

*Štatistika.* [online]. [2015-09-25]. Available at: <https://www.slovensko.sk/sk/ statistika>.

*Ústredný portál verejných služieb ľuďom. O portáli.* [online]. [2015-09-25]. Available at: <https://www.slovensko.sk/sk/o-portali/>.

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# COMMUNICATION OF GLOBAL BRANDS IN DIGITAL SPACE

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**Abstract**
The article deals with global brands communication and digital marketing in the theoretical part. It explains the specific issues of global brands and digital marketing activities and communication of brands in the online environment. The main goal of the article is to find out how the good strategy in digital marketing can influence the communication and number of leads of the global brand. Regarding the communication strategy of brands, the most common form today is digital marketing. And from many aspects – not only in terms of the high penetration of mobile devices and computers, but also in terms of the large availability of customer data. The conclusion of our article is that digital marketing nowadays brings the sponsors much more data about users of digital channels and thus the average user can become an ambassador, or a customer for the global brand.

**Key words:**
Brand. Communication. Digital marketing. Global brand. Social networks.

## 1 Global brands from various aspects

In the literature, the concept of global branding is used to refer all decisions regarding the development of a global brand. Global brand is defined as „*a brand that is available across multiple geographic latitude*, or a sign „*that consumers can find under the same name in several countries with centrally coordinated marketing activities.*"[1] In the Anglo-Saxon literature as the main argument the use of global brand is considered to be the assumption that a global brand like global marketing and advertising is a financial economies of scale and is based on existing homogeneous consumers' motivations.

De Mooij summarizes academic knowledge on the issue of global brand:
• Standardized brand (one-size-fits-all brand), economies of scale and the existence of homogenous target groups,
• Available in most countries,
• Based on the same strategic principles, positioning and marketing activities in all markets, even if the individual elements of the marketing mix may differ slightly,
• It has a significant market share in all countries, i.e. dominated by the single market,
• Comparable loyalty and loyalty to the brand,
• It has the same name and logo everywhere,
• Similar intensity distribution division,

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1   DE MOOIJ, M.: *Global Marketing and Advertising. Understanding Cultural Paradoxes.* Thousand Oaks, CA : Sage, 2010, p. 28.

• Visibility.[2]

Despite these theoretical knowledge of global brands we have to point out specific examples concerning these claims are not absolutely true in practice. The traditional examples of global brands such as Coca-Cola or McDonald's are rarely fully standardized globally. Global brand positioning can also vary. Japanese Hello Kitty brand, which is sold throughout the world, is not only positioned in Japan as a brand for children but also for young women, while in the western world only for children (especially girls). In most cases the marketing mix of global brands respects local differences. For example, Coca-Cola sold in the Middle East contains more sugar than in other parts of the world, as a result of preference acceptance of soft drink consumers. McDonald's is well-known that, despite respecting the consistent standards of quality and service anywhere in the world, the range of products reflects local consumer preferences in different countries. It, therefore, offers "Kiwi Burger" in New Zealand, "Teriyaki Burger" in Japan, "Maharaja Mac" in India, and so on. Furthermore, most communication is also located. Perception of the restaurants differs to a certain extent. In some countries, McDonald's is the preferred place of children's birthday parties, in others it is regarded as a typical family restaurant and in China as a place to "dating" (small tables increase the sense of privacy for couples). The brands can meet the characteristics of "globalism" in terms of broad geographic offer coverage, but not necessarily in the same name or visual form in each country. FIG. 1 shows an example of the Unilever ice cream brand. In Slovakia popularly known as Algida, in Spain called Frigo, Ola in the Netherlands, in Denmark Friesland, etc. The reasons to use different names are not necessarily decisions of the marketers, they are often legal, political, historical, and cultural issues, or they concern verbal translation and understanding of the meaning. We conclude our argument by claiming, although the literature devoted to the issue of branding advises managers to be consistent in decisions about the brand, it is this "consistency" difficult to maintain in practice. The brand importance, as presented in a new cultural context, can be reinterpreted and consequently vary. Especially socio-cultural context significantly influences arising emotional connections between brands and consumers. Consumers can, therefore, infer different meanings compared with the home country of the brand, which brings the plight of the decision for a company that marketers must respect.[3]

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2    Ibidem, p. 29.
3    Ibidem, p. 31.
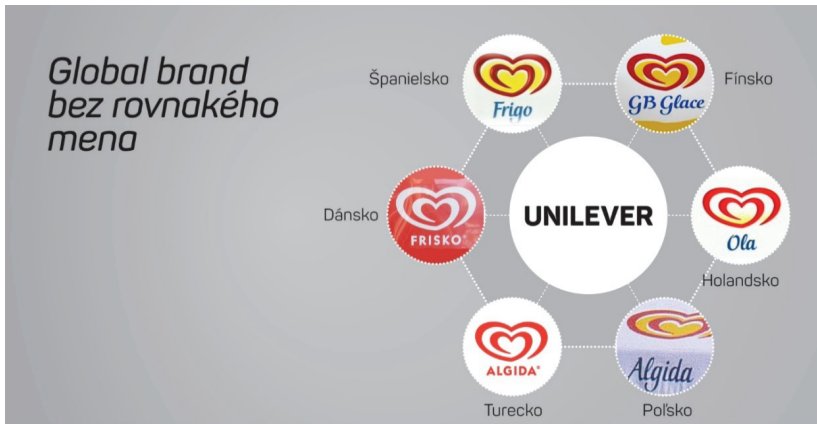
**Picture 1: Global brand without the same name – Unilever**
Source: DE MOOIJ, M.: *Global Marketing and Advertising* Thousand Oaks, CA. : Sage, 2010,
p. 31.

## 1.1 Consumer perceptions of global brands

Local environment plays an important role in the perception of global brands
and the values, which consumers associate with. The situation in Slovakia after
the fall of the Iron Curtain meant that the first thing Slovaks wanted, apart from
traveling, were the western global brands. For years of a small selection of the
brands of the Eastern bloc in direct confrontation of western brands resulted
in a change in consumer behavior and led to a preference for Western brands
for several years ahead, mainly due to the perceived higher quality products.
After two decades, there is again a shift in the increased popularity of "good old"
local brands. An example that best illustrates this situation here, is the story of
Kofola. The beverage has regained its popularity in recent years and can as one
of the few cola drinks in the world compete with Coca-Cola or Pepsi-Cola in the
local market. Some brands are already on the market for so long and become
so popular that consumers begin to perceive them as local, even if they are not.
The Nivea brand, especially supplied in the dark blue cream round box is a good
example in our region. We associate the product with the thick white consistency,
or that we can use it at home or on the road. It was one of the first products
to enter our market after the fall of communism and until now it has not lost
its popularity. This cream shows that people prefer brands rooted in their own
history. There are many global brands in the world, which are very popular among
consumers. They are even so successful because consumers foresee their quality.
Holt et al confirm this arguing that consumers love global brands because they
usually provide higher quality and better guarantees than other products. They
add that global brands are perceived by consumers as very dynamic, constantly
improving and coming with new products. Continuously innovating brands

such as Nike, L'Oréal and others are the examples.[4] Another aspect of successful global brand perception is also their "accessibility", which means properly set up distribution channels. Coca-Cola is an excellent example of a company that has the whole business concept based on intensive distribution. The company has always been among the first companies that entered the emerging markets and even very successfully. Strong distribution intensity at the same time meant a significant brand visibility, supported by communication.

## 1.2 Communication aspects of global brands

In the context of global brands, we meet with the argument that global communication is of strategic importance in creating a global image which enhances the power of a global brand. Taylor and Okazaki agree with this statement and emphasize the strong potential of the single brand image as an effect of global communication.[5] On the other hand, De Mooij argues that „*communication must be culturally relevant and that means more than just translate the central link.*"[6] While values to communicate by advertising shall be those of the consumer, so communications could be effective. To respect the cultural values is not only to create a local communication. Again, it is important to assess the situation comprehensively in all its aspects. Světlík continues, that the discussion of the global brands communication should not be directed only to the choice between standardization or adaptation, but given the clear importance and power of global brands should focus on the decision which elements of advertising strategy may be standardized as well as under what conditions the cultural specifics of the target market must be accepted. In the process of building a global brand the international advertising is a priority, which appears to be a major force of global consumer culture. Simultaneously it provides a platform to explore the changes in the perception of brands, because it also reflects the cultural symbolism of global culture, but also local specifics. It is important to accept the fact that the perception of the attributes given to global brands by consumers in the world is different. In countries with emerging economies, a global brand is synonymous with quality and prestige. On the contrary, this perception is not common in developed countries. It is also important, at the international advertising production, to consider that certain characters and symbols can have a different meaning in different countries. Therefore, there must clearly present global relevance in a global brand communication.[7]

4   *How global brands compete. Harvard Business Review.* [online]. [2015-10-10]. Available at: <https://hbr.org/2004/09/how-global-brands-compete>.
5   TAYLOR, C. R., OKAZAKI, S.: Who standardizes advertising more frequently, and why do they do so? A Comparison of U.S. and Japanese subsidiaries advertising practices in the European Union. In *Journal of International Marketing,* 2006, Vol. 14, No. 1, p. 98-120.
6   DE MOOIJ, M.: *Global Marketing and Advertising. Understanding Cultural Paradoxes.* Thousand Oaks, CA : Sage, 2010, p. 37.
7   SVĚTLÍK, J.: *O podstatě reklamy*. Bratislava : Eurokódex, 2012, p. 235.

An example of a global society, which overestimated the strength of global communication without the possible adaptations that reflect the socio-cultural aspects of the consumer, is the company Heineken. The company decided to focus more on the use of global brand communication based on the assumption intensifying the existence of a potential euro-consumer in the late 90s of the last century. The basis for global communication was not only the offer of a single product, but also the same advertising message across Europe. The creators of the idea assumed that an individual's ideas and tastes may differ across cultures. But if product quality is guaranteed and emphasized by unified communication that raises 'universal' feelings and ideas, the campaign can also be successful on different geographic markets without adaptation. The results of the advertising campaign post-tests, however, have not confirmed this assumption. On the contrary, the main message of the advertising campaign "Heineken moment" based on the illustration of the transition from stressful situations into a relaxed atmosphere with beer Heineken in some European countries (Greece and Spain) were not understood as advertisers planned. The product was then seen as just another one of ordinary beverages for the ordinary events and so lost its initial positioning of „upper class beer" in these countries. Therefore, it is important to respect cultural differences of existing target markets and not rely solely on the anticipated benefits stemming from the global brand communication. On the following lines, we will look at aspects of global brand in times of boom in digital marketing.

## 2 Brand communication in the digital world

Regarding the communication strategy of brands, the most common form today is digital marketing. And from many aspects – not only in terms of the high penetration of mobile devices and computers, but also in terms of the large availability of customer data.

> 'We don´t believe in digital marketing. We believe in marketing in a digital world.'
> Clive Sirkin, Kimberly – Clark

We can say that the new tools of marketing and marketing communication are the result of technological development and innovation. There have been significant changes even in the media due to rapid technological development. According to several studies, it was found that people in developed countries spend up to fourteen hours a day at some of the media. Internet has become the communication media of this century. While it took 38 years to the radio until hit the population of 50 million people, television needed to such an extent 18 years, the Internet four years, multimedia 3 years and the international community system Facebook only two years.[8] Frey defined in his book digital marketing

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8    PŘIKRYLOVÁ, J., JAHODOVÁ, H.: *Moderní marketingová komunikace.* Praha : Grada Publishing, 2010, p. 320.

as an interactive marketing campaign that uses the Internet or mobile service operators, to promote a product.[9] A digital marketing today is not just about banner ads, as evidenced by the report by Martin Woska of Triad Advertising, who was presenting at the conference Internet rulezz 2014:



**Picture 2: Digital mix**
Source: Rulezz Internet Conference 2014 (from the presentation of the conference)

This image, which was presented by Dwain Jeworski of DB Marketing Group at the Daily Web Conference 2012, perfectly describes digital marketing, in terms of global brand:
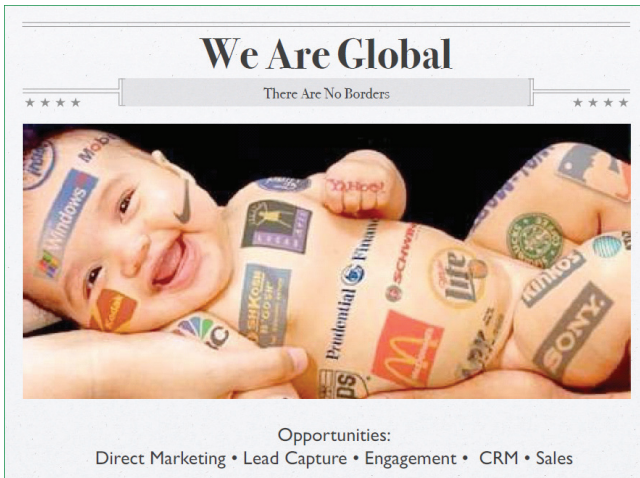


**Picture 3: Brand globalization**
Source: Daily Web 2012 conference (from the presentation of the conference)

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9    FREY, P.: *Marketingová komunikace.* Praha : Management Press, 2008, p.195.

## 2.1 Communication strategies and social networks

Social networks are a phenomenon of recent times, and global as well as local brands included them in their communication activities. Global ones even often use only one profile to communicate in different markets. Have a look below at what mainly in communication on Facebook as the most popular social network works and what does not, that is what should be avoided by global brands. Such posts definitely work that drag fans into the entire plot around the brand, such as competitions, questions or puzzles. A video content scores high, even that which somehow entertains the fan. Users will also appreciate the presentation of news, not just the company, but the area in which the company operates (such as a financial institution may be discussing the technological innovations, for instance contactless payments and various applications) as well as contributions focused more on lifestyle. We must keep in mind that users perceive the Facebook profile of the individual companies as an advisory or complaint tool. So there is nothing unusual if the customer of any given country will post directly to the parent company's FB profile wall his or her complaint or request. If we consider what to avoid, so they're certainly statuses oriented to the point of sale. Brands should understand that Facebook is not yet fully advertising channel for product communication, but rather it has an image and advisory role, if we look at it from the standpoint of users, not commercial companies. There is even more than just the commercial way how to attract someone's attention to the new product – for example to incorporate them into the status or blog that is dedicated to just above mentioned lifestyle. The brand can lose its fans by excessive content. While, for example, for the brand it is most important to get as many GRPs in a TV commercial and, therefore, the greatest SOV, when communicating on social networks is true that less is more and so maximum three posts a week are recommended.

Facebook offers not only work with the fans as potential customers and advocates. It has lately been an effective advertising channel. If we consider Facebook to be an advertising media, apart from that it is cheaper than for instance a TV commercial, it is even more targeting. Facebook collects enough data about their users, as a minimum the name, age, city, as well as hobbies and other preferences that will show you an icon over LIKE – I LIKE IT. If we talk about Facebook as an advertising channel for global brands, look at its effectiveness in the context of other channels of online communication, in this case it is the display advertising. We will show that the by online campaign of a financial institution, which communicated its new term deposit through these channels (due to confidentiality we will not mention specific names). The following formats and channels were used in the campaign:
• Mass server – 500 thousand impressions for a week, dynamic branding,
• Professional server – 700 thousand impressions for a week, dynamic branding,
• Facebook – sponsoring a status post.

If you take the weekly results, it is probably not a surprise that only 68.5% of visits came from mass server, 20.6% of the professional one and least of Facebook. However, it was not yet the marginal number because Facebook web brought to 10.9% of all users surveyed by the campaign. Of the total budget in all three media, Facebook budget accounted for only 7.9 %. If we look at it more in terms of Leads, it brought 85% more Leads than mass server. The secondary effect was an increase in other parameters of a Facebook profile (compared to the previous week):
• The number of new fans: + 0.8 %,
• Weekly intervention: + 46.6 %,
• The degree of involvement: + 58.5 %.[10]

We come to one of the greatest profits, which digital marketing for both global and local brands provide. Since this is a tool that is all about the data, it is also not targeting to generate the image, but rather a collection of Leads, which global brand can transform to customers in different markets. It can get by at least the following ways:
• creating a space for collecting Leads directly in display advertising – in branding and banners,
• through affiliate partners,
• click through for example, FB ads directly on the contact form on the microsite,
• by online newsletters either directly to the contact form, or again to click through to the microsite.

The brand may support collecting Leads by other activities, such as preferential benefit. For example, Sberbank offers the customer the credit gift of 200 Euro in the current campaign. But if the customer asks for the loan online (that means he fills out a contact form), he gets even the extra 50 Euro.

## Conclusion

In the 90s last century, direct marketing was exciting and sexy discipline. For the next decade it was a distinctive digital marketing and since 2010 we may consider mobile marketing to be the breaking point. But it remains to be seen over time.[11] Global companies have recently linked individual marketing and communication tools. They rely on the traditional ATL channels in their campaigns. A customer is being changed, so it is necessary that the approach of the company is being changed. Campaigns already beginning to be based on accurate data and targeting. The aim of our paper was to show the effectiveness of digital marketing discipline. This tool nowadays brings the sponsors much

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10    GALERA, J.: Impact of social networks on brand communication. In DEMCZUK, M., NIEWIADOMY, M. (eds.): *Prospects of Humanity.* Warsaw : Econferences.eu, 2015.
11    BERRY M.: *Milujem digitál a kreativitu*. [online]. [2011-03-29]. Available at: <http://hn.hnonline.sk/milujem-digital-a-kreativitu-436556>.

more data about users of digital channels and thus the average user can become an ambassador, or a customer for the global brand.

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# DIGITISATION OF ADVERTISING
# AND ITS ECONOMIC EFFECT

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**Abstract**

The ever growing demand for the use of new information technologies is forcing many companies to take revolutionary steps in order to maintain fair approach to their customers. Any company striving to be successful in these days has to monitor and analyse the development of information technologies and behaviour of the segment of customers to whom the company wants to sell its products and services. Internet marketing has been undergoing a huge technological development. Technical knowledge has become essential in order to set up and keep the digital advertisement on the internet. Therefore, this document focuses on the assessment of the economic efficiency of internet advertising of a company. The real-life example will be used to verify or falsify the hypothesis whether internet digital advertising has better future in comparison with the other standard forms of advertising.

**Key words:**

Customer. Digitisation. Enterprise. Internet advertising. Market. Marketing.

## Introduction

The Internet is used for a wide scope of activities and the penetration of the Internet-connected population is high, especially with economically active people with specific personal interests. In current modern turbulent times, the Internet is regarded as a natural, flexible, fast, and relatively cheap communication channel through the mediation of which information can be displayed, updated, and delivered to the target group. Primarily, internet marketing is undergoing significant technological developments. Nowadays, technological knowledge is an indispensable part of the appropriate setting up and carrying out of advertising on the Internet. From the viewpoint of companies, it is necessary to keep up the pre-set internet advertising pace. Currently, above all, marketing is based on the needs, desires and possibilities of customers (affordability, time saving requirements). Therefore, it is necessary for the companies to focus on topical requirements and needs of society, and, based on the identified findings, try to comply with the wishes of their customers. In view of the ever growing numbers of products and services, it is important for all the marketing tools of a company to be adjusted in harmony with the current level of modern technologies. As a result of non-compliance with these measures, the company can be very easily eliminated from the competitive environment. In this context, it is then very difficult to promote products or services among the target group of customers. Consequently, it is equally important to have a lot of information and knowledge available for the decision-making process and marketing campaigns' design. Owing to this reason, it is possible to make use of services of specialized

agencies dealing with internet marketing comprehensively. The most suitable solution with the consequent management of all marketing activities can be recommended and provided by these agencies to companies. Nowadays, new trading companies enter the market with the aim of winning and retaining loyal customers. A recipe for success can be seen in a professionally designed business model which is based mainly on high quality marketing with the help of which products and services can be properly promoted among the selected target group. The aim consists in reaching the status when the set goals are met and sufficient number of customers is won.

## 1 Results and discussion

Success of any business venture depends on its ability to attract and retain enough customers due to its unique selling proposition. There are three pre-conditions for these customers: they are interested in the product, they have money and they enjoy high convenience to buy it. In order to win these customers companies have to find them, understand their needs and desires, and communicate with them.[1]

Advertising is also in the focus of attention of creating and examining of mental maps. Practical significance of the knowledge of mental space dimension for marketing communication, and especially for advertising, is considerable. In marketing communication, determining the public space coverage by mental maps of its inhabitants is very important e.g. for decisions on outdoor advertising placement, booths' sites location, suitable streets and places for handing-out leaflets, etc. As it is quite obvious, outdoor advertising placement in certain areas can be useless, in other areas even offensive, or it can be considered as unethical, etc.[2]

Currently, advertising belongs among actively used marketing communication mix tools. Global and multinational companies spend huge amounts of money on advertising. These sums are often bigger than the GNP of smaller countries. Advertising spending often varies in different sectors and companies. Generally it can be stated that cosmetic companies, mobile phone operators, alcoholic and non-alcoholic drinks producers, and producers of drugs and cars have the highest ratio of advertising expenditures. The expenditures vary from a fraction of a percent up to fourteen or even more percent calculated from turnover, or, in some cases, even from profit. Far more realistic attitude is the communicative approach when we regard the advertising goals from the position how to inform, persuade or remind a potential customer about our selling proposition. Thus, the

1    SVĚTLÍK, J.: *Marketing – cesta k trhu.* Plzeň : Aleš Čeněk, 2005, p. 189.
2    ZICH, F.: Živý prostor, mentální mapy a reklama. In *Communication Today,* 2013, Vol. 4., No. 1, p. 12.

advertising tries to educate the prospect to assume positive attitude towards the product by offering him the right information in the advertising message.[3]

One of the most important decisions of the advertising strategy is which media the company will use for the advertising message delivery. The selected advertising channels must have the ability to reach communication objectives. Advertising channels are usually compared from the viewpoint of their ratio on advertising expenditures in a particular country, and from the viewpoint of their strengths and weaknesses. Advertising practice then divides these channels into electronic media (broadcasting/transmissive), i.e. radio, TV, cinema, and the Internet, and classical media, i.e. newspaper, magazines, some outdoor and indoor media.[4] In the current modern "internet" times, the attitude of companies towards advertising has changed fundamentally. No other medium like the Internet has had such a profound influence on the areas of trade, marketing, and communication. The Internet has become a worldwide decentralized network based on given standards. It offers companies a variety of options from providing space for promotion of a company and its products, via customer relation management tools and logistics chains up to business internal processes management. Undoubtedly, web presentations are the most widely used service (websites and email), offering billions of items of information. Specialized web portals and search engines (Google, Yahoo, Seznam…) help users find the required information.[5]

With the emergence of new media, a young marketing sector – digital marketing – starts to emphasize itself in a progressive way. It is a part of marketing communications and uses digital technologies typical for new media in the communication process. The principle of communication here is the exchange of opinions and attitudes, i.e. a dialogue between the sender and receiver. The substance of this communication is to enhance the impact on the customer and increase the level of his/her attention by expecting a feedback from him/her. The stimuli used here are above all motion, change, action, sound and the like, which can induce emotional reaction of customers.[6] Among the advantages of this approach there are:
• Targeting and individualization – through the mediation of two-way communication individual needs and preferences of customers can be understood.
• Monitoring and measurement – the advantage of the dialogue system is measurability of many indicators in real time. Among the basic measurable indicators there are e.g.: reach, numbers of advertising page clicks, and conversions. We can also get opinions and observations from social networks.

3    PŘIKRYLOVÁ, J., JAHODOVÁ, H.: *Moderní marketingová komunikace,* Praha : Grada Publishing, a.s., 2010, p. 67-68.
4    Ibidem, p. 71.
5    Ibidem, p. 216-217.
6    JANOUCH, V.: *Internetový marketing: prosaďte se na webu a sociálních sítích.* Brno : Computer Press, 2010, p. 304.

- Customer feedback – unlike the analogue system of mass media one-way impact, digital marketing is two-way communication between a salesman and a customer while the customer can ask for further, more detailed information about the product, or inform about his/her displeasure the salesperson but also the environment which is rather dangerous for companies. Therefore, from the side of both salespeople and producers, quality and services are in the focus of their attention.
- Complexity – the Internet environment offers a wide range of methods and tools which can be used in communication with customers.
- Efficiency – in sales promotion, in comparison with the other types of advertising, digital marketing offers cheaper promotion and sales promotion options.
- Availability – the Internet operates on 24/7/365 basis, incl. public holidays.
- Global impact – via these technologies it is possible to communicate with anybody who is connected to the Internet anywhere in the world.[7]

Among the disadvantages of digital marketing[8] there are:

- Trustworthiness – a large number of frauds on the Internet is not a good testimonial when using this media. These are mostly fictitious sales of products or services or an increase in crime on social networks.
- Not everybody is online – in the year 2011, 6.5 million of population used the Internet, nowadays, the number is higher than 8 million.
- Lower usability for local business – global impact can disadvantage small local firms in the competition.

## 1.1 Types of internet advertising

Nowadays, the Internet is undergoing permanent progressive changes which favourably influence its environment for high-quality and effective advertising. Well-elaborated online functions linked to various system elements offer its advertisers wide sphere of activity, often with very good financial conditions.

### Efficient PPC contextual (text) advertising

Efficient PPC contextual advertising (also sometimes labelled as "text advertising") is the type of advertising with immediate response the aim of which is to stimulate the user to immediate action, e.g. immediate conversion. It is the advertising paid based on clicks on a given webpage which contains the pre-determined keywords or phrases (PPC, Facebook) mediated and created in systems like Google AdWords, Sklik, and Facebook.

### PPC advertising

This kind of PPC advertising, i.e. pay-per-click advertising, belongs to one of the most efficient and simultaneously most affordable online advertising of

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7    EVANS, D., McKEE, J.: *Social media marketing: the next generation of business engagement.* Indianapolis, Ind. : Wiley Pub, 2010, p. 388.

8    Ibidem, p. 388.

contemporary modern times. Due to its location above the full-text search (SEM), PPC advertising is one of the most widespread advertising on the Internet in the search engines of Seznam.cz and Google.com. Here, the advertisers pay only when you click on an ad (click-through) and for direct access to the website. PPC advertising has the opportunity to target very precisely the specific segment of people and it can also be modified flexibly during an already active campaign. These parameters and also low price are the reasons why advertisers like this type of advertising quite a lot. The proof of this can be seen in a high penetration of this form of advertising.

**Designing PPC advertising**

Designing an appropriate and high quality PPC campaign depends on ensuring high relevance between keywords, ads and landing pages content. This can be achieved by a thorough analysis of websites that should be promoted. Consequently, it is necessary to determine the objective or purpose of the campaign and according to it to set up properly financial budgets (the MCP – fixing the maximum cost for a click-through and a daily budget), then demographic targeting, or with campaigns running in an advertising network targeting also by age, gender, interests, etc. While creating the campaign itself, it is necessary to select a sufficient number of keywords and phrases (longtail); consequently, these are divided into thematic groups (e.g. boots, trekking boots, winter boots, etc.) to which it is necessary to create relevant ads targeted to a specific user group.

**Management of PPC advertising**

Managing the campaign consists in optimizing keywords, increasing and decreasing the MCP (maximum cost per click), and CPC (actual cost per click), monitoring CTR (click-through rate), design new ads with more effective copies, increase conversions (sales), reducing the cost per click and increasing the website ranking in organic listing within SEM, evaluation of statistics and in-depth monitoring of the entire PPC sphere due to the continuous developments of these systems. It is an essential part of the campaign management to add new keywords and also negative keywords according to users' search queries, or according to fixed objectives. We also can take advantage of optimization on the basis of the achieved conversions using statistics from Google AdWords, Sklik, and Google Analytics.

**Google AdWords**

Google AdWords provides non-stop search both on Google.com and partner search engines (Atlas.cz, Centrum.cz, atd..). Using Google AdWords, it is possible to target advertising very precisely based on interest, language, technological options, and geographic targeting. With the efficient help of this online application provided by Google you can reach new customers easily and significantly help to get your company up and running. There is a possibility to reach the customers at the exact moment when they are searching for products that you offer. Your ad will be displayed on Google as well as on partner search engines. The price

offered for click-through guarantees that you pay only for the clicks on your particular ad.

**Remarketing**

Remarketing is a method of targeted internet advertising which is offered by the system for PPC Google AdWords campaigns. It is possible to reach the target group of people who have already visited the website of a remarketing advertiser. The remarketing campaign is set up in Google AdWords content network and with the help of graphic banners it is displayed to a certain segment of people who have already visited your website. Remarketing is a very efficient and modern form of advertising which is in the early stages of its development.



**Picture 1: Remarketing diagram**
Legend:    1 New visitors from different communication channels.
              2 Visitors who have already left the company website but they are marked with remarketing and retargeting codes.
              3 Coded visitors exposed to targeted text and banner advertising in the content network.
              4 The visitor returns to the company website. Conversion rate is boosted.
Source: Own processing

**Google Analytics**
In Google Analytics, it is possible to monitor:
• from which platform the visitor entered the website,
• what was the exact number of page views from individual platforms,
• page session duration,

• what is the percentage of new visitors visiting the particular website,
• conversion rate for a given period,
• detailed behaviour of users on these pages, and much more data.

These analytics functions are very helpful while carrying out consequent steps both within business and, above all, marketing strategies.

### Sklik

Sklik works on a similar principle as Google AdWords. Here, it is possible to choose one of the two types of advertising networks – a searching network and content network (e.g. Firmy.cz, Sauto.cz, Sfinance.cz, Sport.cz, Novinky.cz, ProZeny.cz) and the extent of the content network is much more limited than in Google AdWords. Nowadays, majority of advertisers focus their efforts on PPC advertising in Google AdWords where there is the possibility to interlink their campaign to a remarketing banner campaign. It is also possible to monitor the particular Sklik account's statistics using the analytical tool Google Analytics. In this case it is possible to monitor and compare the efficiency of search results and potential conversions using both Sklik and Google AdWords.

### Contextual branding

Above all, in case of contextual branding we deal with graphic advertisements (also called banner ads), eventually also with video advertisements. Contextual branding is significantly more expensive than direct-response advertising. Primarily, it focuses on catching the customers' attention at first sight and it builds the brand step by step.

Contextual branding is based on cardinal steps of a graphic designer whose task it is to create engaging banners which will be displayed in the content network based on advertisers' instructions.

### 1.2 Economic evaluation of a specific campaign

For the calculation and economic evaluation of digital tools of internet advertising, a fictitious marketing campaign was created for a company which is interested in the use of sophisticated methods, including greater financial investments in the corporate brand building. In order to fund these marketing activities, a financial budget was calculated amounting to 750,000 Czech crowns for the period of 6 months. The primary task of the campaign was to stipulate the list of key marketing activities: Google AdWords, YouTube, Sklik, Affiliate e-mailing, Public Relations (PR), and SEO.

### Google AdWords

An account setting and advertising in Google AdWords is an indispensable part of marketing activities. The cost of individual keywords is necessary to keep at low and acceptable values with the objective to be displayed at three top positions in organic listing in search engine marketing. The advertising investment into keywords amounts to 30,000 Czech crowns per month. Further on, the devised

concept involves Google Display Network (content network). Within the frame of the PPC advertising and specific keywords' search it is possible to set up the remarketing campaign in real time. At first, it is necessary to embed the retrieved remarketing tag directly into the source code of your web page. Consequently, the remarketing campaign consists in displaying the banner with a message to those users of the content network who visited the e-shop in the past but did not buy anything. For this amount of advertising, the click-through cost was fixed in a standard way similarly to PPC advertising. For this particular campaign we suggested the budget of 5,000 Czech crowns per month.

Another developed concept of **remarketing** is **dynamic remarketing** which works in the same way as standard remarketing. During the subsequent display, users will see a specific product which they saw in the past but did not make the final purchase. The budget was increased by 3,000 Czech crowns per month to cover the campaign extension. The concept design includes PLA (product listing ads = advertisements with product information). The ad appears in a completely different format than during conventional search. When you enter the query into the search box, the ad with a picture of a particular product is displayed in the right-hand column which can attract considerable attention. Furthermore, together with the advertising message there appears the price, which also greatly influences and attracts potential customers. In order to cover the costs of PLA, the financial budget of 4, 000 Czech crowns per month has been assigned. Remarketing can be also used in e-mail campaigns to send informative messages via e-mail based on a mailing list. The user simply opens a promotional newsletter and he/she is automatically registered as a prospect. Subsequently, remarketing reaches these website visitors with a business message (offer) when they are browsing other websites. The amount covering e-mailing remarketing without direct access amounts to 3,000 Czech crowns per month.

**YouTube video advertising** is becoming an indispensable part of branding. Seeing ads is free. You are charged for the advertisement only when a user clicks the video box, which takes him/her straight to the e-shop of our fictitious company. The budget in the amount of 5,000 Czech crowns per month was allocated to this form of advertising. Setting up accounts within Sklik was built on the parameters of the previous campaign data analysis and keywords that have been previously compiled. The limits are set in the same values and for the search engine advertising the amount of CZK 10,000 Czech crowns per month was allocated.

**Affiliate e-mailing**
In this part of our campaign, we focus on the distribution of 0.5 million e-mails with advertising messages sent every month for the period of half a year. Targeting of these messages is normally directed to the entire Czech Republic. After receiving business data, the outsourced agency creates the graphics of a newsletter and circulates in advance mutually agreed number of e-mails. Costs associated with setting and sending the e-mailing campaign messages are fixed at 10,000 Czech

crowns per month. The evaluation of the provided services will be done through an affiliate program, i.e. a system of commission for sales made as a result of the e-mailing campaign. Any information related to the leads resulting in final purchase of the product can be traced within Google Analytics. The amount of CPA for the outsourced agency was fixed within the Affiliate e-mailing campaign at the level of 4.5% of the sold product price.

**Public Relations (PR)**
Within the frame of PR activities, a performance by a celebrity was accomplished. Its one-time expenses reached the amount of 50,000 Czech crowns; further on, PR support in media (journalists) amounts to 15,000 Czech crowns for the period of six months. The programme broadcasting costs 10,000 Czech crowns for the period of three months. Total costs of the period of 6 months reaches the amount of 170,000 Czech crowns.

**SEO**
In order to cover the costs of the SEO concept, total amount of 15,800 Czech crowns monthly was allocated.

**Table 1: Total cost of marketing activities**

| Supplier | Czech / 6 months |
|---|---|
| Google AdWords | 300,000 |
| Sklik | 60,000 |
| Affiliate e-mailing | 63,000 + CPA |
| SEO | 94,800 |
| PR | 170,000 |
| Google AdWords campaign management fees | 30,000 + CPA |
| Sklik campaign management fees | 5,300 + CPA |
| **Total in Czech crowns** | 723,100 |

Source: Own processing

In the calculation of marketing activities costs there is a financial reserve amounting to 26,900 Czech crowns which was created within the planned budget amounting to 750,000 Czech crowns. This reserve will be used to cover any possible deviations, especially in connection with the PPC campaigns and clicks-through numbers because it is very likely that the clicks-through will not always exactly correspond to the numbers presumed in the draft budget.

**Revenue forecast of the proposed marketing activities**
Projected campaign results:
• Average conversion cost 10,500 CZK.
• CPA amounts to 3 % (Google AdWords).
• CPA amounts to 4.5 % (Affiliate e-mailing).
• Average conversion rate 0.2 – 0.35 %.
• Average margin of the company is 50 %.

**Google AdWords**

Google AdWords (searching network, content network, remarketing, dynamic remarketing, PLA) and YouTube will secure 30,000 visits in six months. The conversion rate will be 0.3 %, which means 90 customers (total conversions). With the average conversion cost of 10,500 Czech crowns the projected campaign turnover is 945,000 Czech crowns. Within the frame of the campaign, it is also necessary to take into account the CPA cost which will be paid out to the outsourced agency which will manage the campaign. Based on this calculation, the agency will be paid 28,350 Czech crowns.

Calculation of the average CPA cost / product:
 10,500 * 3 / 100 = 315 CZK
Calculation of the average CPA cost / total:
 110,500 * 3/ 100 = 315 * 90 = 28,350 CZK
Calculation of the average profit with the average margin of 50 %:
 945,000 * 50 / 100 = 472,500 – 300,000 – 30,000 – 28,350 = 114,150 CZK
The average profit amounts to 114,150 CZK.

**Sklik**

Sklik is presumed to ensure 6,300 visits in six months. The conversion rate will be 0.3 % which means 19 customers for the whole period. With the average conversion cost of 10,500 Czech crowns, the turnover will be 115,500 Czech Crowns. Here, it is also necessary to take into account the amount of CPA for the agency which amounts to 5.985 Czech crowns.

Calculation of the average CPA cost / product:
 10,500 * 3 / 100 = 315 CZK
Calculation of the average CPA cost / total:
 10,500 * 3 / 100 = 315 * 19 = 5,985 CZK
Calculation of the average profit with the average margin of 50 %:
 199,500 * 50 / 100 = 99,750 – 60,000 – 6,300 – 5,985 = 27,465 CZK
The average profit amounts to 27,465 CZK

**Affiliate e-mailing**

As presumed, the affiliate program will mediate approximately 30,000 visits. The conversion rate will be 0.15 % which corresponds to the number of 45 customers. The turnover will be 472,500 Czech crowns. The CPA will be the only cost in connection with the services provided by the agency.
Calculation of the average CPA cost / product:
 10,500 * 4.5 / 100 = 472.50 CZK
Calculation of the average CPA cost / total:
 10,500 * 4.5 / 100 = 472.5 * 45 = 21,262 CZK
Calculation of the average profit with the average margin of 50 %:
 472,500 * 50 / 100 = 236,250 – 63,000 – 21,262 = 151,988 CZK
The average profit amounts to 151,988 CZK.

**PR**

With the PR activities, the main purpose and objective of the marketing campaign will be to ensure maximum possible awareness about the operations of the company. Branding and public relations with customers is the utmost priority of the whole proposed concept and marketing plan. Unfortunately, it is not always possible to measure quantitatively the benefits of these activities precisely.

**SEO**

SEO will bring 13,000 users to the company e-shop in 6 months. With the average conversion rate of 0.35 % there is a probability of 54 conversions. With the average price for one product, the turnover will be 483,000 Czech crowns. CPA within the SEO concept has not been proposed to the agency.

Calculation of the average profit with the average margin of 50 %:

483,000 * 50 / 100 = 241,000 – 94,800 = 146,200 CZK

The average profit amounts to 146,200 CZK.

Table 2: Total average profit forecast

| Supplier | in Czech crowns |
|---|---|
| Google AdWords | 114,150 |
| Sklik | 27,465 |
| Affiliate e-mailing | 151,988 |
| SEO | 146,200 |
| **Total average profit** | **439,803** |

Source: Authors' own budget calculation

As part of a comprehensive evaluation of the benefits of the planned activities is necessary to mention the following circumstances that may significantly affect the above calculations. The most important aspect influencing the successful sales operations of our fictitious company e-shop consists in very well designed webpages in terms of content and all technical parameters. We can highly recommend one-off optimization, SEO and maximization of conversion rate and increase of user experience (UX). Shortcomings in this area can significantly influence the conversion rate later on, even in case of a very well designed Internet campaign. Finally, it can be concluded that the campaign met the expectations to a great extent. An important aspect of the success of the campaign was the fact that its financial budget was properly designed, which enabled to manage the campaign quite extensively. Also the PR campaign largely contributed to the interpretation of the results, it supported the brand and consequently helped to increase the number of the e-shop visitors. If the company did not implement further follow-up marketing steps, it is very likely that there would be a rapid decline in all advertising positions and at the same time it could result in the trademark fall into oblivion among potential customers.

## Conclusions

The authors of this paper are fully aware of the fact that gathering data for an implicit wider generalization would be possible based only on in-depth qualitative marketing research the results of which would be further verified by quantitative research. However, taking into account this limitation, it is possible to claim, being fully responsible, that the presented calculations bring clear evidence that internet advertising and its digitisation is a very efficient advertising tool and it has great growth potential. Consequently, the initial hypothesis can be fully verified. Thanks to various analytical tools, the internet advertising efficiency is becoming more easily and more precisely measurable. The working environment is user-friendly, well-arranged and it provides high quality outcomes, incl. graphical presentation of data in the form of tables and charts. The advertiser has the possibility to tract the results of the already launched campaign in real time, incl. the option to rectify its parameters even in the course of the campaign. The efficiency of digital marketing campaigns can be measured in detail, incl. monitoring the efficiency of individual communication channels within a particular communication mix. Many functions are fully automated which saves time of marketing experts. For the needs of the users of digital advertising environment the internet advertising represents new challenging opportunities. This trend is already reflected in practice in the form of a slight departure from conventional analogue advertising to digital advertising forms. Currently, it is necessary to prepare in a responsible way another generation of marketing specialists for the demanding tasks which are awaiting them in their marketing practice. The reason for this is urgency, technological novelty and project complexity of digital advertising implementation into marketing practice which is fundamental for the enhancement of quality of business activities in the corporate world.

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# BANK SEGMENTATION AND MARKETING STRATEGY IN CONTEXT OF DIGITAL MARKETING CONDITIONS IN THE CZECH REPUBLIC

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**Abstract**

The segmentation is the process of dividing a large homogenous client portfolio into clearly identifiable groups (segments) having similar needs, wants, or demand characteristics. With the entrance of new media and with increasing the market penetration of internet and mobile phones the advertising interests in using new medias as a means of marketing communication is rising. The Bank segmentation in the Czech Republic, focusing on the marketing strategy of large or small banks in context of digital marketing conditions is the main goal of the paper.

**Key words:**

Bank Segmentation. Digital Marketing. Marketing Strategy. New Media. Product Policy.

## Introduction

Successful segmentation is the product of a detailed understanding of your market and it is the process of dividing the client portfolio into smaller groups (segments) having similar needs, wants, or demand characteristics. It´s objective is to design a marketing mix and the communication strategy that precisely matches expectations of customers in the targeted segment. The biggest trend is the shift to mobile and this trend rapidly increasing. Marketing strategies based on online environment is our future.

## 1 Methodology and goals

The professional goals of the paper are aimed at collecting the secondary data, dealing with them and interpreting them in order to research the bank segmentation in the Czech Republic, focusing on the marketing strategy of large or small banks in context of digital marketing conditions. The methods of analysis, synthesis, comparison in time and comparison of the segmentation or the marketing strategy of big and small banks were used. The conclusion sums up the recognitions and discusses them.

## 2 Bank Segmentation

The banking system in the Czech Republic is a part of the financial market of the European Union. The Global Europe Area is influenced by traditional banking

players (UniCredit, KBC, Erste Group, Société Générale and Raiffeisenbank International) but also by new markets (such as Eastern Europe, China, Asia and Russia). The essential role is played by a group of four large banks (Czech Savings Bank plc, Czechoslovak Trade Bank plc, The Czech Republic's Commercial Bank plc, UniCredit Bank Czech Republic and Slovakia plc), which contribute by 58% to all the assets. Then there are eight middle-sized and six small banks (Air Bank plc, Equa Bank plc, European-Russian Bank plc, Fio Bank plc, LBBW Bank CZ plc, Wüstenrot Bank plc), then five building societies and 21 bank branches of foreign banks. In an international comparison, the Czech banking system is a stable, profitable and well capitalized market. [1]

The balance sum of the banking sector in the Czech Republic reached in 2014 the volume of CZK 5.310,8 billion. It can be stated that there is the bank system based on traditional model of collecting deposits and providing loans. Own bank equity was 10,% of the balance sum, the rest were liabilities. On the asset side of the balance sheet, there are loans and other receivables on the level around 63,7%. There is the profit of CZK 161.4 billion, which is mostly made up from fees and commissions and from interest profit. The largest share of profit generates a group of four major banks, which produce 65% of the total net profit of the banking sector of the country. [2] Ten banks are owned by foreign capital exclusively and it predominates in five other banks as well. The Czech capital is in two banks and six banks are owned by the Czech capital exclusively.[3]
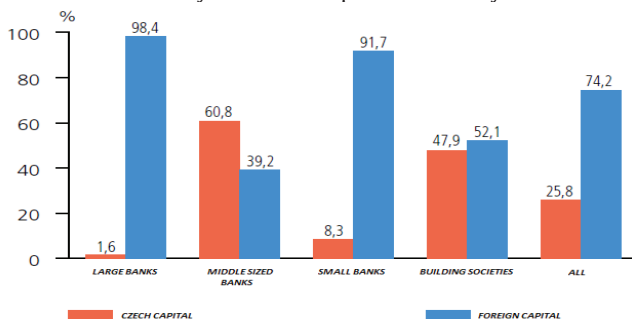


**Graph 1: The Ownership Structure in the Bank Sector (2014)**
Source: *Report of Financial Market Supervision.* [online]. [2015-10-11]. Available at: <http://www.cnb.cz/cs/dohled_financni_trh/souhrnne_informace_fin_trhy/zpravy_o_vykonu_dohledu/>.

1    CZECH NATIONAL BANK: *Report of Financial Market Supervision 2013.* [online]. [2014-10-12]. Available at: <http://www.cnb.cz/cs/dohled_financni_trh/souhrnne_informace_fin_trhy/zpravy_o_vykonu_dohledu/>.
2    CZECH NATIONAL BANK: *Monetary Statistics 2015.* [online]. [2015-02-28]. Available at: <https://www.cnb.cz/cs/statistika/menova_bankovni_stat/bankovni_statistika/bank_stat_komentar.html>.
3    CZECH NATIONAL BANK: *ARAD – Banks and Branches of Foreign Banks 2015.* [online]. [2015-04-28]. Available at: <http://www.cnb.cz/docs/ARADY/HTML/index.htm>.

The trend of last five years is the entrance of small low-cost banks to the market which have succeeded in getting new clients and creating new acquiring and communication strategies. Since 2010 the first retail, so called low-cost, bank has operated on our market. It has been Fio Bank plc which has acquired 520,000 clients since its origin.[4] In 2011 two other banks started their operation. Air Bank plc, which had 343,000 clients on August 2015[5], and Equa Bank plc that has 140,000 clients now.[6] The paper distinguishes these banks from ZUNO BANK, A. G. which is considered to be a new and low-cost one of a new generation but in fact it is just an organization section and a branch of a foreign bank.

The customer segmentation process is not difficult for the bank. The easiest approach to segmenting the client portfolio is to look at customer value and the progression through the customer relationship life-cycle. We could define the clear identification of the segment, measurability of segment needs, its accessibility through promotional activities and its´ profitability. There is a lot of information about customer behaviour, needs and wealth in the customer relationship management system of the bank. The bank knows it´s customers.

The segmentation is typically a combination of data analysis and understanding who your customers are and, more importantly, what your customer needs. "*Due to the dynamic nature of well-structured information about the client (e.g. history of transactions in client portfolio), customer segmentation itself is dynamic and requires a pro-active approach.*"[7] The financial crisis in 2008 brings segmentation back into the radar of the banks. The Picture No. 1 shows the retail customer segmentation in worldwide banking. From Strategic and Marketing point of view there are five main retail segments – Premium, Retired, General, Young and Students.

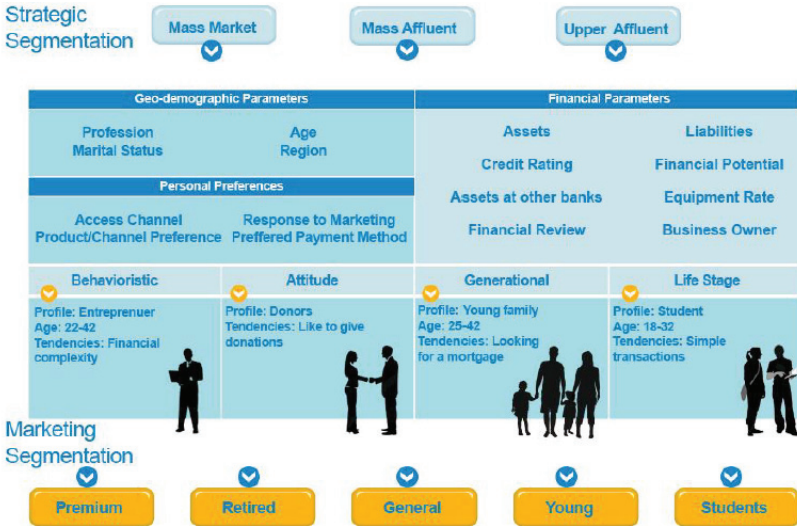4    FIO BANK: *Media Service.* [online]. [2015-10-10]. Available at: <http://www.fio.cz>.
5    AIR BANK: *Media Service.* [online]. [2015-10-10].
     Avaliable at: <https://www.airbank.cz>.
6    EQUA BANK: *Media Service.* [online]. [2015-10-10].
     Available at: <www.equabank.cz>.
7    LAURENTIS, G.: *Strategy and Organization of Corporate Banking.* Heidelberg :
     Springer Berlin, 2005, p. 27.

**Picture 1: Retail Customer Segmentation in Worldwide Banking**
Source: *Report of Retail Customer Segmentation in Worldwide Banking*. [online]. [2015-10-10]. Available at: <http://thefinanser.co.uk/files/adkit---retail-customer-segmentation-in-worldwide-banking-1.pdf >.

In the Picture No. 2 you can see another segmentation view. "*Traditional lifestyle segmentation seeks to give banks insight into their customers and to leverage their knowledge to offer the right products to the right customers at the right time. It created a number of categories with typical customer characteristics and potential product needs. Simple demographics, such as age, income, marital status and number of children were assessed to decide which single segment to put the customer in.*" [8]

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8    FLOWER, G., FAWCETT, P., HARLE, S.: *Banking – In Search of Relevance. A New Model for a New Reality.* Cornwall : TJ International, 2012, p. 222.

| Lifestage | Characteristics | Products |
|---|---|---|
| Teenagers/students | Initiate banking relations | Current and savings accounts |
| Single adults | Enter college, workforce | Credit and debit cards, auto loans |
| Childless couples | Marriage | Joint account, ISA, investments |
| Young families | Birth of a child | Mortgage, loans, insurance, education plans |
| Established families | School age children | Home equity loans, education plan, insurance |
| Empty nesters | College bound children | Investments, education loans, second mortgages |
| Mature adults | Retirement | Investments, estate planning, plan distribution |

**Picture 2: Retail Traditional Life-style Segmentation**
Source: FLOWER, G., FAWCETT, P., HARLE, S.: *Banking – In Search of Relevance. A New Model for a New Reality*. Cornwall : TJ International, 2012, p. 223.


## 3 Marketing Conditions in the Czech Republic

There are two sides of the market in the Czech Republic. Four large banks (for names see above) with a wide product offer and very sophisticated segmentation. This type of bank designed products and services for small-scale clients, small and medium-sized companies, towns and municipalities. It means that there are three main segments in banking business – Retail, Companies and Municipalities. In Retail Segment we can see Children, Students, Mass, Affluent and Top-afflunet clients. In Companies there are the Self-employed, Small and Medium-sized businesses, and Corporates.

On the other hand there are small low-cost banks and their segmentation is very poor. We can say that they have all products for all clients or they divide client portfolio into two parts – retail or business segment. This type of the bank is for young clients. The main feature of them is modern technologies and the communication platform based on the internet or the mobile phone. The key is to take the banking outside of banking halls. The future of new banking systems are the possibility to work via alternative distribution channels, using new technologies and new partnerships. The Grapf No. 2 shows which channels are used and how often.
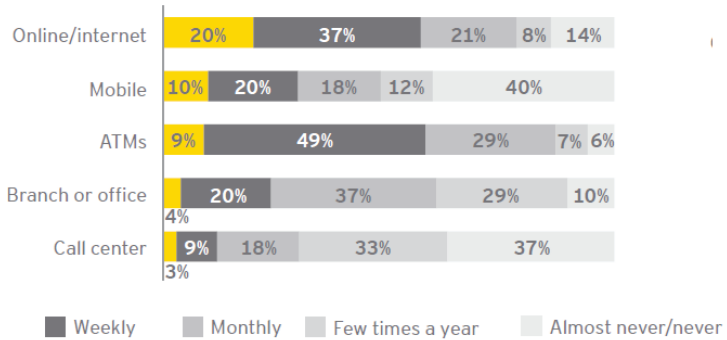
**Graph 2: Channels used in Worldwide Banking**
Source: *Winning Through Customer Experience.* [online]. [2015-10-10].
Available at: <http://www.ey.com>.

Satisfaction with mobile banking is lower than online banking. "*Customers are looking for the simplification in their day-to-day banking, as evidenced by some of the features they value most:* [9]
• *Easy access to branches and ATMs;*
• *Excellent online banking features;*
• *Ease of conducting frequent banking transactions;*
• *Quickly handling request.*"

The Graph No. 3 shows the frequency of using all mentioned channels in Czech Republic in comparison with America.
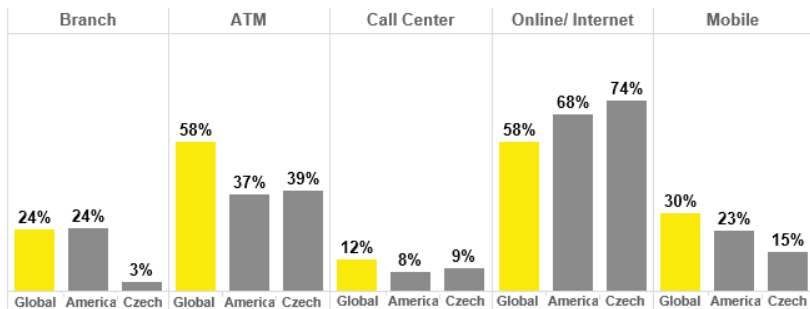


**Graph 3: Channels used in Worldwide Banking**
Source: *ADKIT: Report of Retail Customer Segmentation in Worldwide Banking.* [online]. [2015-10-10]. Available at: <http://thefinanser.co.uk/files/adkit---retail-customer-segmentation-in-worldwide-banking-1.pdf >.

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9    EY CONSULTANCY: *Winning Through Customer Experience.* [online]. [2015-10-10]. Available at: <http://www.ey.com>.

With entrance of new media and with increasing market penetration of internet and mobile phones the advertising interests in using new medias as a means of marketing communication is rising. „*Česká spořitelna (ČS) is a modern bank with 5.3 million clients. It's a member of a Central European financial group called ERSTE Group that has a client base approaching nearly 17 million.*"[10] „*During financial crises, companies face increasing pressure to reduce costs while increasing the efficiency of marketing budgets,*"[11] said Václav Hrubý, Head of the Campaign Management Team. "*We plan to transfer more marketing resources to below-the-line activities and consider a direct and modern marketing approach to be a real winner during a financial crisis. Direct marketing has an advantage over above-the-line marketing communications such as television, radio and newspaper because we can accurately calculate our expenses and measure output or responses.*" [12]

The marketing campaigns of new retail banks have been compared with already existing banks, constitute a sufficient awareness of their brands and get to so called „consideration list" of dissatisfied clients who consider to change their banks. In the first step the brand was communicated and in the second step the comparative product campaign came (deposit products, credit products, services for entrepreneurs) in order to make clients think about their banks and inconvenient products. Retail banks always emphasize so called product nuisance of clients' old banks (everything charged etc.) and suggest changes. Their success is based on an interesting, creative and communicative concept, not to be boring. The target group for all advertisements has always been young people between 25-45 years old, being online. So we can say that their main communication power is via new media (internet, mobile phone, social media).

The creative concept of Air Bank plc called „**TWO WORLDS**" is based on a comparison of the old and new bank. The main slogan, „You can like your bank, too ", introduces the whole campaign. The aim is to create the world of Air Bank plc and the world of traditional banks and compare them. The advertisement was created by Mather Adventures Agency and the media were involved (TV, Internet, radio) with the budget of more than 30 mil. CZK. [13]

Equa Bank plc communicated with the clients in the following campaign: „**MORE THAN YOU EXPECT**" with the main slogan „Begin with…". According to Mr. Petr Řehák, Chief Executive Officer, „*The new communication strategy tries to introduce Equa Bank plc as a company which always gives its clients something more. He also invites people to try the new bank and find out that they can be surprised in*

10  *Refocusing Campaign Management.* [online]. [2015-10-10].
    Available at: <http://www.sas.com/en_za/customers/ceska-sporitelna.html>.
11  Ibidem.
12  Ibidem.
13  *Concept Description.* [online]. [2015-02-28].
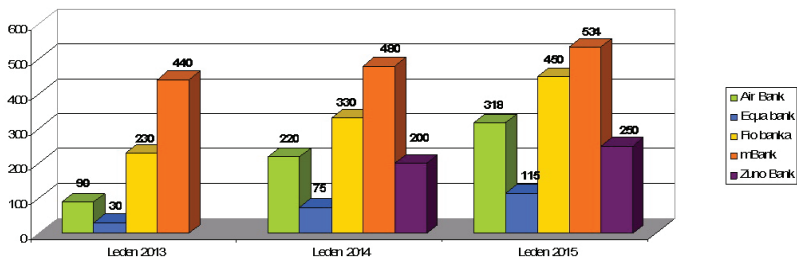    Available at: <http://www.effie.cz/vysledky-effie/rocnik-2012/dva-svety>.

*a very pleasant way.*" [14] Dream Studios which is a part of Havas Group created this campaign. The main aim of the campaign was to extend the awareness of the brand and introduce the product offer. The campaign was on the TV, radio, Internet, and also in the press.

Fio Bank plc used the creativity of Mr. Jakub Kohák who directed as well as played in a series of unconventional advertisements which were on the TV, radio, Internet, and in the press. AG Geronimo Agency is the author of the creative concept, the main slogan is: *„ AND THAT'S ENOUGH …. FIOOOO ….*". The main aim of the campaign was, just like in the previous cases, to extend the awareness of the brand and introduce the product offer.[15]

It can be said in the conclusion that all the concepts mentioned above attracted lots of clients. Nevertheless, a question still remains how many clients will decide to stay with the bank when the acquisition advantages cease. The banks do not present how many clients transferred all their financial means to new accounts, i. e. whether they are clients' first or second banks which they just use to keep the current advantage in the form of a higher interest on the savings account or a lower credit fee.

The success of the campaign during the previous year (2014) is summarized in the following Graph No. 4. "*The largest annual increase in the number of clients seen Equa bank (53%), Air Bank (45%) and) Fio banka (36%). Conversely, large banks such data too boast. Commercial Bank is the only one of the three major banks (KB, CS and CSOB) reported in mid-2014 increase in clients – by 22 thousand. Czech Savings Bank in the same period declined from 5.3 mil. to 5.1 mil. clients. Growing numbers of clients do not mean that low bank in the Czech market will be successful in the long term.* "[16]



**Graph 4: Number of Clients of New Banks (2013 – 2015)**
Source: *Number of Clients of New Banks.* [online]. [2015-02-28]. Available at: <http://archiv.ihned.cz/c1-63377520-mensi-banky-rychle-rostou-ziskaly-uz-temer-1-7-milionu-klientu>.

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14   *Media Service.* [online]. [2015-10-10]. Available at: <www.equabank.cz>.

15   *Media Service.* [online]. [2015-10-10]. Available at: <http://www.fio.cz>.

16   *Menší banky rychle rostou.* [online]. [2015-02-28]. Available at: <http://archiv.ihned. cz/c1-63377520-mensi-banky-rychle-rostou-ziskaly-uz-temer-1-7-milionu-klientu>.

## Conclusion

The numbers presenting annual acquisitions of new clients of new retail banks and the number of current clients indicate that modern campaigns and low – cost banking models are successful. However, for how long? The marketing communication is a fast developing environment and there is the question for how long these new banks can afford such expensive campaigns and, more or less, financed products. Nevertheless, it is positive that traditional bank has motivation to improve their services and start with new media communication strategy.

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*Media Service*. [online]. [2015-10-10]. Available at: <https://www.airbank.cz >.

*ARAD – Banks and Branches of Foreign Banks 2015*. [online]. [cit. 2015-04-28]. Available at: <http://www.cnb.cz/docs/ARADY/HTML/index.htm>.

*Monetary Statistics 2015.* [online]. [2015-02-28]. Available at: <https://www.cnb.cz/cs/statistika/menova_bankovni_stat/bankovni_statistika/bank_stat_komentar.html>.

*Report of Financial Market Supervision 2013*. [online]. [2014-10-12]. Available at: <http://www.cnb.cz/cs/dohled_financni_trh/souhrnne_informace_fin_trhy/zpravy_o_vykonu_dohledu/>.

*Concept Description*. [online]. [2015-02-28]. Available at: <http://www.effie.cz/vysledky-effie/rocnik-2012/dva-svety>.

*Media Service.* [online]. [2015-10-10]. Available at: <www.equabank.cz>.

*Winning Through Customer Experience.* [online]. [2015-10-10]. Available at: <http://www.ey.com>.

FLOWER, G., FAWCETT, P., HARLE, S.: *Banking – In Search of Relevance. A New Model for a New Reality*. Cornwall : TJ International, 2012.

*Media Service.* [online]. [2015-10-10]. Available at: <http://www.fio.cz >.

*Refocusing Campaign Management.* [online]. [2015-10-10]. Available at: <http://www.sas.com/en_za/customers/ceska-sporitelna.html>.

*Menší banky rychle rostou*. [online]. [2015-02-28]. Available at: <http://archiv.ihned.cz/c1-63377520-mensi-banky-rychle-rostou-ziskaly-uz-temer-1-7-milionu-klientu>.

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# SENTIMENT ANALYSIS
# OF SLOVAKIAN CHAIN STORES FACEBOOK POSTS

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**Abstract**
The aim of the study is to provide an insight into sentiment analysis as a social media monitoring tool with its limits and potential. Practical application of this selected topic takes the form of a complex analysis of 720 Facebook posts with a total of 59 967 comments in order to determine the success of respective chain stores communication and provide an evaluation of types of marketing communication mix tools they are using and customers´ attitudes towards this communication. The study offers an insight into this popular form of brand´s communication with customers in case of eight most common grocery chain stores in Slovakia.

**Key words:**
Branding. Chain stores. Facebook. Sentiment analysis. Slovakia. Social network.

## Introduction

Conversational media such as social networks enable users to create and easily forward content in forms of words, pictures, video and audio output.[1] From the psychological point of view, mechanisms driving Facebook usage are: compensatory use, self-presentation, socializing, seeking a partner or even an addiction.[2] This widespread social network is increasingly used for purposes of brand building. Managers divide social platforms into four categories: relationship building, data acquisition, creativity and entertainment while they construct communication strategies of companies in order to understand and fulfill individual needs of their customers.[3] The key business objectives of marketing on social networks are: understanding of consumer mind sets, attracting new customers, managing new product development and innovations, creating messages, product or service enhancement, boost of sale, competition, rebranding, reputation management, providing customer care and raising customer satisfaction.[4] On the other side, the integration of marketing communications for the purposes of increasing brand value uses also traditional

1    SAFKO, L., BRAKE, D. K.: *The Social Media Bible: Tactiscs, Tools & Strategies for Business Success.* Hoboken, New Jersey : John Wiley & Sons, Inc., 2009, p. 6.
2    BODROŽA, B., JOVANOVIĆ, T.: Validation of the new scale for measuring behaviors of Facebook users: Psycho-Social Aspects of Facebook Use. In *Computers in Human Behavior*, 2016, Vol. 54, p. 425-435. [online]. [2015-10-10].
     Available at: <http://lnk.sk/4rV>.
3    KILIAN, G., McMANUS, K.: A marketing communications approach for the digital era: Managerial guidelines for social media integration. In *Business Horizons,* 2015, Vol. 58, p. 539-549. [online]. [2015-10-10]. Available at: <http://lnk.sk/4rZ>.
4    RAPPAPORT, S. D.: *Listen First! Turning Social Media Conversations into Business Advantage.* Hoboken, New Jersey : John Wiley & Sons, Inc., 2011, p. 35-148.

communication tools of the marketing mix – advertising, sales promotion, event marketing and sponsoring, PR and personal selling.[5] Companies create official "fan pages" on social networks through which they spread information about the company and its products or services, often using the form of the traditional communication mix. Customers can turn into fans of certain brand, and expect that in addition to following a brand´s activity consumers will actively communicate with a brand by liking, commenting or sharing. Through social media, consumers have an opportunity to not only explore a company´s page, but also: share experiences, interact with sellers, or pose questions about products or services. These experiences turn into a consumer-company relationship that can later manifest either through "in-role" behavior – purchasing of brand´s products or "extra-role" behavior in form of voluntary behavior that is not expected or rewarded, for example spontaneous recommendation of a product or positive word of mouth.[6]

Possibilities of measuring marketing on social networks are undoubtedly broad. Rappaport[7] identified nearly 350 different digital metrics and divided them into following categories: advertising, audience/traffic, site navigation and site performance, media consumption, engagement and interaction, amplification and endorsement, conversion, e-commerce, and ad effectiveness. Data for these metrics can be collected from e-mail marketing, web pages, mobile marketing and social network marketing. Rappaport furthermore identified 158 metrics used in the environment of social networks.[8] One of the options identified to determine communication impact on social network is sentiment analysis.

## 1 Sentiment Analysis

Social media provide a valuable insight into people´s preferences. These digital platforms are becoming a very important source of information for the company. An opinion of a person is not only an insight into his or her mental content (that may or may not later manifest itself in behavior), but can influence other social media recipients and even trigger or support an opinion chain.

An increasingly popular part of social media data mining or text mining is sentiment analysis as a process of detecting, extracting and classifying opinions

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5    KELLER, K. L.: *Strategické řízení značky*. Praha : Grada Publishing, a.s., 2007, p. 313-347.

6    HO, C.: Identify with community or company? An investigation on the consumer behavior in Facebook brand community. In *Telematics and Informatics*, 2015, Vol. 32, p. 930-939. [online]. [2015-10-10]. Available at: <http://lnk.sk/4sh>.

7    RAPPAPORT, S. D.: *The Digital Metrics Field Guide.* New York : Advertising Research Foundation, 2014, p. 14-278.

8    Ibidem, p. 14, 278.

and sentiments[9] expressed in texts.[10] The aim of sentiment analysis is to disclose an emotional content of media message (e.g. blog post, Facebook status, Tweet, online forum or comment section). Sentiment analysis is linked to subjectivity analysis, a research approach dealing with detection of "private states" such as opinions, emotions, sentiments or beliefs[11] that some authors consider to proceed the classification of sentiments. Sentiment analysis, contrary to the name, usually does not classify expressed emotions (such as fear, anger, happiness) but most often classifies text units into categories: positive, neutral and negative. Liu[12] listed several ways of expressing emotional content in text: usage of emotional words or phrases (love, hate, detest, angry, upset); words describing emotion-related behavior (cry, jump up and down); intensifiers (terribly, never, extremely) including repetition of these words ("*I really really like this brand*."); superlatives (the best, the worst); pejorative or laudatory language, swearing, cursing or threatening expressions. Included is the use of caps lock (may be an indicator of anger or surprise) and emoticons.

Sentiment analysis is basically a form of a content analysis where the examined material is a digital (textual) output, the unit of the analysis is part of the text (e.g. an individual Facebook comment) and categories are represented by modes of sentiment polarity. In general, sentiment analysis methods can be divided

9   There is a lack of an unified view on the term sentiment among experts. Valentine in Mangal publication states that „*a sentiment is more or less a permanent and organized system of emotional tendencies and impulses centered about some object or person.*" As we can infer from this definition, one expression of sentiment may contain many emotions concerning the same object while these emotion in certain cases could be even contradictory. According to Mangal, we cannot interchange the terms sentiment and emotion. While emotions are temporary, sentiments are more or less permanent (e.g. patriotic sentiment or moral sentiment). In most cases of sentiment analysis previously mentioned definition of sentiment do not hold completely true, since we consider sentiment in broader terms – more in a form of an emotionally charged opinion directed towards certain object or person or simply an expression of emotions or desires towards an object. Mangal adds on to the distinction between emotion and sentiment by attributing an evaluative (cognitive) component to sentiments that emotions don´t include. Some authors (e.g. Serrano – Guererro) consider sentiment as a part of extensive umbrella term opinion. Fink et al. describe sentiment as attitude. We would like to note that while attitude is composed of three components – affective, cognitive and behavioral, in sentiment, affective component is the dominant one. (For more information, see: MANGAL, K.: *Essentials of Educational Psychology*. New Delhi : PHI, 2015, p. 156; FINK, C. et al.: Coarse-and Fine-Grained Sentiment Analysis of Social Media Text. In *Johns Hopkins APL Technical Digest*, 2011, Vol. 30, No. 1, p. 22-30. [online]. [2015-10-07]. Available at: <http://www.jhuapl.edu/techdigest/TD/td3001/Fink.pdf>).
10  MONTOYO, A., MARTÍNEZ-BARCO, P., BALAHUR, A.: Subjectivity and sentiment analysis: An overview of the current state of the area and envisaged developments. In *Decision Support Systems,* 2012, Vol. 53, p. 675.
11  Ibidem, p. 675.
12  LIU, B.: *Sentiment Analysis: Mining Opinions, Sentiments, and Emotions.* New York : Cambridge University Press, 2015, p. 36-37.

into two categories: machine learning and lexicon based methods. Lexicon-based methods use a predefined set of words and patterns associating each unit of analysis with a specific sentiment.[13] This method requires an appropriate sentiment lexicon that is today not externally available in less common languages. Today, many businesses employ sentiment analysis to obtain information from their clients in order to improve their product offerings, means of promotion or communication, and to be able to plan for the future more effectively (sentiment analysis is being used also for trend analysis and forecasting). Sentiment analysis is used professionally to evaluate movie reviews, advertising campaigns, product ratings or reactions to events. Academic interest in sentiment analysis covers a plurality of areas: computer science, cognitive science (e.g. language processing and programming), marketing, psychology, statistics and linguistics. Collecting consumer opinions using traditional methods of market research is time consuming and expensive, therefore sentiment analysis is an effective research tool, because expressing opinion on social media is voluntary, and arguably more genuine. Social media text is a rich resource of opinions that are free, available and often immediate. Moreover, there is a diversified offering of software solutions that can be used for the purposes of analysis.

Several perils to sentiment analysis exist that become prudent to mention. First, there exist limits at the level of sentiment expressions. It is a difficult task to identify social media sentiments due to the number of ways in which human express sentiments. Moreover, language does not necessarily express complex psychological reality. There is a certain cognitive gap between a genuine psychological state and means mankind uses to express this state.[14] Furthermore, there are influences such as cultural background (on social networks exists a very culturally diverse sample of respondents), current emotional state (while angry humans may respond more roughly than when in good mood). Lastly, despite the disinhibition effect of internet communication, people tend to post material they consider to be socially desirable on social networks and filter out statements they consider to be socially condemnable. Additional limits are found at the level of sentiment detection or attribution. Sarcasm, irony, jargon, slang, short forms, ambiguity of words, figurative sense of the word, mixed feelings ("*I like it but I don´t need it.*") or contradictory expressions ("*LOL, such a mess.*"), all of this might cause problems with sentiment classification. In a textual unit, there can be more than one sentiments and/or objects of sentiment. There are also cases when examined texts do not explicitly contain emotion-bearing words, but still may contain an emotional clue – in this case we need to identify emotional triggers and linked emotion. In the end, there are limits of sentiment

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13  SHALUNTS, G., BACKFRIED, G., PRINZ, K.: Sentiment Analysis of German Social Media Data for Natural Disasters. In *11th International ISCRAM Conference. Conference Proceedings.* Pennsylvania, USA : University Park, 2014, p. 752. [online]. [2015-10-09]. Available at: <http://www.iscram.org/legacy/ISCRAM2014/papers/p117.pdf>.

14  LIU, B.: *Sentiment Analysis: Mining Opinions, Sentiments, and Emotions.* New York : Cambridge University Press, 2015, p. 37.

interpretation. Shalunts et al.[15] calls attention to the possibility that interpretation of the same social media text can bring very different result, depending on the choice of sentiment analysis method. Shalunts et al. illustrates this pitfall with an example of airplane crash tweets, where half of the methods predicted the majority of relevant tweets would contain positive affects, which seems rather implausible given the nature of the subject.

Sentiment analysis encompasses a process of valuable social media text profiling that brings in a coherent emotional view of media users. As any other research method, it is assumed that a researcher undertaking this methodology is skilled in relevant theories and holds a sentiment analysis background.

## 2 Research objectives

Social networks serve to build brand awareness and brand equity. Likes and comments are reflections of brand community opinions and sentiments. Brand communities as such, are considered a means for increasing sales[16], improving consumer-brand relationship[17] and influencing other members' perceptions[18]. Despite the effort of social networks to create a selling philosophy on social networks by adding a "call-to-action button" on social network pages, current findings suggest that selling is and never was the primary purpose of social networks. The communication marketing mix consists of five main tools: advertising, sales promotion public relations, direct marketing and personal selling.[19]/[20] To this end, the main purpose of this study was 1) to identify the communication mix tools used in the environment of social networks and 2) to determine the users perceptions of these tools of communication. Specifically, this present study investigates the sentimental charge of online Facebook communication regarding main chain stores operating in Slovakia. The main objective is to render an account of these economical subjects perception in the realms of sentiment analysis within the categories of positive, neutral and

15  SHALUNTS, G., BACKFRIED, G., PRINZ, K.: Sentiment Analysis of German Social Media Data for Natural Disasters. In *11th International ISCRAM Conference. Conference Proceedings.* Pennsylvania, USA : University Park, 2014, p. 753. [online]. [2015-10-09]. Available at: <http://www.iscram.org/legacy/ISCRAM2014/papers/p117.pdf>.

16  CVIJIKJ, I., MICHAHELLES, F.: Online engagement factors on Facebook brand pages. In *Social Network Analysis and Mining*, 2013, Vol. 3, No. 4, p. 845. [online]. [2015-10-09]. Available at: <http://cocoa.ethz.ch/downloads/2013/07/1253_10.1007_s13278-013-0098-8.pdf>.

17  Ibidem.

18  Ibidem.

19  KOTLER, P., ARMSTRONG, G.: *Marketing*. Praha : Grada Publishing, a.s., 2004, p. 636-639.

20  CLOW, K. E., BAACK, D.: *Reklama, propagace a marketingová komunikace*. Brno : Computer Press, 2008, p. 484.

negative sentiment and to determine sentimental saturation of particular brands and types of marketing tools. The following research questions guided this study:

1. What is the extent of identified polarized (positive/negative) sentiment in analyzed communication?
2. How does sentimental perception (positive, neutral, negative sentiment as dependent variables) and distribution of sentiment differ based on examined variables (brand; communication mix component; communication mix tool as independent variables)?

An investigation into the literature reveals no known comparable analysis conducted for Facebook in the Slovak environment. Therefore, this study has the potential to bring useful insights into the communication of grocery retail chain stores, provide inter-industry comparisons and potentially develop additional communication strategies. Similar research of Twitter messages of five large retail chain stores can be seen for example in the work of Wu et al.[21]

## 3 Characteristic of research material and data processing

Research material consists of official Facebook posts of eight grocery retail chain stores operating in the area of Slovak Republic, namely: Billa, CBA, COOP Jednota, Hypernova, Kaufland, Lidl, Metro and Tesco. A reconnaissance of trends in brand online search, with the purpose of knowing the respective market in digital space, preceded the analysis. The analyzed dataset is represented by published posts and comments on the company Facebook pages during the period from August 1, 2015 to October 10, 2015. Sentiment analysis was conducted on 720 status posts resulting in just under 60,000 comments. The unit of analysis was a discrete comment. Categories of analysis were: number of likes, the specific communication mix component, the type of communication mix tool, number of positive comments, number of neutral comments and number of negative comments. To operationalize the communication mix component category observation was done regarding whether statuses contained elements of advertising, personal selling, sales promotion, public relations or direct marketing. Other types were also considered, such as: corporate social responsibility marketing, customer care, guerilla marketing and sponsorship.[22] Upon closer inspection we created an additional category "communication mix tool" operationalized as the specific communication tool used in the communications efforts, such as: competitions, percentage discounts, price discounts, loyalty discounts, usage of corporate identity (e.g. posting a picture with company logo), newsletter, audiovisual

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21 WU, H. et al.: A novel social media competitive analytics framework with sentiment benchamarks. In *Information & Management*, 2015, Vol. 52, p. 801-812. [online]. [2015-10-10]. Available at: <http://lnk.sk/4sn>.
22 KOTLER, P., ARMSTRONG, G.: *Marketing*. Praha : Grada Publishing, a.s., 2004, p. 636-639.

advertising, data collection/feedback, events and other discounts (without declaring percentages or prices).

Sentiment analysis can be executed either by using specialized software or manually by researchers assessing units into categories. As no specialized electronic lexicon of Slovak words that could be used for sentiment analysis could be located, and considering the current academic dispute about the accuracy of sentiment analysis computer methods (e.g. in the work of Shalunts et al.[23]) we decided to apply coding by researcher. There are ways to eliminate subjectivity. One of them is to annotate the dataset by several annotators, other one, the one applied here, is a repeated coding by one annotator (as mentioned in Scherer et al.[24]). We assigned sentiment polarity based on an identification of user´s writing style therefore our approach is close to lexical approach to sentiment analysis.

Regarding the evaluation of status sentimental polarity, it is necessary to understand the context of comments. Comments that seem positive are not always charged positively because of irony or sarcasm. Moreover, subjects of emotionally charged attitudes detected in the sentiment analysis of Facebook comments could be both brands/products, but also other status or users. There was also an issue of comments without detected emotional background. In cases where the administrator´s question in status is worded suggestively (towards a positive brand evaluation) users can be influenced to comment with more positive sentiments. There were also comments that could not be categorized into a specific sentiment polarity because they are totally out context regarding previous or general communication. These comments are assigned to "neutral" category as done for example in study of Habernal et al.[25] In cases where opposing sentiments were found in a single comment, we treated these sentiments as mutually exclusive. Additionally, it is prudent to note that some posts were promoted by the means of paid Facebook options that could have caused an increase in number of likes and comments of these posts.

## 4 Results

The amount of identified polarized sentiment in analyzed communication is 2,7% of positive sentiment and 1,1% of negative sentiment, all together 3,8% of polarized sentimental reactions. We see that the extent of expressed sentiment

23  SHALUNTS, G., BACKFRIED, G., PRINZ, K.: Sentiment Analysis of German Social Media Data for Natural Disasters. In *11th International ISCRAM Conference. Conference Proceedings.* Pennsylvania, USA : University Park, 2014, p. 753. [online]. [2015-10-09]. Available at: <http://www.iscram.org/legacy/ISCRAM2014/papers/p117.pdf>.

24  SCHERER, H. et al.: *Analýza obsahu mediálních sdělení.* Praha : Karolinum, 2004. p. 47-48.

25  HABERNAL, I., PTÁČEK, T., STEINBERGER, J.: Reprint of "Supervised sentiment analysis in Czech social media". In *Information Processing & Management*, 2015, Vol. 51, No. 4, p. 535.

in comments regarding Slovak chain stores is despite the openness of social network to express surprisingly low.

## 4.1 Sentiment analysis in relation to the brand

By the means of MANOVA analysis we determined a statistically significant difference in expressed sentiment (positive, neutral, negative) based on a brand of chain store (F $(21,2136)$ = 5,335, p<.0005; Pillai´s trace=0,150). On average, the most positive reactions (compared to the number of comments) showed Lidl followed by Billa and Kaufland. The favorable evaluation of Lidl in our sentiment analysis can be a consequence of an integration of its Facebook communication with other forms of company´s communication. Lidl appropriately uses corporate social responsibility marketing and own cooking recipes that correspond with the function of chain store (selling groceries) and interests of its target group.

**Table 1: Distribution of sentiment based on chain store brand**
(note: n= number of posts)

| | | Brand | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | | Billa | CBA | COOP | Hyper. | Kaufland | Lidl | METRO | Tesco |
| **positive** | n | 118 | 28 | 113 | 74 | 48 | 146 | 77 | 116 |
| | Mean | 3,15 | ,14 | 2,39 | ,00 | 2,81 | 5,23 | ,29 | ,54 |
| | Sum | 372 | 4 | 270 | 0 | 135 | 763 | 22 | 63 |
| **neutral** | n | 118 | 28 | 113 | 74 | 48 | 146 | 77 | 116 |
| | Mean | 28,30 | 1,07 | 137,13 | ,01 | 219,06 | 157,23 | 2,14 | 44,81 |
| | Sum | 3339 | 30 | 15496 | 1 | 10515 | 22955 | 165 | 5198 |
| **negative** | n | 118 | 28 | 113 | 74 | 48 | 146 | 77 | 116 |
| | Mean | 1,04 | ,04 | ,19 | ,00 | 1,50 | 2,34 | ,36 | ,45 |
| | Sum | 123 | 1 | 22 | 0 | 72 | 341 | 28 | 52 |

Source: Own processing (SPSS output)

The most entries in neutral category had on average (in order): Kaufland, Lidl, and Coop Jednota. Kaufland Facebook tactics included administrators often posting questions or posts that were not related to the brand. For example, at the beginning of the school year they asked whether were customer´s children happy to go back to school. The highest amount of negative sentiment appeared in comments to Lidl followed by Kaufland and Billa. Lidl had the most post and on average the brand also had the most positive and negative reactions. In a representative survey concerning the perception of groceries freshness provided by TNS agency in April 2015, Slovak respondents chose Lidl as a number one chain[26]. Lidl reacted to the results with a large-scale promotional campaign accentuating the freshness of its product. However, reactions to this campaign on social networks were not as expected, people had a tendency to publicly mention cases when they bought substandard products. Moreover, the distribution policy of this chain store is

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26 *Slováci rozhodli: Jednotkou v čerstvosti je Lidl! – Lidl, jednotka v čerstvosti.* [online]. [2015-10-05]. Available at: <https://cerstvost.lidl.sk/slovaci-rozhodli-jednotkou-v-cerstvosti-je-lidl/>.

based on providing a limited amount of goods (on sale), but at the same time sale goods are always heavily promoted (e.g. by TV advertising or leaflets). The deficit of desired products, as a byproduct of psychologically-based strategy of scarcity, causes dissatisfaction of customers. In case of Kaufland, negative sentiment was often detected as a result of a criticism of groceries freshness, product availability on shelves, and campaign about million gifts where Kaufland gave to customers the tiniest of gifts, for example a mustard. In case of Hypernova, analysis showed only one neutral comment. Facebook communication of this chain store is weak, Facebook activity is maintained by one status a day. The problem is that brand doesn´t have a developed base of users (Hypernova has the lowest number of page likes). Meanwhile, Facebook's algorithm is designed to show only certain content to users. Which content the user will see is determined by several factors: past interactions (likes, comments, shares), the type of post being shared (image, video, link, etc.) and the popularity of a page's past posts among all users.[27] This fact together with not paying Facebook advertising lowers ratings of Hypernova´s posts, these posts are classified by Facebook as uninteresting and because of that are showed only to a minimum of users.

Overall, taking into account the ratio of positive and negative reactions, all chain stores except one – Metro showed more positive than negative comments. Metro had few comments per post and also published product with prices that elicited reactions where people commented that product is not good or expensive. Here we can see within the sentiment analysis how can a negative evaluation of products figuratively reflect in negative perception of brand itself.

We included to our analysis also the number of likes, because we consider it to be a usefull indicator of Facebook page popularity and reach. Number of likes serves as an integral measure of an engagement level (together with number of comments, number of shares and interaction duration). The most likes per post among analyzed brands had Lidl (436[28] likes), Kaufland (210 likes) and Coop Jednota (162 likes), the least likes per post had Hypernova (only 5). We can observe a dramatic difference in number of likes between brand with the most likes and brand with the least likes per post. Giving a like to a communication can be considered as an expression of likeability. In the world of advertising, likeability is an important determinant of communication effectiveness, as well as a predictor of relation to the brand. Recipient is more willing to pay attention

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27    DE MERS, J.: *The Definitive Guide To Marketing Your Business On Facebook.* [online]. [2015-09-15]. Available at: <http://www.forbes.com/sites/ jaysondemers/2015/08/20/the-definitive-guide-to-marketing-your-business-on-facebook/>.
28    Rounded to the nearest whole number. (Remark by M. K. and Z. B.).

to information he/she likes[29], liking enhances recall of promoted information[30]. Since there is no dislike button on Facebook, recipients of communication does not have such an easy way (as to give like) to express negative attitude by just one click. This could manifest in sentiment analysis either by general positive tone or by higher rate of expressed negative sentiment in comments (those who did like the comment pressed like button, those who did not like it tend to give a negative comment). In our case, the suspected higher rate of negative comments did not occur, yet we have found a mild positive and statistically significant correlation (r (719) = 0,39; p=0,01) between number of likes for a post and identified positive sentiment demonstrations in that post.

## 4.2 Sentiment analysis in relation to communication mix components and tools

Statistical test MANOVA confirmed statistically significant difference in expressed sentiment (positive, negative, neutral) based on the type of communication mix component (sales promotion, advertising, CSR, customer care, PR) (F (12, 2142) = 2,790 p=0.001 Pilai´s Trace=0,046). The largest number of comments containing positive sentiment showed in our research customer case (19 on average[31]) followed by corporate social responsibility marketing activities (6 comments with detected positive sentiment on average) and advertising (3 comments with positive sentiment on average). The most comments with negative sentiment feature customer care and advertising (1 on average). As you can see from presented numbers, in all cases we detected more positive sentiment than negative. The highest proportion of average positive sentiment compared to average negative sentiment happened in case of corporate social responsibility marketing that also had the highest number of likes per post (575). An example of a communication from this category is post regarding Kaufland´s campaign promoting a donation to children in need for every purchase made. From the results we can conclude that in case of Facebook communication of Slovak grocery chain stores it is corporate social responsibility marketing that is perceived the most positively. It is widely agreed that corporate social responsibility marketing activities improve company´s image when these activities are perceived by customers as sincere.[32]

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29  RIMOLDI, O.: *The impact of 'likeability' on advertising effectiveness: To what extent does liking an advert have a persuasive influence on consumer behaviour?* [online]. [2015-09-12]. Available at: <http://www.psychology.nottingham.ac.uk/staff/ddc/c8cxpa/further/Dissertation_examples/Rimoldi_08.pdf>.

30  MIT, E. G., VAN MEURS, L., NEIJENS, P. C.: Effects of Advertising Likeability: A 10-Year Perspective. In *Journal of Advertising Research,* 2006, Vol. 46, No. 1, 2006, p. 73.

31  Rounded to the nearest whole number. (Remark by M. K. and Z. B.).

32  YOON, Y., ZEYREP, G., NOBERT, S.: The Effect of Corporate Social Responsibility on Companies with Bad Reputation. In *Journal of Consumer Psychology,* 2009, Vol. 18, No. 4, p. 377-390.

**Table 2: Distribution of sentiment, ratio of positive to negative reactions and average number of likes based on the type of communication mix component**
(note: n= number of posts)

| communication mix component | | positive | neutral | negative | ratio +:- | like |
|---|---|---|---|---|---|---|
| Sales promotion | n | 343 | 343 | 343 | | |
| | Mean | 1,27 | 75,92 | ,87 | 1,46:1 | 118,20 |
| Advertising | n | 259 | 259 | 259 | | |
| | Mean | 2,49 | 105,63 | 1,05 | 2,37:1 | 190,51 |
| CSR marketing | n | 28 | 28 | 28 | | |
| | Mean | 5,96 | 1,96 | ,25 | 23,84:1 | 575,32 |
| Customer care | n | 12 | 12 | 12 | | |
| | Mean | 18,83 | 60,08 | 1,08 | 17,44:1 | 151,33 |
| PR | n | 77 | 77 | 77 | | |
| | Mean | 2,01 | 45,65 | ,65 | 3,1:1 | 109,56 |

Source: Own processing (SPSS output)

Another MANOVA analysis conducted in SPSS came to a result that there is a statistically significant difference in expressed sentiment (positive, negative, neutral) based on specific marketing communication mix tool ($F_{(30, 2127)}$ = 5,232 p<0.0005 Pilai´s Trace=0,206).

**Table 3: Distribution of sentiment, ratio of positive to negative reactions and average number of likes based on the type of communication mix tool**
(note: n= number of posts)

| communication mix tool | | positive | Neutral | negative | ratio +:- | like |
|---|---|---|---|---|---|---|
| Percentage discounts | N | 48 | 48 | 48 | | |
| | Mean | ,98 | ,92 | ,98 | 1:1 | 54,02 |
| Price discounts | N | 131 | 131 | 131 | | |
| | Mean | 1,33 | 3,84 | ,68 | 1,96:1 | 62,39 |
| Competitions | N | 118 | 118 | 118 | | |
| | Mean | 1,19 | 223,23 | 1,01 | 1,18:1 | 237,22 |
| Loyalty discounts | N | 23 | 23 | 23 | | |
| | Mean | ,70 | 1,39 | ,43 | 1,63:1 | 31,00 |
| Usage of corporate identity element | N | 209 | 209 | 209 | | |
| | Mean | 1,80 | 120,72 | ,60 | 3:1 | 183,66 |
| Newsletter | N | 8 | 8 | 8 | | |
| | Mean | 10,00 | 1,50 | 1,00 | 10:1 | 39,25 |
| Audiovisual advertising | N | 56 | 56 | 56 | | |
| | Mean | 4,04 | 21,80 | 2,98 | 1,35:1 | 199,63 |
| data collection/feedback | N | 4 | 4 | 4 | | |
| | Mean | 54,50 | 90,75 | 2,50 | 21,8:1 | 115,50 |
| Events | N | 11 | 11 | 11 | | |
| | Mean | ,18 | 32,09 | ,27 | 0,67:1 | 122,00 |
| Other discounts (without declaring percentages or prices) | N | 4 | 4 | 4 | | |
| | Mean | ,25 | 2,00 | ,25 | 1:1 | 49,75 |

Source: Own processing (SPSS output)

The highest number of likes per post based on the type of specific communication mix tool gained competitions (237), audiovisual advertising (200) and placement of logo in the picture (184). The most posts related to competitions during the observed period were posted by Tesco (35), Lidl (25), Billa (17), the least number by CBA (6), Metro (2) and Hypernova (1). Coop Jednota´s competition concerning the Facebook fan of the month with the reward in the form of ten euro coupon, is an example of such a competition. Another type of competition promoted by Coop Jednota concerned winning cinema tickets and competitors should answer in the comment section the question which movie had moved them emotionally the most. These types of competition generated a large amount of comments with sentimental notion, but in such cases sentiment did not relate directly to the brand and the results therefore are biased. Besides, motivation for giving likes to a competition is influenced by the possibility of gaining an offered prize (a lot of competitions are based on commenting as a declaration of participation).

Users gave the least likes to loyalty discounts (31), newsletter (39) and other discounts (without declaring percentages or prices) (50). Upon closer

inspection of posts referring to customers with loyalty cards a certain number of fan base may feel excluded from communication, customers may feel they are not targeted with these post and therefore not react to it. Regarding posts promoting advantages for loyalty card owners we recommend to attach a claim aimed to those who by now do not have a loyalty card and in ideal case also mention what advantages it brings and how it can be obtained. Overall, discounts have a low position in number of likes which corresponds with the results of MIT team Malhotra et al.[33] where deal-related posts (electronic coupon codes, complementary offers or time-sensitive discounts) got on average the least "likes" of all the measured attributes. According to authors[34] even though fans might want to get promoted deals, they do not need to express appreciation through the click of a "like" button.

Regarding the relation of sentiment to the type of communication mix tool the most positive was the perception (determined by the ratio of positive to negative sentiments per post) of these tools (in order): data collection/feedback, newsletter, audiovisual advertising. Regarding data collection and feedback, the number of comments per post is high which agrees with the very purpose of this form of communication. Chain stores should be pleased by the fact that the number of positive sentiment identified in analyzed communication is markedly higher compared to detected negative sentiment. Malhotra et al.[35] coded more than 1,000 wall posts from 98 global brands in order to gain an insight to characteristics that increase number of likes, comments and shares. They recommend administrators to „ask and you shall receive" in a polite way and found that if one directly asks to be "liked" on Facebook, post tend to receive more "likes." We suppose the same principle should be applied to gaining feedback through comment section of a post. On the other side, enterprise has to be ready to deal aptly with negative reactions. The most neutral comments on average showed these tools (in order): competitions, usage of corporate identity elements (e.g. logo in the picture) and data collection/feedback. The most negative sentiment demonstrations were detected in posts related to audiovisual advertising, data collection/feedback and competitions, even though we have to state that there was still a higher number of positive than negative reactions for each of this forms. The amount of negative sentiment in the category of audiovisual advertising is partially a consequence of negative reactions to Lidl´s campaign regarding the freshness of its products. For all forms of allocated communication mix tools our analysis of sentiment shows more positive reactions than negative except the category of „events", where the number of relevant comments is too low to be considered indicative.

33  MALHOTRA, A., KUBOWICZ-MALHOTRA, C., SEE, A.: *How to Create Brand Engagement on Facebook.* [online]. [2015-10-09]. Available at: <http://sloanreview. mit.edu/article/how-to-create-brand-engagement-on-facebook/>.
34  Ibidem.
35  Ibidem.

## Conclusion

Facebook brand pages have become a major channel through which consumers can interact with brands by liking and commenting on posted content. Since one post can gain thousands of responses, there is a need for a compendious scientific method of analysis in order to gain better understanding of customers. In this study, one of numerous digital metrics – sentiment analysis both in theory and in practical application was presented in a specific national environment. Seven hundred and twenty Facebook posts of the eight most common grocery chain stores in Slovakia were analyzed resulting in total of 59,967 comments categorized by the number of likes, expressed sentiment and relationship to brands and types of communication mix tools. We detected 3,8% of polarized sentimental reactions with the dominance of positive sentiment over negative sentiment observable throughout all parts of analysis. The low level of detected sentiment can be attributed to three factors: 1) as a consequence of classifying disputable comments (e.g. those out of context) into the neutral category, 2) competitions generating a large amount of sentimentally neutral comments or 3) the nature of products itself (fast moving goods are not that emotionally engaging such as prestigious and expensive goods with a strong brand personalities and fiery followers who participate in verbal wars on social networks with fans of competitor brands). The number of likes for a post positively and significantly correlated with identified positive sentiment demonstrations in a post. By the means of MANOVA analysis we determined a statistically significant difference in expressed sentiment (positive, neutral, negative) based on a brand of chain store, type of communication mix component (sales promotion, advertising, CSR, customer care, PR) and later specific marketing communication mix tool.

Sentiment analysis possesses an elaborate methodology, one that enables the processing of a large amount of data and comparison of multitude of brands. On the other side, sentiment analysis as a branding metric can be confusing due to the demands of interpretation (for example, positive and negative comments can have different weight that is usually not covered in sentiment analysis). Another challenge in this study was the width of selected categories. For example, the category "competition" was coded not only competitions themselves, but also opinions on competitions, notifications about future competitions, and post asking fans what would they like to win etc. Other problems in analysis arose in relation to posts not linked with a brand, such as the case of Kaufland asking its Facebook fans at the beginning of a school year whether their children were excited to go back to school. In this case, (negative) reactions to irrelevant topic biased the sentiment analysis. The same goes for comments not related to posts, e.g. one men´s negative reaction about store´s personal policy and his wife who is working in that store going tired home from work.

As far as we know, sentiment analysis is not a common topic in the Slovak academic environment. It is hoped this work will stimulate an interest in analysis

of sentiment in less common languages. In the future this work, it is hoped, will extend the field of sentiment analysis to other markers of engagement (e.g. number of comments, number of shares) and content specifics (e.g. types of posts, presence of humor in posts, level of informative communications) because this topic has a large application potential and can provide a solid insight into online behavior and brand evaluations.

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# CRM, SOCIAL NETWORKS AND SMALL AND MEDIUM ENTERPRISES. DOES IT ALL FIT TOGETHER?

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**Abstract**
The original concept of customer relationship management as based on communication in the physical environment is gradually transforming into a new kind of marketing approach where contact through social networks and relationships within online communities predominate. This paper aims to increase knowledge of the use of customer relationship management and social customer relationship management practices in small and medium enterprises conducting their business in the Czech Republic. A sample of 308 respondents, primarily small and medium enterprises managers, employees and marketing specialists was collected using a questionnaire. The findings showed that organizations perceive digital marketing as more important than traditional marketing. About two-thirds of respondents consider customer relationship orientation to be very important; however, Social customer relationship management consider as "very important" about 15% of respondents. The comparison of findings to international studies and to larger corporations has brought some interesting knowledge.

**Key words:**
Customer Relationship Management. Czech Republic. Small and medium enterprise. Social CRM. Social Networks.

## Introduction

In the 1980s, customer orientation and customer relationship management (CRM) began to dominate various areas of business. The original concept of a customer relationship based on loyalty, quality and a personal approach was typically conducted face-to-face and mainly in the physical environment of a retail store. The traditional CRM concept was to communicate with customers through static web sites, call centres and brick and mortar locations. However, with the entry of information and communication technologies and their spread throughout society, communication with the customer has also changed. Today's relationship with the customer is much more influenced by a customer community living on social networks alone – via an environment in which control of the relationship has shifted to the customer, who has the power to influence others in his or her social network.[1][2] The new term Social CRM (s-CRM) began to be used for distinguishing this new approach. Although s-CRM can be considered a very effective marketing approach, primarily for customer acquisition, we know very little about its application in the business sector. Research studies

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1    BAIRD, C. H., PARASNIS, G.: From social media to social customer relationship management. In *Strategy & Leadership*, 2011, Vol. 39, No. 5, p. 31. [online]. [2015-04-25]. Available at: <http://dx.doi.org/10.1108/10878571111161507>.
2    BERKA, A.: Řízení vztahu se zákazníky. In *Scientific papers of the University of Pardubice*, 2006, Series D, Faculty of Economics and Administration, p. 6.

investigating businesses in Central European post-communist countries tend to focus more on the traditional CRM approach[3] [4] than on s-CRM. This type of research gap is the reason why this paper is attempting to identify s-CRM practices in the Czech business environment.

## 1 Literature Review

### 1.1 Digital marketing, CRM, Social CRM and its tools

Marketing principles are applied more intensely in the market economy in proportion to the growth of competition and the increase in supply over demand. However, the principles remain stable; marketing principles are applied in the market environment in proportion to the growth of competition and the increase in supply over demand. Nevertheless, these principles remain the same even though marketing tools change.[5] We are already living in a digital, or even post-digital, age. The way a relationship with the customer is built has changed over the course of history. Payne[6] underscores novel approaches of electronic CRM (e-CRM) and s-CRM. However, the question remains as to what extent companies can acquire and utilize such emerging approaches. Social media are becoming a new phenomenon in an attempt to understand customers' actual needs. The propensity of companies when collecting data has been shifted to the use of tools such as LinkedIn, Facebook and blogs. They try to integrate these tools into their sales process.[7] In her article, J. L. Schiff[8] emphasizes that integrating social media into CRM will have fundamental importance for acquiring customers. As Šperková[9] also states, if society wants to keep up with the current market,

3    DAMASKOPOULOS, P., EVGENIOU, T.: Adoption of new economy practices by SMEs in Eastern Europe. In *European Management Journal*, 2003, Vol. 21, No. 2, p. 134. [online]. [2015-04-25]. Available at: <http://www.sciencedirect.com/science/article/pii/S0263237303000094>.

4    MARKOVÁ, J., MYSLIVCOVÁ, S.: Implementation of Crm in the Industrial Markets in the Czech Republic. In Alpen-adria Universität Klagenfurt and University of Maribor: *European Conference on Management, Leadership and Governance*, 2013, p. 413.

5    LIERRE, S.: *Doba digitálu je pryč, žijeme v postdigitální éře.* [online]. [2015-04-25]. Available at: <http://www.mediaguru.cz/2013/12/doba-digitalu-je-pryc-nyni-zijeme-v-postdigitalni-ere/#.VTvpctLtmkq>.

6    NOVOTNÝ, O., POUR, J., SLÁNSKÝ, D.: *Business intelligence: jak využít bohatství ve vašich datech.* Praha : Grada, p. 254.

7    LIERRE, S.: *Doba digitálu je pryč, žijeme v postdigitální éře.* [online]. [2015-04-25]. Available at: <http://www.mediaguru.cz/2013/12/doba-digitalu-je-pryc-nyni-zijeme-v-postdigitalni-ere/#.VTvpctLtmkq>.

8    SCHIFF, J. L.: *8 CRM Trends You Need to Watch.* [online]. [2015-04-25]. Available at: <http://www.cio.com/article/2399823/enterprise-software/8-crm-trends-you-need-to-watch.html>.

9    ŠPERKOVÁ, L.: Word of Mouth analysis on Facebook in banking. In MATÚŠ, J., PETRANOVÁ, D. (eds.): *Marketing Identity: "Explosion" of Innovations.* Trnava : FMK UCM in Trnava, Slovakia, 2014, p. 236. [online]. [2015-09-25]. Available at:

it must be increasingly more customer-oriented and must conduct effective social marketing campaigns. These are often conducted with the support of CRM. Therefore, first two research questions were formulated: *RQ1: What significance do SMEs assign to digital marketing, CRM and Social CRM? RQ2: What digital marketing tools do SMEs use for conducting their business?*

## 1.2 How do small and medium companies manage customer relationships and communication?

Voloch[10] states that the basic building block for building a relationship with a customer is creating values for the customer and communicating these to the customer in an appropriate way. However, recognizing the customer's needs comes before creating values. Erragcha and Rabia[11] describe individual possibilities for using digital technologies to communicate with customers. The basis is collective intelligence, which rests on the ability of the new technologies' users to react to innovation, flexibility and creativity. The consumer who has already purchased something plays an active role here in that they participate in virtual communities and digital social networks. Above all, it depends on the individual enterprise's management as to what importance they see in managing relationships and communicating with customers and how they are able to use new technologies. However, it also depends on how they engage their employees in managing relationships with customers. Everything rests on constant communication and building relationships with customers. Part of the research described in this paper was to determine how important relationships with the customer are in Czech businesses and what kind of support businesses devote to these relationships. Therefore, was formulated *RQ3: How do SMEs manage customer relationships and communication?*

The growing presence of online communication and the creation of a myriad of online communities is a contemporary trend. Transferred into the business world, such methods of communication mean that customers feel: (1) free of the barriers of the physical and offline world and (2) more anonymous. On the other hand, their sense of duty is reduced.[12] A virtual community is created on the basis of various factors. One of the reasons or incentives is for the firm itself to create a community for its customers. Frequently, this approach is taken by an

<http://fmk.sk/download/konferencie/Marketing%20Identity/midentity_explosion-of-innovations_conference-proceedings.pdf>.

10   VOLOCH, J.: *Trendy rozvoje vztahů firmy a zákazníka na průmyslových trzích v prostředí nového marketingu.* [Dissertation Thesis]. Zlín : Univerzita Tomáše Bati ve Zlíně, 2009, p. 166.

11   ERRAGCHA, N., RABIAA, R.: Social Networks as Marketing Tools. In *Journal of Internet Banking,* 2014, Vol. 19. No. 1, p. 1. [online]. [2015-10-09]. Available at: <http://www.icommercecentral.com/open-access/social-networks-as-marketing-tools.php?aid=37961>.

12   NOVOTNÝ, O., POUR, J., SLÁNSKÝ, D.: *Business intelligence: jak využít bohatství ve vašich datech.* Praha : Grada, 2005.

organization to strengthen customer relationships[13] or to increase the perceived value of a product, which comes from feeling a connection to a community of users.[14] Virtual communities are part of an emerging way of using technology for a strategic, social and informative interface between companies and customers. Building consumer confidence through such communities helps companies gain competitive advantage based on information gathered from these groups and by communicating with them.[15] [16] Obviously, companies can access virtual communities in different ways. They can make their own online communities, manage them proactively or just use data from these online social communities for their own CRM system. Therefore, was formulated *RQ4: How do the enterprises approach online communities?*

Social media has become a new phenomenon for trying to understand current customer needs. Companies have started to focus on data collected from tools such as Facebook, LinkedIn, blogs and other relevant media. Today's integration of social media into CRM will be essential for customer acquisition in the future.[17] In addition, s-CRM has a positive impact not only on acquiring new customers, but it also influences the amount of sales. Therefore, was formulated *RQ5: How much are social networks used in enterprise CRM systems?*

13  PORTER, C. E., DONTHU, N.: Cultivating Trust and Harvesting Value in Virtual Communities. In *Management Science,* 2008, Vol. 54, No. 1, p. 114.

14  MATHWICK, C., WIERTZ, C., DE RUYTER, K.: Social capital production in virtual P3 community. In *Journal of Consumer Research*, 2008, Vol. 34, No. 6, p. 833. [online]. [2015-04-25]. Available at: <http://jcr.oxfordjournals.org/content/34/6/832. abstract>

15  PORTER C. E., DEVARAJ, S., SUN, D. A.: Test of Two Models of Value Creation in Virtual Communities. In *Journal of Management Information Systems*, 2013, Vol. 7, No. 1, p. 262. [online]. [2015-09-25]. Available at: <http://www.tandfonline.com/doi/full/>.

16  CHALUPOVÁ, M., FIALA, R., ROJÍK, S.: Sociální sítě tvořené pro budování regionáslních značek potravin v kraji Vysočina. In *Scientific Papers of the University of Pardubice. Series D.* Faculty of Economics*,* 2013, Vol. 20, No. 29, p. 61. [online]. [2015-04-25]. Available at: <http://www.upce.cz/fes/veda-vyzkum/fakultni-casopisy/scipap/ archiv/e-verze-sborniku/2013/sbornik-29-2013.pdf#page=62>.

17  SCHIFF, J. L.: *8 CRM Trends You Need to Watch.* [online]. [2015-04-25]. Available at: <http://www.cio.com/article/2399823/enterprise-software/8-crm-trends-you-need-to-watch.html>.

## 2 Methodology

The questionnaire was constructed on the basis of previous studies by Harrigan and Miles[18] and Jayachandran et al.[19] with subsequent modification made by the authors. This article also follows up a previous research conducted in the Czech Republic aiming at the use of social CRM in larger corporations.[20] The survey questionnaire consisted of five sections and included 54 questions. The first section contained questions on the importance assigned by the respondents to marketing approaches and various marketing tools. The second section contained questions on customer relations. The third section included questions on online communities. The fourth section contained questions on the use of social networks. The fifth section included questions on acquiring and managing information. The sixth and last section contained questions concerning the characteristics of the respondents (type of position) and the organization (market, size, legal form). The majority of the questions were scalable. The mean and standard deviation (used in the table 3, 4 and 5) was calculated from the typical five-level Likert scale (1 – strongly disagree, 2 – disagree, 3 – neither agree or disagree, 4 – agree, 5 – strongly agree).

A sample of 308 respondents from the same number of SMEs participated in the study. Only small and medium enterprises having between 1 and 250 employees were included in the sample. The data were collected using an online questionnaire form during January 2015. A pretest on a random sample of respondents was conducted before the final distribution of the questionnaire. Table 1 shows the characteristics of the employees and the organizations surveyed.

18   HARRIGAN, P., MILES, M.: From e-CRM to s-CRM. Critical factors underpinning the social CRM activities of SMEs. In *Small Enterprise Research*, 2014, Vol. 21, No. 1, p. 99-116. [online]. [2015-04-25]. Available at:
<http://www.tandfonline.com/doi/abs/10.1080/13215906.2014.11082079>.
19   JAYACHANDRAN, S. et al.: The role of relational information processes and technology use in customer relationship management. In *Journal of Marketing*, 2005, Vol. 69, No. 4, p. 177. [online]. [2015-04-25]. Available at:
<http://journals.ama.org/doi/abs/10.1509/jmkg.2005.69.4.177>.
20   BACHMANN, P., KANTOROVÁ, K.: From customer orientation to social CRM. New insights from central Europe. In *Scientific papers of the University of Pardubice. Series D, Faculty of Economics and Administration,* 2015 (in submission).

**Table 1: Characteristics of the respondents and organizations in the sample (N=308)**

| Categorical variable | | Abs. frequency | Rel. frequency |
|---|---|---|---|
| Position of the respondent | *Manager* | 151 | 49.1 % |
| | *Ordinary employee* | 65 | 21.1 % |
| | *Marketing specialist* | 55 | 17.8 % |
| | *Social sites specialist (part-time work incl.)* | 37 | 12.0 % |
| Market focus | *B2C market* | 134 | 43.5 % |
| | *B2B market* | 23 | 7.5 % |
| | *B2B and B2C market together* | 151 | 49.0 % |

Source: Own processing

## 3 Results

**RQ1: What importance do SMEs assign to digital marketing, CRM and Social CRM?**

The results show that SME representatives consider orientation on creating a relationship with customers to be the most important (63.6%). At the same time, it was determined that digital marketing plays a greater role than the concept of traditional marketing for SMEs. More than half the firms contacted described the role of digital marketing as very important (51.6%), whereas roughly only one fifth of the respondents (22.7%) did so for the role of traditional marketing. Social CRM was considered very important by 14.6% of the respondents. Detailed results are available in Table 2.

**Table 2: Importance of traditional and digital marketing, CRM, s-CRM**

| N=308 | | 0 I don't know | 1 Unimpor- tant | 2 Rather unimpor- tant | 3 Rather important | 4 Strongly important |
|---|---|---|---|---|---|---|
| Traditional marketing | *Abs.* | 4 | 23 | 89 | 122 | 70 |
| | *Rel.* | 1.3 % | 7.5 % | 28.9 % | 39.6 % | 22.7 % |
| Digital marketing | *Abs.* | 2 | 6 | 37 | 104 | 159 |
| | *Rel.* | 0.7 % | 2.0 % | 12.0 % | 33.8 % | 51.6 % |
| Customer relationship orientation | *Abs.* | 4 | 2 | 22 | 84 | 196 |
| | *Rel.* | 1.3 % | 0.7 % | 7.1 % | 27.3 % | 63.6 % |
| Social CRM | *Abs.* | 32 | 36 | 60 | 135 | 45 |
| | *Rel.* | 10.4 % | 11.7 % | 19.5 % | 43.8 % | 14.6 % |

Source: Own processing

**RQ2: What digital marketing tools do SMEs use for conducting their business?**

For the firms investigated, the most frequently used digital marketing tool was websites (94.8%). Following this were social networks (89.3%), direct email marketing (56.5%), pay-per-click campaigns and context advertising (41.2%), blogging (20.1%) and electronic newsletters (20.1%). The predominant social

networks include Facebook (91.6%), YouTube (30.5%), Google+ (25.0%), Twitter (17.5%) and LinkedIn (12.7%). In addition to these, the social platforms Pinterest, (4.5%), Instagram (3.6%), Xing and Tumblr were also listed.

## RQ3: How do SMEs manage customer relationships and communication?

The next part of the research was focused on the way the businesses investigated maintained relationships and communicated with customers. From Table 3, it can be seen that relationships with customers are perceived to be a valuable asset and that retaining customers also is given the same high ranking. This also corresponds to the high value given by top management for the perception of the customer 4.35. Motivating employees to build relationships with customers achieved a 4.23 level of agreement. Companies do not focus on only one form of communication with the customer but provide more options 4.37. At the same time, businesses provide customers with the possibility of interactive communication 4.17. Maintaining regular contact ranked in last place with an agreement level of 3.9.

Table 3: Customer relationship orientation and customer communication

| N=308 | Mean[1] | SD |
|---|---|---|
| In our organization, customer relationships are a valuable asset | 4.58 | 0.80 |
| In our organization, retaining customers is considered to be a top priority | 4.57 | 0.83 |
| We provide our customers with multiple ways to contact the organization | 4.37 | 0.90 |
| Our senior management emphasizes the importance of customer relationships | 4.35 | 0.93 |
| Our employees are encouraged to focus on customer relationships | 4.23 | 0.99 |
| We enable our customers to have interactive communications with us | 4.17 | 0.98 |
| We maintain regular contact with our customers | 3.9 | 1.02 |

Source: Own processing

## RQ4: How do SMEs approach online communities?

The businesses questioned also communicated their method of building online communities. The use of online communities to promote themselves to customers ranked in first place with a 3.43 level of agreement. In second place, there was agreement with the fact that customers primarily use these communities to make positive comments and reviews. Businesses use them to track customers across more media/channels 3.21. Businesses use online communities to have conversations with their customers more than they use a strategic approach to managing online communities. The significance of an online customer community for overall marketing and using the community for engaging with customers ranked at the same level as having a strategic approach. However, the importance of other relevant customer communities follows directly after. Businesses participate in relevant customer-owned communities and build their

own online communities with their customers to the same degree 2.95. In Table 4, lower levels of agreement occurred for monitoring and acting on interactions between customers, opportunities for involving customers in product/service development and proactive management of interactions in online communities.

**Table 4: Approach to online communities in relation to organizational CRM**

| N=308 | Mean[1] | SD |
|---|---|---|
| We do track customers across more media/channels | 3.21 | 1.311 |
| We have a strategic approach to managing online communities | 3.12 | 1.154 |
| Other online customer communities are central to our marketing | 3.04 | 1.079 |
| We use communities to have conversations with our customers | 3.17 | 1.211 |
| We build our online communities with our customers | 2.95 | 1.216 |
| We use these communities to promote ourselves to customers | 3.43 | 1.213 |
| Customers use these communities mainly to make positive comments and reviews | 3.34 | 1.187 |
| Our online customer communities are central to our marketing | 3.11 | 1.159 |
| We participate in relevant customer-owned communities | 2.95 | 1.216 |
| We monitor and act on interactions between customers in these communities | 2.81 | 1.201 |
| Online communities are a way of engaging with our customers | 3.11 | 1.159 |
| These communities allow us to involve customers in product/ service development | 2.71 | 1.220 |
| We proactively manage interactions in these communities | 2.50 | 1.171 |

Source: Own processing

### RQ5: To what degree are social networks used in CRM systems?

One part of the questionnaire dealt with the use of social networks in the CRM system. Only the respondents that use the CRM approach in their business answered this part. This amounted to 100 respondents. Business representation was distributed equally according to number of employees into businesses with 10 or less employees, those with 50 or less and those with 250 or less. Most frequently, respondents listed that social networks make it possible for their CRM to customize communication with respect to customers. Enabling the CRM system to analyze responses to marketing campaigns and providing sales force cross-sell/upsell opportunities followed. The next two rankings were very close and included using social networks to calculate customer retention rates and to support marketing planning and budgeting in table 5.

**Table 5: Use of social sites in the organizational CRM system**

| (N=100) | Mean[1] | SD |
|---|---|---|
| Social media enables our CRM system *(continued in a row)* | | |
| ..to analyse responses to marketing campaigns | 3.39 | 1.053 |
| ..to customize our communication to customers | 3.46 | 1.123 |
| ..to provide sales force cross sell/up sell opportunities | 3.30 | 1.185 |
| ..to support sales force in the field with customer information | 3.35 | 1.149 |
| ..to calculate customer retention rates | 3.01 | 1.176 |
| ..to support marketing planning and budgeting | 2.99 | 1.159 |
| ..to calculate customer lifetime value | 2.76 | 1.232 |

Source: Own processing

## 4 Discussion

The paper deals with the problematic of using digital technologies for managing customer relationships. Among other things, research was focused on the method of managing customer relationships and communication with customers as well as on the method of building online communities and using social networks in the CRM system.

From the research, it was determined that the companies investigated devote great attention to building relationships with customers and even motivate their employees to do this as well; to this end, they use more methods of communicating with customers so as to allow them to communicate interactively. When examining online communities, the respondents ranked utilizing them for their own promotion in first place. For example, online communities are not used as often to gather information about customers. Businesses participate in communities created by customers to the same degree as they build their own online communities. When using social networks for a CRM system, respondents listed that social networks help them customize communication with respect to their customers; monitoring marketing campaigns ranked in second place. They are used least often for calculating and measuring customer lifetime value.

*Comparison with research conducted in Great Britain*
In 2014, similar research was conducted in London[21] investigating the problematic of using digital technology for communication with the customer and Social CRM. In the area of creating relationships and communication with the customer, agreement among the British companies' representatives is slightly stronger than agreement among the Czech respondents. However, the representatives from Czech and British companies essentially see the relationship with the customer and its maintenance as a key priority. Top management's attitude and the motivation of employees also correspond to this. When examining opinions on acquiring and using information, it was determined that companies in Great Britain listed agreement more frequently than representatives of Czech firms for most of the items. Czech companies listed a greater level of agreement only for the statement, "We use customer information to measure the value of each customer's referrals to other customers." However, Czech and British businesses overall have a similar approach. The highest importance is given to regularity when gathering information and integrating it from various areas. For British companies, there is apparent activity in integrating internal information about customers with information acquired from external sources and, at the same time, merging information about each customer acquired from the various sources. So far, these activities are practically not being utilized at all by Czech companies.

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21   HARRIGAN, P., MILES, M.: From e-CRM to s-CRM. Critical factors underpinning the social CRM activities of SMEs. In *Small Enterprise Research*, 2014, Vol. 21, No. 1, p. 99-116. [online]. [2015-04-25]. Available at: <http://www.tandfonline.com/doi/abs/10.1080/13215906.2014.11082079>.

Czech businesses with 250 employees or less use social networks primarily for promotion in contrast with the British, who foremost try to acquire customers by using these networks. The British companies' approach shows behavior that is more distinctly marketing-oriented, which points to the fact that transactional marketing still predominates over relationship marketing in Czech firms. It was found that Czech businesses more often have a strategic approach to managing online communities (3.12 vs. 2.83); online communities are more often important for their marketing. Brithish respondents use communities rather for developing their product/service and more often use customers to write positive comments and reviews. At the same time, their online community is a more frequent way to contact customers. When examining the use of social networks for CRM, Czech businesses used them more predominantly than British companies for most of the investigated items. An exception was support for marketing planning and budgeting, which slightly predominates in Great Britain (3.06 vs. 2.99).

*Comparison with research conducted for large companies*
The results of the research described in this paper were also compared with the previous research of the authors[22] in which companies with more than 250 employees participated. From comparing the results, it is apparent that the approach to using information is generally very similar both for SMEs and larger enterprises. For businesses with more than 250 employees, slightly higher activity is apparent for integrating internal information about customers with information acquired from external sources and, at the same time, merging information about each customer that was acquired from various sources. However, these activities still do not attain the level of implementation by smaller British companies. For using online networks, businesses with over 250 employees track customers across media and channels more often than SMEs (3.70 vs. 3.21); they have a strategic approach to managing online communities more often (3.53 vs. 3.12); and online communities are more frequently central to their marketing. SMEs use customers rather to write positive commentary and reviews; at the same time, the online community is more frequently a way to make contact than for businesses with over 250 employees. Larger companies ranked cross-sell and upsell sales in third position, whereas small businesses rank the use of this possibility in fourth position. Social networks are used the least for measuring customer lifetime value, which is the same for all companies regardless of size.

## Conclusion

This paper describes a research study focused on s-CRM practice and the use of digital marketing and new communication technologies to communicate with

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22   BACHMANN, P., KANTOROVÁ, K.: From customer orientation to social CRM. New insights from central Europe. In *Scientific papers of the University of Pardubice. Series D, Faculty of Economics and Administration,* 2015 (in submission).

customers in small and medium enterprises. The results were compared with answers from respondents from businesses with more than 250 employees[23] as well as with a study by Harrigan and Miles[24] using the same scale of measurement and a similar questionnaire structure.

From the comparison, it was found that the importance of customer relationships has a similar significance for businesses in Great Britain as for those in the Czech Republic. Generally, British enterprises take more advantage of utilizing information and do so in a more sophisticated way. For example, as opposed to British companies, companies in the Czech Republic do not work with individual customer data. Concerning utilizing social networks, this is primarily an opportunity for promotion for Czech companies; in contrast, companies in Great Britain use them to acquire customers and to establish and manage relationships with them. Czech companies use social networks more passively – for tracking customers. If, however, Czech companies implement CRM, then social networks are utilized to a more significant degree by Czech businesses than is mentioned in the British research. Again, the emphasis here is on using social networks in order for CRM to customize communication with customers; thus, the emphasis is again on promotion. For large companies in the Czech Republic, the overall approach concerning individual items is very similar in certain aspects to that for SMEs, though with a more intense level of agreement. A more sophisticated approach to working with the customer is also seen for using online communities and using social networks in the CRM system.

It can be assumed that s-CRM, digital marketing and the means of communicating with customers using new technologies has also successfully begun its course in Central Europe and will develop in connection with the development of its residents' collective intelligence. Probably, the way of using these new approaches will often differ in different countries, which could be a research question for further investigation.

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23　Ibidem.
24　HARRIGAN, P., MILES, M.: From e-CRM to s-CRM. Critical factors underpinning the social CRM activities of SMEs. In *Small Enterprise Research*, 2014, Vol. 21, No. 1, p. 99-116. [online]. [2015-04-25]. Available at: <http://www.tandfonline.com/doi/abs/10.1080/13215906.2014.11082079>.

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# FROM „NOTHING TO SOLVE" TO „FOFOLA". INTEGRATED DIGITAL CAMPAIGN

*Daniela Kollárová – Magdaléna Ungerová*

**Abstract**
In the submitted paper we pay attention to the most successful Slovak integrated digital campaign of the year 2015. Gradually, we describe the background of the brand to which the company Kofola and a multichannel agency Zaraguza reacted; the target audience for which the campaign was intended; marketing and communication targets of the campaign; media strategy and reasoning of media outlets; creative elaboration and achieved results.

**Key words:**
Internet and digital marketing. Kofola. Social media. Viral dissemination. Zaraguza.

## Introduction

Although statistics of submitted works into Effie Slovakia 2015 shows success of low-budget campaigns, in terms of media deployment these campaigns have one thing in common: the bulk of their communication takes place in digital environment. It has become our inspiration for selecting the theme of the paper having the character of a case study of a nearly forgotten Czechoslovak brand that managed to rise from the ashes sometimes at the turn of the millennium. Although in the new era it struggled with a significant problem of brand faking (brand plagiarism), today it passes from addressing the masses (traditional target group) to a more sophisticated and a more exact group aged 16-24 years.

## 1 Internet and digital marketing

In our times, the Internet plays such an important role in the society that many companies have interrupted their marketing activities in the offline environment, which is – however – a big mistake according to Viktor Janouch. Marketing on the Internet must be based on the overall marketing strategy and it should be complementary to marketing in the offline, while mutually reinforcing one another.[1] Jiří Vlasák, marketing director of Kofola, also shares this view and claims that the company is successful in the digital environment in case it has a strong brand into building of which there is involved the whole promotional and media mix. However, if the company is looking for ways how to reach younger audience, this is not possible without investing into the digital environment.[2]

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1    JANOUCH, V.: *Internetový marketing*. Brno : Computer Press, 2014, p. 11.
2    UHLÍŘ, F.: *Jiří Vlasák: Když jsme viděli první výsledky Fofoly, byli jsme v šoku.* [online]. [2016-03-01]. Available at: <http://mam.ihned.cz/c1-64565360-jiri-vlasak-kdyz-jsme-videli-prvni-vysledky-fofoly-byli-jsme-v-soku>.

To make it more clear, the Internet and digital marketing cover all marketing activities on the Internet and mobile devices, whereas the difference between these terms has been gradually blurred. In mobile phones we already have fully-fledged Internet browsers and we have started to use them as ordinary computers. Naturally, the Internet and digital marketing have certain advantages if compared to the offline marketing: in monitoring and measuring, in availability of 24 hours a day, 7 days a week, in the complexity, in the possibility of an individual approach, in dynamic content and in immediate response. Similarly to the offline marketing, they are based on stories, whereas really powerful stories are able to influence broader population. People communicate with each other without any restraints on different web sites, e-commerce, blogs, social networks, forums, portals, wikis and the like.[3]

## 2 Case study of digital integrated campaign

### 2.1 Marketing situation

Kofola Originál is a domestic non-alcoholic beverage produced according to an original formula from 14 substances of natural origin since 1960. From the time of the launch of its production up to the year 1989, which brought political and social changes into the former Czechoslovak Socialist Republic, it belonged to popular cola drinks of domestic production, with an annual output of 180 million litres. The so-called Velvet revolution brought difficult years to the cola drink. Consumers began to favour consumption of cola drinks, which had been banned in the Communist Czechoslovakia or their sale had been significantly limited. During the next ten years the brand of Kofola changed several owners. The company Santa, predecessor of the present-day company Kofola, started to produce this half-forgotten brand in 1998. Gradually, two-litre and half-litre cola drink packaging as well as their new flavours returned to its portfolio. In 2001 Kofola first tried to convince consumers with the slogan: „If you love it, there is nothing to solve." (until today a slogan for Kofola Originál). Another important milestone of Kofola in terms of communication strategy was the year 2003. In this year, media in Slovakia and in the Czech Republic broadcast the new iconic commercial with a Christmas piggy for the first time. A successful return re-enabled the brand to set new standards in online communication. In 2007 „Christmas greeting with an angel" was sent within more than 1 million consumers of Kofola. Kofola´s popularity gained the highest sale in history in 2009, including the period before 1989.[4]

The success of Kofola Originál drew fakes into the market and competitive drinks of strong beer distribution groups (Heineken, Pivovary Topvar), which label these drinks with their original names (Kontra, Topvar Kofa) and promote the

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3    JANOUCH, V.: *Internetový marketing*. Brno : Computer Press, 2014, p. 224.
4    *História.* [online]. [2015-10-22]. Available at: <http://www.kofola.sk/web/history>.

distribution with their own distribution force. In the off-trade, Kofola succeeded to push out fakes from the shelves of the shops over the years. However, in the on-trade the brand of Kofola is used as a synonym for a dark cola drink. With the ignorance of restaurant managers and consumers that Kofola is a brand and a product labelled with this brand is the only original in the field of communication, it fought on the level of brand building in the years 2005-2006 with the campaign „Pravá hnedá" (Genuine brown) and in the years 2009 and 2010 with the campaign „Kofotiny"(Kofo-rubbish).

At the end of April 2005 Kofola launched an awareness campaign, which was supposed to ensure the protection of registered trademark and suppress booming plagiarism. Consumers were exposed to the claim "Pravá hnedá" (Genuine brown) mainly in the segment of HORECA, through the interior POS materials, but also through exterior billboards. The camapign was connected with a character of a little bear with a raised finger. The main objective of the campaign was to bring awareness not only among consumers but also among suppliers and managers of gastronomic facilities. The said communication activities on the point of sale were supported by the web site www.pravahneda.sk, where consumers could not only get an overview of places where Kofola Originál is draft or vice versa they could „tell on" the company Kofola, which places draw Kofola of dubious taste and colour or staff of a restaurant or a pub that were not responsive to the customers, when they pointed the fact that their „Kofola" does not taste good.[5]

Since the main problem with the imitations persisted in the on-trade area, the agency Wiktor Leo Burnett located major part of the campaign Kofotiny on the points of sale, i.e. facilities HORECA. Different carriers of POS and merchandising objects pointed out to the consumers that they were at a place, where Kofola Original is draft or vice versa, they are at a place, where they draw Kofotina, i.e. any brown draft non-alcoholic drink, which is wrongly identified as Kofola. A component part of the campaign was a web site www.pozornakofotiny. sk, where visitors could get information on how to recognize Kofola Originál from Kofotina; on the interactive map of Slovakia they could get an overview of the places in their vicinity, where Kofola Originál is draft and through which consumers could participate in the fight against Kofotiny, for example by ordering T-shirts or stickers just for postage. During the campaign, the web site www.pozornakofotiny.sk recorded 30, 253 unique hits and 107, 721 page views, Google has registered up to 8, 750 links to kofotiny (kofo-rubbish), whereas this lexical invention has also been also mentioned in blogs and on social networks.[6]

The target audience for traditional Kofola Originál is mass audience. Communication positioning is love among close people, a feeling of alliance and joy of life. In order to make the brand more appealing for the younger target

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5    *O projekte.* [online]. [2015-10-22]. Available at: <http://www.pravahneda.sk>.
6    *Kofotiny. Application form EFFIE SLOVAKIA 2015.* [online]. [2015-10-22].
      Available at: <http://www.effie.sk/wp-content/uploads/2015/12/fofola.pdf>.

group, an important role in the portfolio of the company is played by half-litre packaging of Kofola. This product line is a tactical tool of rejuvenating the brand, for which there are dominant the attributes of joy of life and playfulness (campaigns Nothing to solve, Fofola). Thus, in the brand communication of Kofola there occurs the differentiation of the communication in relation to different target groups. The primary audience for half-litre bottles are young people aged 16-24 years. The world of this product line is therefore – if compared to Kofola Originál – more entertaining, more active and crazier. The sales opportunity is impulsive purchasing, when consumers buy a refreshing moment, during which they get relaxed, are happy, laugh and are again happy to be in the world. On the market of half-litre packaging there has dominated Coca Cola, with a market share higher than 50%. A long-term business objective of 0.5 litre format of Kofola is to gain market share right at the expense of Cola Cola. An important reason for launching a campaign was a long-term continuous decline of this product line. They succeeded to reverse it in 2014 due to a modified positioning. The introductory campaign was a campaign of the advertising agency Triad „Nerieš" (Nothing to solve), which managed not only to meet sales and communication objectives, but also to win several awards. Advertising agency Triad related half-litre Kofola to the Internet phenomenon GIF and moments of non-solving for the teenagers. It directed them to create their own GIFs (an application to download via Google Play or App Store), to share them through www.neriesenie.sk and to enjoy the moments of non-solving associated with Kofola. They could use their own GIFs to block boring advertising in their browsers (advertising-eater) or as a screensaver. Together 27 YouTube videos (Not solving TV) reached 1.5 million views on the site and GIFs on the web further 8.5 million views.[7]

The task for the agency Zaraguza was to continue in the positive growth of the sales and building of image attributes of the brand for a specific target group, but especially for emotionally stronger campaign, which would also be linked to the product, just as the campaign „Nothing to solve" was.

*Marketing objectives:* to meet sales targets of the whole 0.5 litre format and thus to continue in the positive growth of the entire category, i.e. to sell X hectolitres (the exact value of X is not quantified as is a subject to commercial confidentiality).

*Communication objectives:* to improve campaign performance (reach of campaign over 55%, awareness of campaign over 65%, catchiness of campaign over 7.1) and to enhance image attributes of the brand relevant to the specific target group (originality over 82%, modernness over 77%, clarity over 66%, amusement over 84% and originality over 75%).

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7   *Polliter neriešenia.* [online]. [2015-10-22]. Available at: <http://www.zlatyklinec.sk/zoznam-prihlasenych-prac-2015-2/>.

*Online objectives:* Organic watching of on-line videos at the level of 15% (benchmark YZ leaderboard), Facebook – the increase in the number of fans from Slovakia by more than 3 979 (the result of the campaign Nothing to solve). The primary target group consists of young people aged 16-24 years. This target group has grown and live lives at full in the digital age. According to TNS Lifestyle 2015, 90% of the Slovak population aged 19 to 30 years is connected to the Internet and 85% of the population actively uses social network Facebook.[8] This target group is averse to traditional advertising. Their typical feature of shopping behaviour is impulsiveness.

## 2.2 Communication and invention strategy

Due to the campaign objectives, the agency together with the client felt the need to prepare a product campaign, which would have a strong emotion. In order to do so, they needed to find a medium through which the main emotional attributes – amusement and craziness – would be clearly readable. The main character of the campaign became the dog Tuna. Tuna has become a real Internet celebrity, which had been known before the campaign all around the world thanks to its „life story", but in Central Europe it was known mainly by young people. There was created a character of a lovable rascal for this cute-ugly dog, which is in stories caught in getting up to mischief by viewers. A significant overbite is typical for the real dog, which the agency used to complete lisping.

For the purpose of the campaign, there was created a new lisping language: fofolština (language of fofola). To divert attention from mischief, the dog used a catch-phrase in this language: „Would you like some fofola"? (fofola as bad pronunciation of kofola) Thus, the brand was directly incorporated into the story. Mischief of the lisping cute-ugly dog was based on simple humour, which is close to the target group of people aged 16-24. Among the target group the language of fofola became so domesticated that communication between Kofola and its fans on Facebook proceeded only in this language. An important part of the invention strategy was the approach when the agency proposed creative executions in a way to make them primarily function in the on-line environment. Thus, there were created no TV spots but on-line videos showing catching the lisping cute-ugly dog doing mischief. Thanks to that the non-digital part of communication worked better, as well.

## 2.3 Media strategy

Communication took place in high affinity media, in two tactical waves. Dominant channels were OOH and television. At the beginning of the summer season, from May 1, 2015 until May 31, 2015 there was deployed the first wave

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8    TNS LifeStyle 2015: *Penetrácia internetu a sociálnach sietí vo vekovej kategórii 19-30 rokov*. [online]. [2016-06-01]. Available at: <http://www.effie.sk/wp-content/uploads/2015/12/evelyn-je-strongbow.pdf>.

of communication. The second one, reminder one, was deployed from August 1, 2015 until August 31, 2015. The campaign was built on a series story, which was developed in ten short videos on TV and on social networks; the print version was communicated by means of OOH carriers and directly in on-trade channels. The choice of online celebrity enabled the so-called return teasing, when not just fans but also media spontaneously brought more content about the dog and its true story. At the beginning of the summer season, from May 1, 2015 until May 31, 2015 there was launched the first wave around the dog and its true story. On social networks, communication took place only if the agency or the client had really something to say to the fans. Since the language of the campaign settled down quickly among the fans, the agency Zaraguza provided their fans with a functional tool that enabled translation from Slovak into the language of fofola. In the initial stage, there was only a micro site, which was prepared similarly to the style of Google Translator. In the second phase of the campaign, the agency used the option to change keyboard in smart phones, and thus it brought to the fans a mobile application Fofola keyboard that automatically changed the text into the language of fofola when writing text messages or chatting. The aim was to make the creative concept become popular as much as possible.

## 2.4 Achieved results

According to Karl Hrbek, senior brand manager, the campaign Fofola was the most successful campaign in the history of Kofola. The campaign was so successful that the company unexpectedly proceeded to temporarily rename the brand as such on Fofola, which had not been planned originally. The marketing objective of the whole product line was accomplished at 115% during the monitored period.

Communication objectives: to increase campaign performance (reach of campaign 71%, awareness of campaign over 88%, catchiness over the level 7.5) and to improve image attributes of the brand relevant for a specific target audience (originality 87%, modernness 80%, clarity over 84%, amusement 94% and originality 86%). Communication objectives of the campaign have been achieved not only in the specific target group, but also in the broader population. Online objectives: Organic views of on-line videos at 70%. Facebook – increase in the number of fans from Slovakia in around 25 915.

Online videos on YouTube and Facebook achieved altogether 8 479 017 views, while 70% of them were organic. Free views thus reached the value of €74 395. Viral spread of videos had an impact not only on the reach of videos themselves but also on the reach of Facebook page. The global benchmark for the Facebook pages with 500,000 to 999,999 fans is a reach at the level of 7.47%. The most successful video of the second wave of the campaign Kofola achieved the reach of 494.81% in Slovakia. At the time of completion of the campaign, it was 391%.

Among all posts made during the monitored period published on Facebook, the campaign of Fofola achieved 284 861 interactions, the highest number in

Slovakia – out of them there were 207 665 likes, 60 206 shares and 16 9990 comments. Despite the fact that the campaign was not directly communicated on Instagram, fofola achieved 3715 photos and videos. A significant part of the contributions concerned the renaming of the product.

## Conclusion

The basis of the Internet and digital part of the campaign Fofola involved social media, i.e. online media, where the content is (co)created and shared by the users. These were social networks (Facebook) and shared multimedia (YouTube). Despite the fact that one can never fully plan viral dissemination and predict the extent of its success, this campaign has been the most successful campaign in the history of the brand so far. In our opinion, the basis of its success is to be found in all preceding campaigns of the brand, regardless if they were focused on brand building, maintaining the market share, education of consumers or acquiring new target audiences. We believe that the above-the-line communication proved its position in the process of brand building.

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# USING TREMENDOUS IMPACT OF SOCIAL MEDIA TO UTILIZE MARKETING POTENTIAL

*Anida Krajina – Dušan Mladenović*

**Abstract**
Nowadays it might be quite difficult to imagine the web page that exists solely without the direct or indirect link to Facebook, LinkedIn, Twitter or some other social network. One of the most important tasks on company's schedule in 21st century is the viral presence, which mostly means the presence on social networks. This is applicable only for companies that want to be successful on the market. How is that influencing marketing campaigns? How much companies actually need to be active to increase the visits on their web sites? Is it possible to achieve the regular visits and views without social networks? These were the questions which authors have been tackling for some time already. In order to reach the target market and answer the research question as accurate as possible, authors have taken their blog as a case study and the platform to run the experiment. Reason behind is the easiness of information accessibility and the control over the frequencies of updates. The blog M- Factor is the online platform brought up by the authors in order to track and present marketing stories from the Eastern Europe, more precisely the portion of Balkans countries.

**Key words:**
Awareness. Online marketing. Social media. Target market. Viral channels.

## Introduction

During the course of last decade particularly, we are all witnessing massive, aggressive and unprecedented expansion of so-called social media. Such a tremendous momentum and viral development has not been recorded so far in the marketing world. Some of the advantages of the social media (that drove popularity of social media this high) could be listed as follows: free of charge medium, increasingly popular, viral fluctuation of all sorts of information, etc[1]. Hereby, we are striving to familiarize with the current state in the respect of social media's influence onto full and comprehensive utilization of marketing potential and, if applicable, to try to predict further trend developments based on the findings. The empirical research will be conducted in several strongly interdependent steps with question-less practical limitations counting on. Nonetheless we strongly believe that science, public and interested individuals will benefit in considerable manner. The profound intent of the research is to provide public with tangible, applicable and comprehensive information based on the findings regarding correlation between influence of social media on one side and sharp upslope/downslope trend in the respect of utilization of marketing potential.

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[1]    GILBERT, E., KARAHALIOS, K.: Predicting tie strength with social media. In *ACM Library*, 2011, Vol. 7, p. 75. [online]. [2015-10-13]. Available at: <http://leonidzhukov.net/hse/2011/seminar/papers/chi09-tie-gilbert>.

It is inevitable fact that we are living in a world where the success is measured in likes, tweets or shares. In the past decade, the practice has grown from being present on the world's virtual platform, to gaining as much likes as possible. Previously mentioned M-Factor is the blog available at: www.emyufactor. wordpress.com. The blog is connected to Facebook, Twitter, LinkedIn and Google+, which means that when the new post is published, it is widely visible on all four (Picture 1).



**Picture 1: M-Factor Blog Outline**
Source: *Emyufactor.* [online]. [2015-09-19]. Available at:
<www.emyufactor.wordpress.com>.

Authors have discovered so far that there are more visits to blog when the new content is published. Readers' initiative is still in question as there are few or none visits initiated without social media push. This could serve as an example to newly created web sites and help them decide about the amount of new information and regularity of updates. Moreover, the bottom point is that it would be hard or even impossible to achieve the popularity without social networks. Looking from a marketing perspective, it eases the work and gives much more opportunities for new marketing players in digital ages.

## 1 Theoretical background

For the sake of profound and concretely examination of social media's features, the very first step is to define what we strive to work with. Widespread and generally accepted definition is that social media consists of a bulk of internet-based applications, tools and software that are built on ideological and technological foundations of Web 2.0. Moreover, they do allow creation and exchange of user-generated content – primarily information[2]. In continuation, further analysis of social media is essential as well. We can consider different forms of social media which do prevail nowadays – starting with online magazines, internet forums, weblogs, social blogs, microblogging, social networks, photographs/pictures, video and countless others[3].

According to the recent research, performed, elaborated and presented by Michael Stelzner, founder of Social Media Examiner[4], actual for the year 2014, certain facts and details of marvellous significance for this specific research field could be derived.

Listed down below are points with most of the relevance and eventual influence on the findings:
• Marketers increasingly consider social media crucial for their overall business performance: a significant portion of 92%. Up from 86% year earlier (2013);
• More specifically, tactics and engagement are top two areas marketers want to master: At lower margin standing high at 89% marketers expressed unambiguously their interest to get familiar with the most effective social tactics and the best ways to engage their audience with social media;
• Moreover, blogging holds the top spot for future plans: A significant 68% of marketers plan on increasing their use of blogging, making it the top area marketers will invest in for 2015;
• Facebook and LinkedIn are the two most important social networks for marketers. When asked to select only one platform, 54% of marketers selected Facebook, followed by LinkedIn standing lower at 17% etc.

## 2 Research context

Authors have conducted their research in three phases and thus built the basis for further research. Three main phases were conducted in the end of 2014 and beginning of 2015 and are defined as follows:

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2    KAPLAN, A, HAENLEIN, M.: Users of the world, unite! The challenges and opportunities of social media. In *Business Horizons*, 2010, Vol. 53, No. 1, p. 61.
3    DUNAY, P.: Gyro Voice: 10 E-Commerce Predictions for 2013. In *Forbes*, 2012, Vol. 52, p. 18. [online]. [2015-10-09]. Available at: <http://www.forbes.com/sites/gyro/2012/12/24/10-e-commerce-predictions-for-2013>.
4    HUBIJAR, A.: *Marketing od usta do usta.* Sarajevo, Bosnia-Herzegovina : Sarajevo School of Science and Technology, 2011, p. 58-59.

• Research Phase I (The week between Jan 19th – Jan 25th 2014). During this phase authors imposed intensive promotion of blog on all social networks it was connected to. Those social networks include Facebook, Twitter, LinkedIn and Google+. The intensive promotion meant updating and sharing content on social networks three times per day (morning, afternoon and evening). The important to mention is that this was executed apart from regular posting of blog content which occurs four times per week (Tuesday, Wednesday, Thursday and Friday).

• Research Phase II (The week between Jan 26th – Jan 31st 2014). This week main focus was posting and sharing only regular blog content explained in previous phase. In other words, authors posted one article daily from Tuesday to Friday.

• Research Phase III (The week between Jan 26th 2014- 2nd Feb 2015). Phase II week was collided with the week after and that time period was dedicated to launching survey, gathering and interpreting data. During this week authors conspired in making conclusions and defining the courses of future research.

There are two research techniques authors have used in this research. The experiment on the web page (in this particular example the blog) was followed by the survey sent to blog readers. The experiment assisted in empirical evaluation of online behaviour by tracking the visits and views on the site directly. Authors could maintain the promotion intensity and compare the activity of visitors between different phases of research process. Once the back scenes activity was accessible, the survey helped to put the data in words and explain different behaviours examined during the experiment. The survey provided the insight in consumer behaviour and reasons behind such behaviour and therefore the combination of two gave the authors the picture based on which they could draw out conclusions and set the basis for the future research.

## 2.1 Objectives and methods

Within this research, authors have derived two research questions:
How often does the web page/blog need to be updated with fresh information in order to get more views/visits and when is the break-even point where viewers/visitors get back without new updates being published? In addition, what is the influence of social networks and the relation (in visits/views) between content published on social networks and those which is not? Is it possible to have a webpage without it being channelled to the public via social networks?

The reason why authors focused on these questions is because they should represent the very first, but significant step in further tapping into the idea of using social media for enhancing the effects of marketing campaign.

Taking into consideration that this study is exploratory and it has its limitations, authors tried to focus on particular research methods. Therefore, two most convenient methods to get relevant data were applied. They are listed below.

1. The first research method was experiment on the blog statistics.
2. Second research method was a questionnaire for the blog readers.

Authors have addressed the first research question with conducting the experiment of tracking the visits to the blog M-Factor. As certain aspect of behaviour was examined, this method has served to get insight in it. Questionnaire was followed by authors' general conclusions and secondary literature to answer the second research question. As Blythe[5] pointed out, the purpose of any research is to turn the data into usable and valuable information. The same goal was leading the authors to put this study's puzzles together and setup the significant basics for its further development.

## 2.2 Findings and discussion

Graph 1 illustrates the outcome of the research phase I and research phase II that were explained in the part 3. During the period of intensive share of blog contents and related sites on social networks, the number of visits and views increased to an enviable level. It was a sharp increase that experienced the rapid downturn immediately after the intensive promotion had stopped. This behaviour advocates the central pillar of the research which is as follows: *Social media influences largely the promotion of the content and gains customers' attention.*
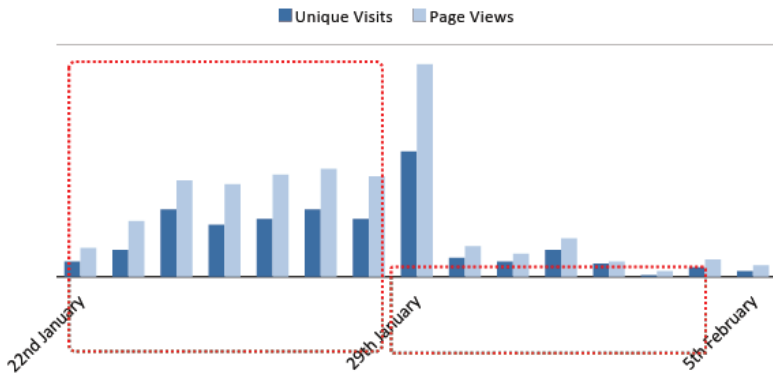


**Graph 1: Visits/views statistics extracted from M-Factor blog metrics**
Source: M-Factor Blog internal metrics and analytics available on request

As Mathson[6] states, the strong context that exists on the Web is the first goal and social media is used further to attract users to that content and convert leads to loyal repeat customers.

5    BLYTHE, J.: *Essentials of Marketing*. Harlow, England : Pearson Education Limited, 2005, p. 15.
6    MATHSON, M.: *Social Media's Influence on Internet Marketing*. [online]. [2015-10-12]. Available at: <www.progressforge.com/social-medias-influence-on-internet-marketing>.

Moving forward to third research phase required the collection, evaluation and interpretation of survey data. The sample was chosen carefully as authors needed both males and females who do read the blog content and do use various online platforms for gathering information. The sample size was 100 respondents, both male and female between the age 19- 45 and all of them were using at least one social media (Facebook, Twitter, LinkedIn or Google+). 100 responses were collected in one week time. Following graphs are representing individual question charts. In other words, to avoid explaining the answers and outcomes, authors decided to present the survey results in the form of pie charts. Authors took the freedom to present the significant questions within this survey and deduct those who did not have the big impact on this study and research questions.
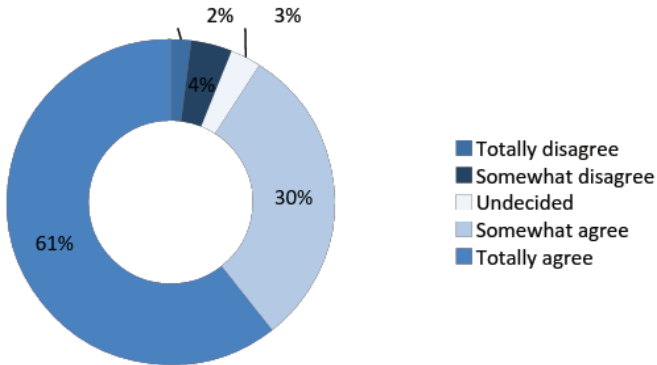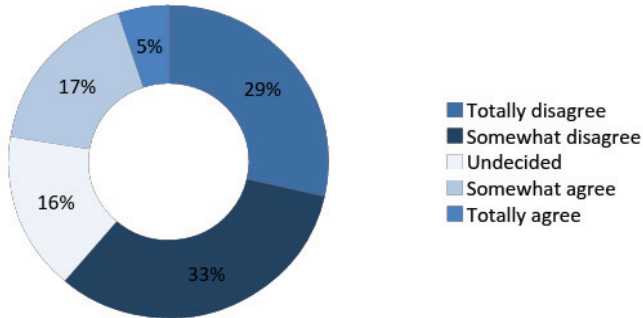


**Graph 2: Survey question:** *I do check my Facebook/Twitter/LinkedIn etc. Profile daily?*
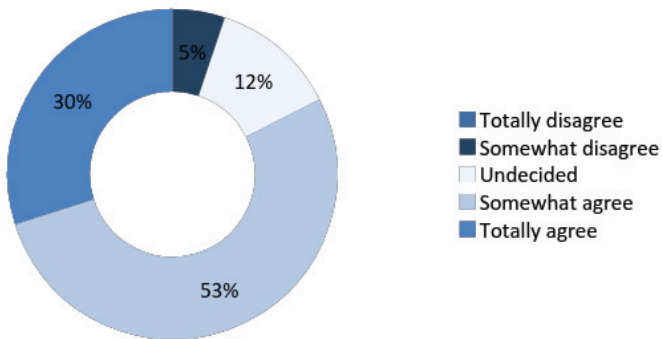Source: Survey organized by authors A.Krajina & D. Mladenović – available at request
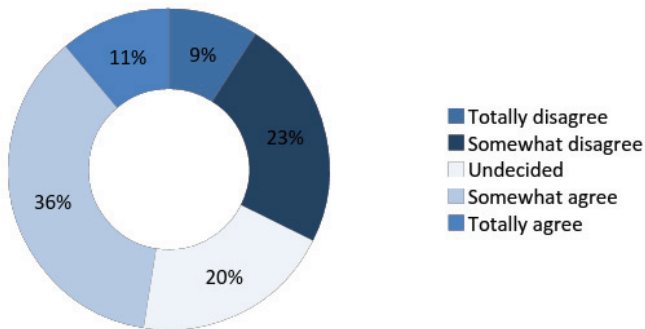


**Graph 3: Survey question:** *I do reach other web sites through my social network account?*
Source: Survey organized by authors A.Krajina & D. Mladenović – available at request

**Graph 4: Survey question:** *Information shared on social media affect my purchase decisions?*
Source: Survey organized by authors A.Krajina & D. Mladenović – available at request



**Graph 5: Survey question: Regular communication via social media increases likelihood of company's success?**
Source: Survey organized by authors A.Krajina & D. Mladenović – available at request

## 2.3 Limitations

As this research is exploratory by its nature, there are severe limitations of this research and the most relevant ones are as follows:
• Time frame of research and the implication of research methods;
• Sample size;
• Sample reliability;
• Used methods and explorative research methodology.

However, authors strongly believe that these can be overcome in the future development of this research and they intend to do so. The suggestion is to conduct the research for the longer time period. In addition, the sample size should be larger for the larger variety of opinions and increased reliability and in the end, the methods could be more qualitative, analytical and into depth.

## Conclusion

Several conclusions were brought up upon the questionnaire and experiment. Following conclusions were taken as significant ones for the purpose and goal of this research:
- Activity on social media does increase the visits and views on web site, e.g. triggers attention and awareness.
- The majority of people check the social media on a daily basis.
- More than a half of sample reaches other web sites via social media, however they do not open shared web pages always and it does not affect their purchase decision in majority of cases.
- In majority, sample proves that social media can indeed increase the company success.

To wrap up, the overall conclusion is that social media affects customers highly in terms of information, connection, attention and awareness. However, it does not necessary affects their purchase decision and provokes the action which is the final goal of the marketing campaign. It might be one of the challenges for companies to utilize the social media usage in order to foster the second matter.

### Headings to the future

As for the future, there are numerous unknown scenarios that might come up and strongly interfere, distort or reshape social media development and its close bond with marketing. Therefore we are listing down some of the questions that are still fully or partially unanswered taking into consideration present state of social media and nature of its existence.

- We do strongly believe that these directions might help future researches to reach their goals:
- How to get most of the social media in context of fully utilization of its marketing and business potential?
- What are the approaches and tools to be deployed in order to make social media campaigns more effective?
- What information do individuals are searching for on social media?
- How to trigger word of mouth communication via social media?
- Does development of word of mouth marketing effects utilization of social media for the purposes of successful marketing campaigns?

This list is however not exhaustive one since the research field is tremendously vast and broad. Many more inquiries and researches would have to be conducted in order to get all the pieces of the puzzle.

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# FROM PAPER TO DIGITAL

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**Abstract**
The marketing methods and techniques are constantly improved and innovated. The retail sales do not lag and they adopt these innovations and new techniques, for example in merchandising. The aim of these innovations is the attraction of consumers and the subsequent satisfaction of their needs. One of the innovations is the use of digital price tags that are already used in many countries and in many areas. In Slovakia, they are installed since the year 2013 and in the Czech Republic they have been installed much earlier. It is necessary to use modern ways to reach consumers, to facilitate the work of the retailers and also to attract new consumers.

**Key words:**
Consumer. Digital price tags. Digitization. Merchandising. Retail.

## Introduction

With the development of technology, people are changing also, the change can be considered in their lifestyle, needs, and their requirements. The task of retailers is to adapt to these changes. The aim of marketing is to find a place in the market, to create an attractive product for the customer, promote it by the right way and to sell it with the right price to the customer, to satisfy his needs. By the impact of innovations, the information are disseminated more quickly and companies have increasingly less time for the registration of new competitors in their business. Customers are however still deciding about the purchase of individual products. The places where they usually satisfy their needs are mostly retail operations. The organization of products and their subsequent arrangement on the shelves may induce the favourable consumer response. Merchandising is said to be the most direct way of marketing, which is represented by the contact between the customer and the goods at the place where the customer decides whether he/she wants to buy the goods or not. Its aim is the presentation of products with the purpose to enhance their visual impact on impulsive purchase, the manner how to improve customer orientation in the store or in the rack. Another objective of the merchandising is to provide the customers with the information about the prices, assortment of products and their promotion. The digitization of marketing and consequently the creation of digital price tags in retail have significantly helped with the information of consumers about the exact prices of proper products. Thanks to the mentioned digital price tags, the issue of updating the prices is solved and the work of retail managers is easier. This innovation in the field of merchandising also contains the so called QR code, which is readable by Smartphone's.

# 1 The use of merchandisingu in the retail

Retailing includes all the activities which are in connection with the sale of goods to final consumers for the non-commercial use.[1] It belongs to the most important link in the distribution channel. It can be characterized as a set of activities related to the sale of goods and services directly to end customers for their personal consumption. The modern lifestyle has changed the patterns of consumer behaviour and their buying behaviour radically. Retailing is the major driving force of the world economy and employment. The composition of retail trade is really diverse, and is composed of various types, such as store retail and non-store retail.[2] The store retail is in the nowadays globalized economy, the dominant form of organization of operating units. This form occupies, in the developed countries of the world, for nearly 90 % of all retail sales. The traditional division is the division to the food and non-food retail. The basic range of food retail is the food. This group is complemented by non-food items, usually the good of the daily consumption, and other additional products. In terms of the typology of business units, into this category we include the grocery stores, niche stores, mixed stores, supermarkets, hypermarkets and self-service stores. In the last period, the food retail has recorded some dramatic development changes. This is the area, where under the influence of globalization tendencies, advanced technology and innovation, the competition for the consumer is dramatically increasing.[3] On the one hand, retailing pertains to the sale of goods or merchandise to final consumer or end users. Visual merchandising, on the other hand, refers to the art of showcasing or presenting the same goods or merchandise.[4] This function is and it also will be one of the most important elements in the fight for customers, overall marketability of goods and the place on the market. The selling area and the sales space is the space in which the consumer decision is made, and where the products are eventually bought.[5] Visual merchandising is defined as the presentation of any and all merchandise at its best colour coordinated, accessorised and self-explanatory.[6] In other expression, the visual merchandising is said to be the art and science of presenting goods in the most visually appealing way. In store language – it is how a retailer communicates with its customers through product images or presentations.[7] A significant expansion

1   *Euroekonom*. [online]. [2015-10-3]. Available at: <http://www.euroekonom.sk/obchod/marketingove-riadenie-obchodu/maloobchod/>.
2   BARTÁKOVÁ-PAJTINKOVÁ, G., GUBÍNIOVÁ, K.: *Udržateľný marketingový manažment.* Bratislava : IAM press, 2012, p. 120.
3   MULAČOVÁ, V., MULAČ, P. et al.: *Obchodní podnikaní ve 21. století.* Praha : Grada Publishing, a.s. 2013, p. 70.
4   SWATI, B., ANURAAG, S.: *Visual merchandiing.* India : Tata McGraw-Hill Education, 2010, p. 2.
5   *Worldwide Grosses.* [online]. [2015-10-8]. Available at: <http://www.fmcservis.eu/merchandising-sales-promotion/merchandising/co-je-merchandising/>.
6   SWATI, B., ANURAAG, S.: *Visual merchandiing.* India : Tata McGraw-Hill Education, 2010, p. 18.
7   Ibidem, p. 19.

of the Internet and the free movement of goods in the process of globalization have caused the escalation of competition for consumers. This is why the retailers are trying to get many innovations to their consumers. The digitization has wiped the boundaries between the visitors of retail store and the customers which are buying online. In the year 2013, the digital technology had an impact on retail sales amounting to 36 %. Consumers, in the purchase in retail stores, are relying more on their Smartphone's and tablets as on the staff.

Digitization is used in determining prices, obtaining information about products and in paying.[8] European retailers make big investments in innovative technology systems, such as self-scanning, loyalty marketing systems, mobile web platforms or new payment methods, which continue to transform the customer's experience and the efficiency of retail businesses. However, non-technological innovations in the customer's experience, or business organisation innovations are potentially even more transformational. These include the introduction of new in-store merchandising techniques, new customer service approaches or new business models and formats. Wholesalers have significant skills in using technology both to rapidly process market information as well as optimise the value chain, especially for smaller customer organisations and professional clients. Wholesalers' expertise in logistics, a central function of the sector, is a critical component in delivering the digital economy. The digital economy has two kinds of impact.[9] On the one hand, for retail firms and for business management – whether online or multichannel – the digital economy brings opportunities for greater efficiency, transforms management, stimulates new business models and trading formats, and creates new jobs with new skill requirements. On the other hand, consumers and customers are seeing more competitive prices, greater convenience and new opportunities for cross-border purchasing. Naturally, change of such a scale brings with it challenge for existing firms.[10] The benefits of appropriate and successful investment in technology can be significant, leading to lower transaction costs, higher productivity, and the enhanced capability for innovation and revenue growth for firms. However, obtaining these benefits is not always straightforward.[11] As the retail sector across Europe becomes more fully integrated across channels, it becomes more difficult to identify and disentangle the net employment effects and the implications for the evolutionary mix of employment and skills in the retail sector. The increase in online retail sales penetration for retail firms reflects the rapid growth of consumer activity

8    LOBAUGH, K., SIMPSON, J., OHRI, L.: *The new digital divide.* [online]. [2015-10-8]. Available at: <http://www2.deloitte.com/content/dam/Deloitte/us/Documents/ consumer-business/us-rd-thenewdigitaldivide-041814.pdf>.

9    REYNOLDS, J., CUTHBERTSON, R.: *Retail & Wholesale: Key sectors for the european economy.* [online]. [2015-10-8]. Available at: <http://www.eurocommerce.eu/ media/87967/eurocommerce_study_v2_hd.pdf>.

10   Ibidem.

11   KHAN, K.: *The ideal lenght for all college online payment.* [online]. [2015-10-8]. Available at: <http://goarticles.com/article/The-Ideal-Length-for-All-College-Online-Payment/9178865/>.

online across Europe. Understanding the motivations of consumers and the emerging trends in online consumer behaviour is the key to understanding the ways in which the European digital economy will evolve.[12]

## 2 From paper to digital

By the impact of digitalisation, on the one hand, the work in the retail is still easier and on the other hand, consumer is getting the information about the product he/she needs. The new trend in the retail merchandising is the use of digital price tags. Their aim is the simplification of the manager´s work in revaluation of product prices, the reduction of time and the information of consumers about the products, prices and discounts that apply to the product. There are two terms we can find in literature; on the one hand we can find term like digital price tags and the other hand electronic shelf labels.

An electronic shelf label (ESL) system is used by retailers for displaying product pricing on shelves. Typically, electronic display modules are attached to the front edge of retail shelving. These modules use E-paper or liquid-crystal display (LCD) to show the current product price to the customer. E-paper is currently trending in the ESL market as it provides crisp display and supports full graphic imaging. A communication network allows the price display to be automatically updated whenever a product price is changed. This communication network is the true differentiation and what really makes ESL a viable solution. The wireless communication must support reasonable range, speed, battery life, and reliability. The means of wireless communication can be based on radio, infrared or even visible light communication. Currently, the ESL market leans heavily towards radio frequency based ESL solutions.[13] Pricier offers two different styles of labels – segment and graphic. Both ranges have standard electronic labels for the shelf-edge as well as specific labels designed for freezers, peg hooks and large signs. All labels work together on the same system, allowing you to mix and match according to yours needs. Pricier electronic shelf labels are known to be the very best in terms of quality, efficiency, readability, long life and robustness. The Price Automation solution is central to store automation and enables price flexibility and accuracy at the shelf-edge to meet competition, gain competitive advantage, maximize margins and gain customer trust.[14] Electronic shelf labels offer retailers the ability to wirelessly update content on shelving signage quickly and efficiently, without the need to print paper tags or to deploy multiple employees to change them manually. In addition to reducing

12  REYNOLDS, J., CUTHBERTSON, R.: *Retail & Wholesale: Key sectors for the european economy.* [online]. [2015-10-8]. Available at: <http://www.eurocommerce.eu/media/87967/eurocommerce_study_v2_hd.pdf>.
13  DILIP, S., MARANDI, S.: *Managing Customer Value: One Stage at a Time.* Singapore : World Scientific, 2010, p. 275.
14  *Worldwide Grosses.* [online]. [2015-10-09]. Available at: <http://www.pricer.com/en/Solutions/Electronic-Shelf-Labels/>.

staff needs to support price changes, ESL offers retailers the ability to update pricing as often as they want, while at the same time reducing pricing errors to customers.[15] Electronic shelf label systems offer many benefits. ESLs take care of price discrepancies at retailers, which can be a headache for both the retailer and its customers. Retailers lose revenues, customer loyalty, and incur additional costs over their competitors through labour inefficiencies when they maintain their traditional, paper-based pricing systems.

One of the greatest factors driving adoption of ESLs across the globe is the return on investment which promises a full return within 18 to 24 months from implementation; local retailers have reported a 10 % revenue improvement. In addition, lost sales are reduced due to improved stock keeping and better re-ordering information, ESLs provide absolute price consistency between regions, promote rapid and frequent micro price changes and the ability to comply with corporate promotions, and centralise pricing processes.[16]

ESL can be divided into the following three big groups:
• LCD
• E-paper display (segment display)
• E. paper display (graphic display)

Electronic shelf labels are used at many countries. For example:
• Poland (300 stores)
• Germany (210 stores)
• Korea (10 stores)
• Japan (1 store)
• Hungary (200 stores)
• Great Britain (2 stores)

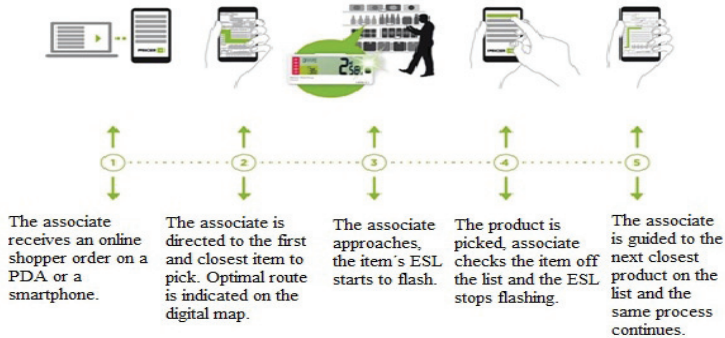This technology was installed most often in the retails such as SPAR, TESCO, COOP.

The next picture shows, how QR-cod works on your smartphone and how to function the process of choosing some products from the list in retail store. (picture 1)

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15  *Worldwide Grosses.* [online]. [2015-10-09].
    Available at: <http://www.eink.com/esl_tags.html>.
16  *Worldwide Grosses.* [online]. [2015-10-09]. Available at: <http://www.itweb.co.za/
    index.php?option=com_content&view=article&id=39676>.

The associate receives an online shopper order on a PDA or a smartphone.

The associate is directed to the first and closest item to pick. Optimal route is indicated on the digital map.

The associate approaches, the item´s ESL starts to flash.

The product is picked, associate checks the item off the list and the ESL stops flashing.

The associate is guided to the next closest product on the list and the same process continues.

**Picture 1: Communication between smartphone and QR-cod in retail store**
Source: Own processing by <http://www.pricer.com/en/Solutions/Store-Manage-Solutions>.

## 2.1 From paper to digital on Slovakia

The installation of the electronic labels in supermarkets **TEMPO COOP Nové Zámky** was in the Slovak republic the first major installation of price tags with bi-directional communication. It is possible to show the exact pricing, product and promotional information along with images on the electronic tags. Exactly twelve thousands of goods are covered with these prices, while the physical number of labels in the supermarket is 10.530 pieces. All marketing actions can thus be managed from the headquarters, and do so without the use of single cable. It is possible to change the content of thousands of displays at the same moment, by what the price of all the products on the shelf will be equal to the price at the checkout. The other possibility is to display for example the QR-codes on the labels, which can be readable by Smartphone's, what posts the sales method significantly into the future. Since the introduction of the electronic labels, it can be expected the significant reduction of mistakes in the valuation of goods, improvement of readability for customers and the reduction of work in the valuation of goods. The electronic price tags can help not just with the reduction of total costs, but also with the improvement of the attractiveness of the store´s overall design.[17]

COOP Jednota Slovakia has become the leader in the segment, which is using the modern technologies for the benefit of just the trade, but also of the customer. The use of modern technology in a renovated supermarket TEMPO Námestovo in the end of the year 2013, has brought to the mentioned store a powerful tool for the management and for the control of the prices on the shelves, which is a huge benefit for the staff, where the human factor has been replaced by a system.[18]

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17  *Worldwide Grosses.* [online]. [2015-10-09].
    Available at: <http://www.nov.sk/zbd-coop-nove-zamky>.
18  *Worldwide Grosses.* [online]. [2015-10-09].
    Available at: <http://www.nov.sk/novinky/125>.

## 3 Methodology and results

The attention of the present article was drawn to that, how the digitization has become normalized in the retail sector and how it has built its position. The success of the retail operations is dependent largely on the art of the proper exposition and presentation of goods in stores as well as directly in the racks. The results of a number of different surveys show that customer who enters the store in exactly 60 % did not know what he/she wants to buy and here arises the space for the retailer to affect the consumer in the right way. Increasingly, modern technologies are beginning to be used and the interactivity with customers is becoming higher. Retailers must constantly gain their customers due to that fact that their position on the market continues to be threatened by discount chains. The questionnaire survey was focusing on digital price tags that are a novelty in the merchandising of retail operations. The role of these price tags is the simplification of managers work, reduction of the time spent on revaluation and the protection of consumers, but also of retailers before the inconvenience caused by incorrect revaluation. This may cause a wave of inconvenience from the site of consumers, but also the sudden loss.

The primary data were obtained through a questionnaire survey. The aim of the survey was to determine whether the respondents have met the digital price tags, what they expect but also to draw the attention to the fact that this price tags are convenient standard of retails in abroad, while in our country they are still looking for their place and creating a stable position on the market. The questionnaire has served also for the comparison of primary information obtained from two countries – from Slovakia but also from Romania. 372 respondents from Slovakia as well as 372 respondents from Romania have been participating in the mentioned questionnaire survey. In the evaluation of the questionnaire survey were used also the methods of statistical analysis, where we have used the Wilcox test to evaluate the dependence resp. the independence between the tested variables. The following hypotheses have been formulated:

**Slovakia**
H1: We assume that there is no correlation between the knowledge of digital price tags and respondent's sex.
H2: We assume that there is no correlation between the knowledge of digital price tags and the respondent's whereabouts.
H3: We assume that there is no correlation between the use of QR-code, and the respondent's sex.
H4: We assume that there is no correlation between the use of QR-code, and the respondent's whereabouts.

**Romania**
H1: We assume that there is no correlation between the knowledge of digital price tags and respondent's sex.

H2: We assume that there is no correlation between the knowledge of digital price tags and the respondent's whereabouts.

H3: We assume that there is no correlation between the use of QR-code, and the respondent's sex.

H4: We assume that there is no correlation between the use of QR-code, and the respondent's whereabouts.

## 3.1 Results of the questionnaire survey conducted in Slovakia

Based on the primary information obtained from the questionnaire survey, we can conclude that while in Slovakia the digital price tags are still just in an initial stage; in Romania more respondents have get into the contact with them. As it was mentioned before, the total number of respondents, in both countries, was 372. In the case of Slovakia, only 43 % of respondents have get into the contact with the digital price tags. Exactly 57 % of respondents have stated, that they do not know the digital price tags and thus, they did not get into the contact with the. In this question we decided to test the dependence resp. the independence between the knowledge of digital price tags and respondent's sex, as well as his whereabouts. While, from the evaluation of the relationship between the knowledge of digital price tags and respondent's sex is that there is no dependency between the tested variables, since the value of the Wilcox text was equal to 0.6793 and thus greater than 0.05, from the evaluation of the relationship between the knowledge of digital price tags and the respondent's whereabouts is clear that there is a weak, but statistically still significant relationship between tested variables (the result of Wilcox text was equal to 0.0505 what is almost equal to 0.05 and the outcome correlation coefficient, which was equal to 0.1015)

From the answers of respondents, which have not get into the contact with the mentioned form of price tags is clear, that under the term "digital price tags" they imagine a display where the price can be seen, and this price will be the same one as on the cash register. Most of Slovak respondents have get into the contact with digital price tags in abroad, mainly in Germany, Austria, Poland, or Hungary, and exactly 11 % of them have found the digital price tags also in Slovakia. Based on the mentioned, it can be stated that the digital price tags are expanding in the Slovakia really rapidly. One of the partial aims of the mentioned survey was to realize if the retailers are using these tags also on the non-food goods. From the answers of our respondents is clear that 40 % of consumers have get into the contact with digital price tags only on food goods. However, 1.35 % of them have answered that they have seen digital price tags also on clothes.

The usability and usefulness of these price tags in retail trade is very significant. They facilitate the work and bring many benefits that facilitate the handling of goods not just to retailers, but also to consumers. This statement was confirmed also by our own survey, in which exactly 33 % of respondents think that these digital labels are greatly beneficial for retail workers, but also for customers. For people enthusiasts in technologies the retail digital price tags offer also the

possibility of readability of information on the product via the QR-code. The big disadvantage is that most of consumers do not know about this possibility. In the mentioned questionnaire survey, 16 % of respondents have stated that they do not know about this possibility of digital price tags. Evan if few of our respondents have tried this possibility, they were not satisfied with it, because 5.4 % of respondents did not get the information, which they have been asking for. From the evaluation of given question is clear that only 7 % of respondents have tried the scanning of QR-code and 54 of them did not do so. In this question we have been testing dependence between the use of QR-code and the respondent's sex and between the use of QR-code and the respondent's whereabouts. Based on the results of the Wilcox test, it can be stated that there is no dependency between the tested variables, since the value of the Wilcox text was equal to 0.2798, resp. to 0.4958 and thus greater than 0.05.

One of the biggest disadvantages of digital price tags is the fear of retailers of that, that their investments will not return to them because the customers will not understand them and they will vandalise them. Up to the evaluation of the question of functionality of the digital price tags, exactly 27.42 % of respondents have stated that they have get into the contact only with fully functional tags without the signs of damage, and 11.83 % of them have seen inoperable price tags.

We can consider that even if the costs of installation are high, by appropriate activities it is possible to avoid the deterioration of price tags. The big advantage of this kind of price tags can be seen in the simplification of retailer's work, reduction of mistakes in the process of revaluation, time saving, since they work on the basis of a wireless communication via internet connection. The price of the product is changed at the headquarters, and through the digital price tag this price is displayed to the consumer and is identical to the price at the cash register. With the opinion that the digital price tags make the work of retailers easier, exactly 23.12 % of respondents have strongly agreed. Conversely, 5.92 % of respondents do not think so and they have stated that these tags do not facilitate the work in any direction. The big disadvantage is the decline in the labour force in the retail trade, which occurs precisely with the influx of digital price tags. The retail unit will no longer require so many employees who have been taking care about the pricing and revaluation of range. This view was also supported by our questionnaire survey, where exactly 25 % of respondents stated that they think that there will be some decline in the employment.

## 3.2 Results of the questionnaire survey conducted in Romania

The questionnaire survey conducted in Romania was attended by 372 respondents, from which exactly 56 % have known what digital price tags are and they have get into the contact with them. Digital price tags are widespread in Romania since the year 2009 and therefore consumers are familiar with them much more as it is in the case of Slovakia. Most respondents have got into the

contact with them exactly in their country (Romania; 38.71 % of respondents). In this research we have been testing also the dependence between the knowledge of digital price tags and respondent's sex and between the knowledge of digital price tags and the respondent's whereabouts. Up to the results of the Wilcox text, it can be stated that there is no dependency between the tested variables (the knowledge of digital price tags and respondent's sex), since the value of the Wilcox text was equal to 0.7327 and thus greater than 0.05. Based on the results of the other tested relationship, it can be also stated that there is no dependency between the tested variables – the knowledge of digital price tags and the respondent's whereabouts – since the value of the Wilcox text was equal to 0.9475 and thus greater than 0.05. The digital price tags are prevalent especially in the food range. On the shelves, in this range, with these price tags have get into the contact totally 54.3 % of respondents. In this question, we have realized also that, that the respondents have seen the digital price tags also on other products, as for example on the clothes. This option has been supported by 2.42 % of respondents.

As we have mentioned it before, the digital price tags offer the ability to read the information about the products and prices using the QR-code and Smartphone. Same as it was in the case of Slovakia, 22.85 % of respondents from Romania did not know about this option. Only 18 respondents have tried the mentioned option and another 5.65 % have tried it also, but they did not find the necessary information. Same as it was in the case of Slovakia, in research in Romania, we have been testing the dependence between the use of QR-code and the respondent's sex and between the use of QR-code, and the respondent's whereabouts. Based on the results of the Wilcox test, it can be stated that there is no dependency between the tested variables – the use of QR-code and the respondent's sex – since the value of the Wilcox text was equal to 0.2612 and thus greater than 0.05. From the evaluation of the dependency between the use of QR-code and the respondent's whereabouts is clear that while there exists some dependence between the tested variables (the result of Wilcox text was equal to 0.0003 what is less than 0.05), this dependence is just weak because the value of correlation coefficient is equal to 0.1934. Exactly 37 % of respondents have get into the contact with functional digital price tags and only 14.25 % have mentioned that they have seen an inoperable price tag.

Respondents were also asked whether they think that digital price tags facilitate the work of employees in the retail sector. Up to 24.71 % of respondents think that these digital price tags make the work much easier. Unfortunately, they see also their big disadvantage – reduction of employment in the retail trade (34.41 % of respondents).

## 4 Summary

The use of new technologies in the retail sector brings many advantages but also some disadvantages. However, it is only on the task of the retailers how they will fight with this trend. The aim of the present paper was to find out the answers to few questions. Based on the results of the qualitative research, we can conclude that digital price tags are really something new in the marketing with a narrower specialization on it. Many of consumers have still not get into the contact with them. However, those who have encountered them think about them positively and they consider them to be the possibility how to facilitate the work of retailers and how to provide the final consumer with the necessary information about the products. The retailer avoids mistakes caused by the revaluation of assortment and the price of marked goods will be equal to the price at the cash register. This fact can be an added value for consumers, who will come to the proper retail repeatedly. Even if the installation of digital price tags is more demanding investment, it has still more advantages. The big disadvantage is the digitization and gradual introduction of machinery which are bringing with them the reduction of the employment and the replacement of the human factor by machines or other technology.

As it can be seen from the following figure, only 43 % (158 people) has the knowledge of digital price tags in Slovakia, but a lot of them get in touch with electronic shelf labels in other countries. On the other hand, from the figure can be seen also that in the case of Romania, 57 % (211 people) of respondents have the knowledge of the digital price tags. Based on the results of this figure we can conclude that retailers use modern ways to reach consumers, to facilitate the work of the retailers and also to attract new consumers and more consumers have the knowledge of digital price tags in Slovakia from day to day.
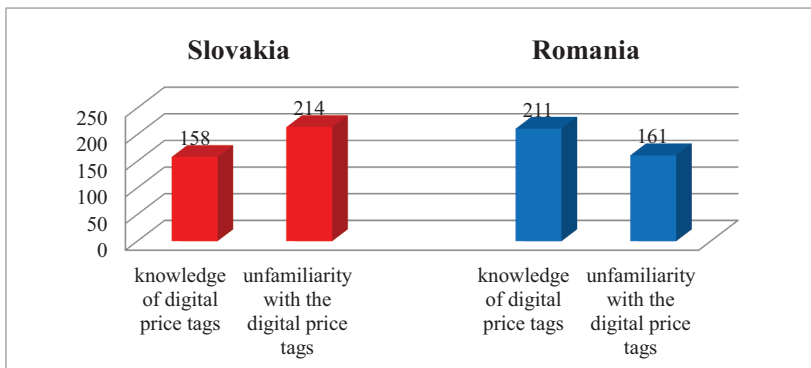


**Graph 1: Knowledge of digital price tags in Slovakia and Romania**
Source: Own processing, 2015.

## Conclusion

In the present paper, the attention was drawn to the merchandising and new trends and possibilities, which are used by the retailers in reaching their customers. The aim of the paper was to find out whether the consumers have got encountered with one of the new trends in retail – digital price tags. The survey was conducted in two countries of the European Union – Slovakia and Romania, through which we have found out that the digital price tags do domesticate in retails in all countries and consumers are slowly confronted with them and perceive them very positive.

In the future, it is necessary to keep the advantage of new trends and innovations in retail especially because of the fact that the retails are increasingly weakened by competitors and if they want to keep their customers, they must do all of those measures which will ensure that the customers will feel themselves well in the proper retail, they will found what they will be seeking for and their purchase will bring them any added value, as for example the possibility to read the information about the product through the QR-Codes. Retailers must constantly monitor the trends and innovations, as well as they have to try to understand the mind of the consumer. By the combination of both of these two factors, they have to find an effective way to meet the consumer needs.

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# THE QUANTIFICATION OF HUMAN CAPITAL VALUE IN DIGITAL MARKETING COMPANIES

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**Abstract**
We are living in a period of information and knowledge economy. Digital technology has opened new avenues for product sales. The role and position of human capital in society and enterprises is currently understood in different ways; however, the common feature of these views is the argument that human capital is an important element for the success of the enterprise. For performance grow of companies which carry out digital marketing it is necessary that companies focused great attention to the efficient use and development of the human capital value of their employees. Therefore it is important to know how to measure human capital value. The aim of the paper is to identify and compare the views on the role of human capital and approaches to quantify its value in digital marketing company.

## 1 Introduction

With respect to the continuous development of the technical-information aspect, the current company is formed into the information (digital) company. The characteristics of such social environment include the increase of information, exchange, desire for theoretical knowledge, and also the need to process such amount of information. Any development of the digital marketing company affects the prerequisites for the future development of the capital in the process of education, and later in its application to the practice. The emphasis will be placed on the personality traits of the individual such as skills, qualities, and way how s/he can take advantage of these features in new system. Thirst for knowledge, the acquisition of skills, knowledge, or a variety of other skills required for the job increase the performance at work, prevent social exclusion, increase the amount of income and, in particular, influence social behaviour that has positive impact on the investing in HC in an effective manner. In terms of the labour market, there are individual requirements for living conditions taken into account that affect the information provided on the health, humanity, environment, or parent behaviour. From the perspective of sociology, HC is defined as a complex of all knowledge and skills a person has acquired in education and practice. Non-formal education such as qualification at work, competence, knowledge gained through education and other forms of education is also taken into account. Therefore, sociology does not see human capital just as an education, but also how a person is able to take advantage of his/her capabilities, in particular in economic practice, because not every kind of education may be linked to the economy. On the other side, it is also

about the application of HC not only for the work paid, but also for added value in the work in the form of non-profit activities supporting employment, community, work at home, and a variety of other activities related to the economy. Human capital is usually defined as the sum of its own innate talents and abilities of an individual as well as skills s/he obtains in education and training. The views and reflections about the importance and position of human capital in the company were already established in the beginnings of economic theory, and in the work of W. Petty and A. Smith. The issues of human capital (HC) were discussed more deeply among the economists, the leaders of the Chicago School of economists, from the 60-ies of the 20th century, for example, Th. Schultz, but also the monetarist M. Friedman. However, the theory of human capital was the most consistently worked up by G. Becker, who developed a theoretical basis for decision-making on investment in human capital in the book of Human Capital (1964). Since 1990s, N. Bontis, H. Davenport, M. Armstrong, etc. paid attention to human capital as well.

## 2 Position and roles of human capital in society

Considering the macroeconomic level, human capital can be considered the source of extensive economic growth, and through education, as one of the forms of investment to HC, the source of intensive economic growth as well.[1] In this context, it is then possible to identify the **characteristics of human capital and its relation to economic growth** as follows:

• Human capital **is, to a certain extent, complementary with technology** – a man can use his/her human potential most of all in an environment where appropriate equipment.
• Human capital **is not portable** – mobility of human capital is tied to the physical mobility of individuals.
• Human capital **is difficult to store –** lifetime of human capital is limited by an individual life of every human being.
• Human capital **is not universally interchangeable** – it cannot be replaced with other goods or other human capital.
• **Return on investment in human capital is typically long-term**– organisation does not invest into a specific person, but into the institutions producing the human capital, which in turn, generate human capital in people. The subsequent involvement of people with high human potential into economic activities brings measurable benefits.
• Human capital **is hardly measurable** – at the moment, it is still difficult to measure the mental capacity of people, and therefore, there are used mediated rates for the work with the human capital.[2]

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1    KUCHARČÍKOVÁ, A.: Investment in the human capital as the source of economic growth. In *Periodica Polytechnica Social and Management Sciences*, 2014, Vol. 22, No. 1, p. 29.
2    DOBEŠ, M.: Ľudský kapitál a ekonomika. In *Človek a spoločnosť*, 2003, 2/2003, p. 1.

Human capital is particularly characteristic of the individual, which; however, is greatly affected by social capital. As a result of the existence of different relationships, regulations, communication networks, etc., people are acting together in an environment full of various organisations.

## 3 Position and roles of human capital in the digital marketing company

As a result of technical and technological changes, global competition, ageing society and cultural changes, the world of work is changing. A prerequisite for a lasting prosperity of enterprises and the necessity for their survival is the need to take into account the complexity of these changes. One of the most important factors for the success of the enterprise in its competitive fight is just human capital. In the light of the various views we can consider human capital one of the enterprise production inputs (embodied in the form of qualitative human labour), part of the market value of the enterprise[3] or through the individual competences for the intangible asset of the enterprise.[4]
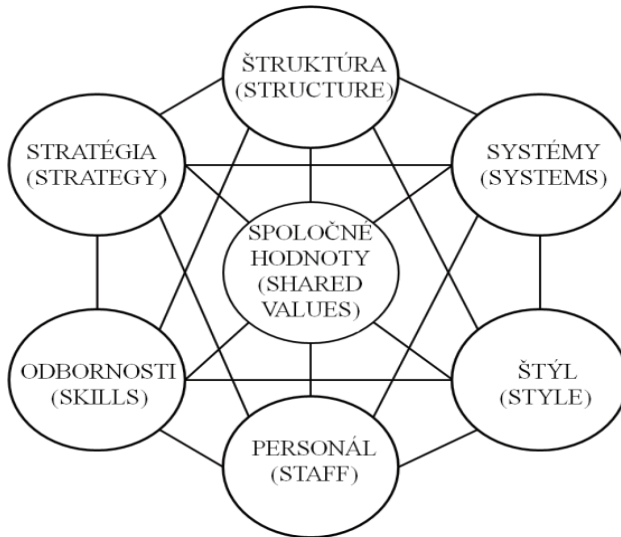
**Human capital and the concept 7S**
The importance of human capital in a business practice can be confirmed on the basis of **access of critical success factors – CSF (Critical Success Factors),** which represents the analytical technique, in accordance with the terms of the choice of the most relevant factors which are essential for the success of an organisation. There are different concepts in the approach of the CSF, including human capital as well. A classic "concept of 7S" is already one of them, consisting of seven elements – strategy, structure, systems of management, shared values, staff, style of management, and skills.

[online]. [2015-08-12]. Available at: <http://www.saske.sk/cas/archiv/2-2003/dobes-std.html>.

3   EDVINSSON, L., MALONE, M. S.: *Intellectual Capital: Realizing Your Company's True Value by Finding Its Hidden Brainpower*. New York : HarperCollins Publishers, 1997, p. 139.

4   SVEIBY, K. E.: *The New Organizational Wealth: Managing and Measuring Knowledgebased Assets*. San Francisco : Barrett-Kohler Publishers, 1997, p. 151.

**Picture 1: 7S concept**
Source: PETERS, T., WATERMAN, R. H.: *Hledáni dokonalosti*. Praha : Pragma, 2001, p. 180.

Human capital is contained in the last three parts of the concept, and including the staff, where each organisation is formed and their mutual cooperation is expected, the style of management, which represents a course of action and behaviour and skills, which include all of the various skills, knowledge and practical experience of employees. Based on the success of the 7S concept, Peters and Waterman[5] created "concept of perfection". They tried to disassemble the factors determining the success of the business in an ever-changing situation on the market. They have chosen their characteristic features when observing the perfect enterprises. The ones that are focused on human resources are: active action, autonomy and entrepreneurship, raising productivity through people development and maintenance of activities, where the values of the company arise. Active action deals with the focus of the efforts of the staff and the use of their creativity to the enterprise´s activities. It is important to encourage the workers to be independent, properly use their powers and responsibilities. Business should not be based only on modern technology, but also, in particular, on the participation of employees in the enterprise. It is also necessary to keep attention of executives on the key activities of the enterprise, which are important to its mission and purpose. From the point of view of human resources, the enterprise should mainly focus to ensure the staff, thorough selection according to the qualifications and the type of profession. Using the mutual cooperation the staffs of enterprise creates an educated, capable and quality team that has a priceless value for the enterprise in the future. Human resources and their

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5    PETERS, T., WATERMAN, R. H.: *Hledáni dokonalosti*. Praha : Pragma, 2001, p. 180.

capital are most important factors necessary for ensuring the competitiveness and success of the enterprise.

The knowledge-based economy could help the country for example to become innovative and develop international trade in response to the changing environment and needs for sustainability of international business.[6] In the world of business, HC is perceived as skills and labour force characteristics directly affecting the success of company or a specific industry. Considering the long term point of view, HC is mostly used in an environment where there are opportunities for employees working as individuals or teams on tasks they understand. This also applies to companies in digital marketing. There are opportunities for employees to contribute, by their efforts, ideas, and creative abilities, to the quality and extent of the work performed. Creating an atmosphere of confidence and creativity, willingness to take responsibility for the achievement of the results set out is an important element in the use of human capital in the digital marketing company. Human capital and investment to increase its value in the form of educational programmes are perhaps the best and the most widespread means in the prevention of unethical behaviour in enterprise. Each business entity should bear in mind that the money invested in the education of their staff are investments in the future. However, the ethics in most enterprises in our conditions is only a kind of tangential and formal issuer.[7]

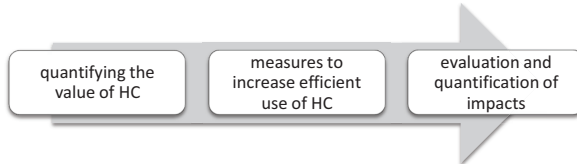## 4 Quantify the value of human capital

The successful operation of any enterprise is largely determined by the abilities of the people who work in it. While human resources of the enterprise are considered the people in working process, human capital represents a summary of the skills and knowledge that people have. The fundamental difference lies in the fact that the human capital is available to everyone, regardless of whether s/he is employed, while human resources are the bearer of human capital that the enterprise has available. It is up to the enterprise itself, whether it uses and develops its human resources and human capital efficiently and effectively with a view to achieving a competitive advantage. In order to ensure the competitiveness of the enterprise in the domestic, but also in the global market, it is necessary to realise the value and importance of people in the working process. Human capital management (HCM) is the process of human capital management, which consists of the analysis, measurement and the subsequent evaluation of how the strategy chosen and processes used have been successful in practice. The human capital itself consists of knowledge, skills, experience and a variety of other characteristics, which are

6    DZEMYDA, I. et al.: Sustainability of International Business Through Trade Specialists' Education. In *Journal of Security and Sustainability Issues,* 2015, Vol. 4, No. 3, p. 570.
7    JANOTOVÁ, H.: Manažérska etika ako súčasť Corporate Identity. In *Pocta Karlu Schellemu k 60. narozeninám.* Brno : KEY Publishing, 2012, p. 1085.

reflected in the staff of the organisation. Management is the knowledge of the use of tools for the measurement of these characteristics and use them in the most efficient manner. It is clear from the definition of the substance of the HCM that it is first necessary to know to measure the value of employee HC, and then it is possible to take measures to increase the efficient use of this enterprise input. Then, there are evaluated and quantified impacts of the measures taken on the performance and competitiveness of the enterprise.



**Picture 2: The process of efficient use of human capital in the implemen-tation of human capital management**

Source: Own processing

The value of human capital differs in each individual, as it is developed with increasing age and conditions its bearer has available. It gradually increases from birth until old age, when it begins to decline. The value mainly increases through new experiences and knowledge acquired in education or other forms of development of human abilities and creativity.[8] It is not possible to evaluate the human capital based on return on invested capital (ROIC) listed, but we need to take into account the intangible values of employees. They include the various knowledge acquired from previous experience, relationship with the surroundings and its recognition against them and other additional values that specify the individual employees. Bryan stresses that "no capital, but creative and innovative talent in people is what today constitutes the value, and therefore it deserves to be more precisely measured by strategically thinking managers." With respect to the fact that the theory of human capital is a relatively young, there arise errors in theory and practice in exact recognition of the value of human capital and investment in human capital. Even though the theory, on the one hand, considers investments the form to increase the value and quality of HC, on the other hand, there often occurs to the replacement or identification of these terms in theory and practice.

The accumulation of HC, thus increasing its value in a company or enterprise can be in two forms. It is the individual form or the form of a social heritage. Everything a man acquires during the life keeps in his/her mind. In that case, it is the individual accumulation of HC. When the human capital develops among other persons by means of its bearer, such as knowledge transfer within the enterprise, or learning new young employees, it is the social heritage then. On the contrary, the value of HC can also decrease (HC amortisation). As with

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8    VOJTOVIČ, S.: *Koncepce personálního řízení lidských zdrojů.* Praha : Grada Publishing, a.s., 2012, p. 150.

other types of capital, it leads to moral or physical wear and tear. The physical wear and tear is caused by old age, illness or disability of the employee. There are new trends and ways of developing human capital standing in moral wear and tear. The complexity of the measurement and definition of HC arises from time consuming cycle of its creation and development. Each human personality requires a different approach, so the work with HC in the enterprise is a very individual-oriented and specific.[9] The measurement may largely affect the creation of enterprise strategy and serves on the evaluation of personal work. There is currently accepted a number of methods that are used to measure the value of human capital. However, there is no metric that would be applicable in any enterprise. The measurement of human capital has considerable significance, in particular in the light of the findings, whether enterprises can actually make use of the human capital and the potential that they have available. Using the indicator in question, it is also possible to identify the efficiency of the resources invested in the employees, or vice versa, whether these resources have been inefficient. For the successful measurement of HC in the enterprise, it is necessary to establish indicators that will reflect its value. It is usually the reputation of individual workers among head-hunters, the years the worker has worked, or the share of new workers they have not yet worked in the enterprise for two years. Their satisfaction and share of ideas of workers are also important that were actually introduced to the enterprise. Last but not least it is added value to the customer, or a salary unit.[10]

## 5 Basic approaches to measuring the human capital value

There is a number of approaches in the literature, which suggest the possibility of quantifying the value of human capital in the enterprise. M. Armstrong [11] summed up some of them. However, a single approach has not been adopted, which is associated with the uniqueness of the substance and components of human capital in each person and in each enterprise.

**Human Capital Index,** by W. Wyat [12], identified four basic groups of activities in the field of human resources and capital, which significantly contribute to increasing the market value. These are the total rewards and accountability (16.5%), the higher education for work force and its flexibility (9.0%), the excellence in acquisition and stabilisation of workers (7.9%). The last group include the honesty in communication (7.1%). Overall, these areas can affect up to 30% of the value of the increase for shareholders.

**Organisation performance model created by Mercer HD Consulting** is built on the components including the people, working processes, management structure, and information along with knowledge, decision making and rewards.

9    Ibidem, p. 152.
10   KOCIANOVÁ, R.: *Personální řízení.* Praha : Grada Publishing, a. s ., 2012, p. 149.
11   ARMSTRONG, M.: *Řízení lidských zdrojů.* Praha : Grada Publishing, a.s., 2007, p. 615.
12   WYATT, W.: *Human capital index.* Virgínia : Watson Wyatt Worldvide, 2001, p. 7.

Each of these components is different, and their combination creates a unique core of the organisation. The method is built on a continuous recording of data not only on their workers but the labour market as well. It considers essential to analyse the real and current experiences of workers and not settings and human resources policy declared.

**Human Capital Monitor** was created by Mayo[13] for the purpose of identifying the value of people in the enterprise. When calculation, there are taken into account the cost of employment multiplied by the individual value multiplier. The multiplier represents the weighted average of the values expressing the evaluation of abilities, potential for growth, or individual (personal) performance the organisation contributes. They respect the configured set of values within the working environment of the enterprise. Considering the enterprise, an absolute expression in figures is not so important as the recognition of human capital in the enterprise. Whether it is sufficient or insufficient and whether it has a growing or declining trend in the course of time. Mayo has created a number of methods for measurement, which are not known. A key indicator, which is taken into consideration when determining the value of HC, according to his view, it would be just the level of existing abilities in the enterprise.

**Sears Roebuck Model** is based on the chain worker – customer – profit. According to the model, the main goal of the enterprise should be the maintenance of satisfaction of their workers. It is mainly the positive attitude towards the enterprise and the performance of their work. These factors significantly affect the stability of workers to begin to carry out their work to higher customer satisfaction. The model is based on the existing sources of information, which include surveys carried out among workers, indicators of customer satisfaction, various indicators of performance of enterprises, and other statistics relating to the workforce of the enterprise. The model has proven that the more devoted the employees of the enterprise are, the happier are the customers themselves. These facts affect consequently the performance of the enterprise as a whole.

**Balanced scorecard**, created by Kaplan and Norton, is also a widely-used method for the measurement of human capital. The method takes into account four perspectives, which are linked with each other. It is based on the assumption that people must acquire the certain behaviour and take appropriate action in order to achieve compliance with the objectives set. Despite the fact that the enterprise has the exactly formulated the final result, it cannot dictate exactly their workers the procedure for the achievement, whereas the conditions under which people are working, are not stable, but on the contrary, they are constantly developing.[14]

**EFQM Excellence Model** offers a different perspective on the measurement and reporting of human capital in the enterprise. It is based on the prerequisite that the leadership has the most important impact on the HC. It is the driving force for

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13    MAYO, A.: *The human value of the enterprise.* Londýn : Nicholas Brealey Publishing, 2001, p. 107.

14    KAPLAN, R. S., NORTON, D. P.: *Balanced scorecard: Translating strategy into action.* Boston, MA : Harvard Business School Press, 1994, p. 272.

the enterprise, management of resources and processes leading the enterprise to the achievement of the results defined.[15]

**Conceptual Model,** created by Bontis and Fitz-en[16], identifies and describes the relationships among the value, decrease, investment and efficiency of human capital in the enterprise. In terms of the model there was proposed the system of indicators for each of the four areas. Considering the area of the evaluation of the size of HC, they proposed to use indicator: remuneration/sales, remuneration/costs, average remuneration, top manager remuneration, line manager remuneration.

**Human Economic Value Added (HEVA)** is an indicator of the economic added value of human capital measurement. It is based on the economic value added (EVA) by Stern Stewart. The aim of the calculation is to find out whether the activities of the management have added value for the enterprise. [17]

$$HEVA = \frac{(NOPAT - WACC.C)}{FTE}$$

where:

| | |
|---|---|
| NOPAT | net operating profit, |
| WACC | weighted average cost of capital, |
| C | the size of the capital invested, |
| FTE | the number of full-time and part-time working obligations and volunteers. |

Evaluation of consultancy companies – there is a number of ways to quantify the value of human capital and its efficient use in the enterprise. One of the possibilities is to use the services of consultancy companies that use their own specific metrics. The trend of the use of the services of professional companies is mainly preferred by western countries. Slovakia is significantly lagging behind in this area, whereas many enterprises do not largely realise the importance and potential of human resources and human capital, or they do not have enough funds for these activities.

There has appeared a number of companies on the domestic market focused the activity on the evaluation of human capital and potential of employees in the enterprises. As an example, we can present the company IBIS PARTNER Slovakia. On the basis of the order specified, the company will provide comprehensive services focused on the evaluation of the personality profile for the purposes of recruitment, placement, promotion, or career development of their employees. On the basis of the methods and tools proven, IBIS is carried out the evaluation of

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15    ARMSTRONG, M.: *Řízení lidských zdrojů.* Praha : Grada Publishing, a.s., 2007, p. 615.
16    BONTIS, N., FITZ-ENZ, J.: Intellectual capital ROI: a causal map of human capital antecedents and consequents. In *Journal of Intellectual Capital*, 2002, Vol. 3, No 3, p. 223.
17    FITZ-ENZ, J.: *The ROI of human capital: measuring the economic value of employee.* New York : Amacom, 2009, p. 210.

the personality profile of the employees, evaluation of the potential of the team cooperation, climate surveys and mystery evaluation.

**Table 1: Objectives and methods for evaluating the potential of workers used in IBIS**

| Evaluation | The aim of the evaluation is to provide management with: | Evaluation techniques |
|---|---|---|
| Personal profile | an impartial view on the personality potential and developing options for worker | Personality questionnaire |
| | | Personality interviews |
| The potential of team cooperation | information and recommendations on how to get the most of team cooperation, what result and how to lead the working teams | Assessment centre |
| | | Development centre |
| Climate survey | information on how employees perceive the workplace environment, what elements of corporate culture they support and will support the aims of the enterprise | Survey |
| | | Anonymous interviews |
| | | Observation |
| | | Participation in working meetings |
| | | Documentation |
| Mystery evaluation | report on the communication of an employee with the customer, determination of measures to improve the access to customer | Personal meeting |
| | | Telephone interview |

Source: *Ibis Partner.* [online]. [2015-3-25]. Available at: < www.ibispartner.sk/>.

Final report is the output of each evaluation providing the customer with detailed information about the issue.[18] Many of the consulting companies provide more qualitative and descriptive evaluations of human capital of employees, which is understandable due to the nature of the human capital. It is also necessary to quantify its value for the purposes of management and efficient use of human capital in the enterprise. This is a challenging process that necessarily must take into account the specifics of each enterprise. Some consulting companies offer complex metrics in this area. However, these metrics are often designed to be universal, and in terms of consultation process they are then adapted and adjusted to fit specific conditions of the client, for example digital marketing company.

## Conclusion

Development and penetration of information and communication technologies across all activities, sectors and economic processes, leading to an increase in their effective functioning.[19] People are the basic prerequisite for the successful

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18 VIDOVÁ, J.: Investície do ľudského kapitálu – predpoklad zvyšovania miery zamestnanosti. In *Finančné trhy*, 2013, No. 4, p. 3.
19 ĎURIŠOVÁ, M. et al.: Tax evasion in Sales Cuts Registered by Electronic Cash Register. In *Communications*, 2015, Vol. 17, No. 2, p. 67.

operation of the enterprise processes. Their professional knowledge and experience are the most important capital for the enterprise. In addition to the traditionally perceived production inputs at the macroeconomic level (labour, capital, land) or microeconomic level (material, energy, raw materials, assets, human work), modern concepts of management and business and economic teaching currently consider human capital a key production factor. Employees' abilities (knowledge and skills to perform agreed work), motivation (willingness to perform agreed work) and performance (working results and behaviour) enable organizations to produce and distribute demanded products and services, gain and maintain regular and satisfied customers and achieve expected outputsor results.[20] The results indicate the most relevant external stakeholders for product development drivers to include customers, suppliers, and partners, whereas the most relevant internal stakeholders include product management, management, and engineering.[21] In the period of globalisation, open markets and digital economy for increasing the competitiveness of digital marketing company, it is necessary to pay high attention to the efficient use of the limited resources of enterprise production factors (inputs). When doing this it is necessary to know their size, or measure their value. The same applies to human capital, and this area represents a challenge to solve project tasks in the field of designing suitable indicators for quantifying the value of human capital in enterprises from the different areas of the business, for example area of digital marketing.

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20  ŠIKÝŘ, M., SERBUSOVÁ, P.: The Organization of Human Resource Management at Czech Primary Schools. In *The 7th International Days of Statistics and Economics.* Praha : University of Economics, 2013, p. 1386.

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# GENERATION Y ONLINE MARKETING – THE PATH TO ACHIEVEMENT OF SUCCESSFUL ADDRESSING YOUNG GENERATION

*Viliam Lendel – Štefan Hittmár – Eva Siantová – Martin Latka*

**Abstract**

Nowadays, there are huge discussions about crisis which is the entire advertising sector experiencing due to upcoming new trends in marketing communication in which there are new forms and means of communication constantly arising, whose charm and efficiency has been decreasing due to their mass use. Another problem is the gradual generation change, respectively emergence of generation Y. Companies that want to reach this group of potential customers by their marketing activities have to find other ways than traditional advertising. Young people are growing up in the digital culture, which is characterized by rapid change of information technology. They are not limited only by the possibilities of their workplace but they are discovering new ones through social networks in the online environment and they are creating communities. These are the main features of the environment in which the generation Y is developing and operating. Based on detailed analysis of the literary sources and results of conducted research the aim of this paper is to develop a model of effective implementation of the generation Y marketing in a company. To solve the problem of unfavourable marketing results among the generation Y there was proposed detailed process for effective use of generation Y marketing in company. The recommendations for successful reaching of young generation by marketing manager of the company were described.

**Key words:**
Generation Y marketing. Generation Y. Marketing communication. Research.

## Introduction

At present, very often it said that the entire advertising sector undergoing a crisis. The cause are cycles in advertising and communications in which there are new forms and means of communication, whose efficiency is losing because of their mass usage. Another problem is the gradual generational change, respectively arrival of the generation Y. Companies that want to reach this group of potential customers have to find other ways than traditional advertising. This explains why it is now important to talk about generation Y marketing.

Young people growing up in the digital culture, which is characterized by information technology. They are daily surrounded by the latest technology and inventions of present time. Young people by using the Internet and mobile phones can carry out its work at any place. They are not bound by the workplace, they discover social networks in the online environment and create communities. These are the main features of the environment in which the generation Y is developing and act. For members of this generation price is not a problem. Marketers and human resource managers are looking for ways to succeed in the youngest generation.

The aim of this paper is to develop a model of effective implementation of the generation Y marketing in the business based on a detailed analysis of the literary sources and research. Within the solving research problems different methods were used: content analysis – the study of documents, synthesis, comparative analysis, process analysis, statistical analysis, modelling, programming, empirical research methods and others. The main finding and result is elaborated draft of the process to efficient use of generation Y marketing in the business. Within the solving problem it was mapped the approach of the generation Y on the marketing and management (authors conducted empirical research on a sample of 479 respondents). A valuable result of the article is also formulated recommendations for successfully reaching young generation by marketing managers of the company. The authors also point out areas of potential problems on which marketing managers have to focus to achieve effective marketing communication in the company.

## 1 Generation Y marketing

The term generation Y was established in the USA and relates to consumer behaviour and lifestyle of the generation that entering the labour market[1]. The term generation Y marketing describes techniques used to promote and build brand of products and services in the group of consumers usually born between 1977 – 1995. Generation Y is sometimes also referred to as echo boomers, net generation, web generation or millennium generation. People belonging to this group are characterized primarily by the relationship to information technology and using of the Internet, from which obtain large quantities of information about products and services. Another interesting feature of the generation Y is a sense of practicality[2]. This is due to the fact that most grew up in families with only one parent, so they can manage money. Generation Y is characterized by the following features[3]:
• born between 1977 – 1995,
• not believe traditional advertising in traditional media,
• processing much more information than Generation X,
• they postpone marriages and have high expectations of life,
• tend to services, information technology, financial services,
• they rely on themselves,
• are ambitious, self-confident and independent,
• they are competitive and eager for success,

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1   MÚČKA, F.: Generation Y tiahne na svet. In *Trend.* [online]. [2015-09-15]. Available at: <http://www.etrend.sk/ podnikanie/riadenie-a-kariera/generation-y-tiahne-na-svet/117306.html>.
2   LENDEL, V., KUBINA, M.: Generácia Y – nová výzva pre marketing. In *Marketing inspirations*, 2009, Vol. 4, No. 1, p. 9-12.
3   MÚČKA, F.: *Generation Y tiahne na svet.* [online]. [2015-09-15]. Available at: <http://www.etrend.sk/ podnikanie/riadenie-a-kariera/generation-y-tiahne-na-svet/117306.html>.

• they like new challenges and hate stereotypes,
• losing brand loyalty and losing loyalty to employers,
• they consider the career advancement and rapid wage growth for granted,
• require more free time and flexible working hours,
• have higher self-esteem,
• they see their future optimistic and they rapidly get into debt,
• lifestyle is contact and creating communities.

Generation Y with their characteristics is significantly different from previous generations. Young people crave success. They are ambitious and know that social institutions do not take care of their future. Key factors of success are education, appearance, financial proficiency and knowledge of information technology[4]. These characteristics make them outstanding and interesting for advertising and personnel market. Producers have to generate interest and present a work for the company as an opportunity for a stable and financially attractive career[5]. Only in this way companies can attract young people who formulate their requirements. Employee belonging to the generation Y can be characterized as strong and flexible personality of a team with skills in problem solving, with strong technology expertise and ability to process tasks on multiple levels[6]. Generation Y has grown up in the world of advertising and expensive brands. The result is a lack of trust in the brand and advertising. They do not trust to personalities, on the other hand looking for a product with which they can identify, and which will express their status, feelings and communicate upwards.

## 2 Results of the empirical research

In the period from October 2014 to January 2015 we conducted a research. Main objective of this research was to identify the view of generation Y on the marketing and management. The research covered 479 respondents born from 1977 until 1995.

Research was aimed to identify forms of marketing communication that have largest and least impact on this generation. Forms of marketing communication with the largest impact are recommendations from friends within their communities (up 83.9%), advertising on the Internet (51.6%), advertising on TV (39.7%), advertising on social networks (37%) and guerilla marketing (26.1%). Conversely, forms of marketing communication with the least impact are telephone advertising (85.4%), teleshopping (73.9%), personal sales

4    ZELNÍK, R.: *Marketingový oriešok: Generácia Y.* [online]. [2015-09-21]. Available at: <http://myslienky.vsieti.sk/marketingovy-oriesok-generacia-y>.
5    LENDEL, V.: Generation Y marketing – aspects of marketing communication for generation Y. In MATÚŠ, J. (ed.): *New trends in marketing communication*. Trnava : FMK UCM in Trnava, 2009, p. 203-212.
6    *Generation Y is changing the face of production.* [online]. [2015-09-03]. Available at: <http://www.sme.sk/c/3407406/Generacia-Y-meni-vzhlad-vyroby.html>.

(68.3%), promotional material sent by post to the name (41.5%) and delivering promotional materials into the postal boxes (40.3%), advertising on TV (41.5%) and advertising on the radio (39.9%).

Respondents on a scale of 1 (unimportant) to 6 (extremely important) evaluate elements that should be fulfilled to achieve successful advertising. Very important is humorous story, professional design (focus on details), practical information, simplicity, interesting story, focus on the lifestyle, focus on the product design. Conversely, less important is the presentation of products through successful peers, presentation through personalities, and a lot of information. Respondents had the opportunity to express the range, in which all kind of industry take account of the expectations and needs of Generation Y on a scale of 1 (non-applied) to 6 (fully implemented). According to representatives of generation Y are their expectations and needs mainly applied in the automotive, textiles / clothing, telecommunications (mobile telephones), IT industry and banking, marketing, and tourism. On the contrary, they feel that their expectations and needs are neglected in the area of education and training, health, public administration, construction, legal sector, furniture industry, transport.

The research was also aimed to characteristics of generation Y on the basis of their expression with the offered statements. Representatives of the generation Y, rather than supervisors prefer coaches and mentors. They are used to that their ideas are not ignored. Generation Y valued human conversation and reject the directive management. They have high expectations on the work. They are not intend to work all life in the one company, and they can only work on meaningful projects.

## 3 Ways to successful addressing young generation

Generation Y hears and sees advertisements from birth, it is not possible "fooled" them at all. Advertising does not play a major role in deciding on the purchase of goods or services. Most of this generation make parodies to advertising, and shares the view that what is advertised, it is the worst product[7].

Ads designed for generation Y, which aim to successfully reach this segment of customers, must meet the following characteristics:
• humorous story,
• practical information,
• clear information,
• emphasis on design,
• common building brand,
• product is a communication resource,

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7    VOLOŠČUKOVÁ, D.: *Značky generácie Y.* [online]. [2015-09-12]. Available at: <http://www.sme.sk/c/ 1199135/znacky-generacie-y.html>.

• focus on lifestyle,
• good preparation of advertisements, focus on details.

Conversely, in an advertisement aimed to the generation Y do not work following marketing initiatives:
• presentation of products through celebrities,
• simplicity and rudeness,
• building of brands without generation Y.

Product design is the basis for attracting teenagers. For example, in mobile phone the design plays a special role. Young people not only use the mobile phone as a means of rapid communication, but it is also a fashion accessory and the thing that conveys social status[8]. In addition emphasis is on individual functions of the device. Another sector that began to react flexibly to the needs and expectations of generation Y is the automotive industry. Young people often visit design centres where comment the latest car models. Car manufacturers are well aware that their style and aesthetic criteria are in the fact quite different than style and criteria of parents. Information and communication technologies greatly affect their lives, so they would like to see that even in the car.

In the 2007 the company Hyundai Motor Co. introduced in Seoul three completely new models. The leader is the Hyundai Veloster, sports coupe meeting the unique requirements of generation Y. The panoramic glass roof and other futuristic styling elements create the image of advanced technology. Orientation to generation Y is also confirmed by words of Vice President of Hyundai for design Oh Suk-Geun: "With Veloster, we wanted to try something completely new. We are aware that generation Y, for which the model was designed as a priority area, looking for a radically different new products. This is indeed a new direction."[9]

When creating the ad itself marketing agencies must take into account the fact that young people are able to verify everything in a very short time. Through the Internet can very quickly find all relevant information on products and services. As part of the community in which they act, they can also quickly find someone with experiences with a product.

Unlike other generations, generation Y is characterized by different skills of processing of communication. Young generation is accustomed and loves graphics and video installation, sound compositions, bombastic light and sound effects, machine rhythms, etc. Prefers movement, its dynamism, but also sound monotone. Image – sound – music. This is a key triangle for successful communication with the young generation.

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8    Ibidem.
9    *3 news on Hyundai Motor Show in Seoul.* [online]. [2015-09-25]. Available at: <http://www.hyundai.sk/spolocnost/ tlacove-spravy/2007/akt_0709. php?PHPSESSID= 58ff82733aa65247f667a7c64c925445>.

Many marketing managers considered generation Y as a children. The situation changes dramatically. the most famous clothing brands responded to this situation and have started to lose their customers. Generation Y marketing is specific in that it is directly subordinate to the incoming generation. Marketing agencies and companies realize that this generation in the short term leave school and begin to buy their first homes, cars, establish their accounts. Currently, the entire advertising sector focuses mainly on people of working age who have the money to spend. In recent years, however, rapidly increasing number of young people who love the brand. They become a huge market force that cannot be ignored.

Fashion has become probably the fastest growing clothing sector in the world. Since 1995, occur specialty stores dedicated exclusively to youth. According to the New York Times in the industry it revolves annually $ 70 billion.[10] To reach successful marketing campaign it is necessary to cooperate on the side of young people and marketing managers. Suitable advertising spaces and surfaces are becoming the snowboard ramps, clubs and music festivals. Marketing strategy must clearly be based on those groups of young people and take account of its characteristics and its lifestyle. Products must be interesting, practical, convey some information to communicate with their community and above all to be a trend. However, trends cannot be understood as a permanent value. There is still some extinction of current trends and the emergence of new ones. Consequently, producers have to also deal with this reality and prepare for that the product, which is currently a trend among young people, replacing something new, that increase the interest of teenagers.

The way to success is to understand the thinking of members of generation Y. As an example, advertising of the chocolate Forte. Agency Ogilvy & Mather produced advertising for Jacobs Suchard Figaro in Prague. The company wanted to break into the territory in which had built a strong position the Czech producer of chocolate – Študentska pečať. After several months, it was found that the sale of Czech product has not decreased, though Forte came to the same market share. Advertisement "This is meat," which offends many people, increase interest in generation Y.[11] It should also realize that this generation not form a homogenous group. Therefore, marketing professionals are forced to seek ways to address them as a group. The variety of groups formed under the environment in which they grew up. As a useful marketing tool shows the Internet advertising. On the Internet, there is a two-way communication. The most commonly used communication between companies and customers (one-to-one), by individual offers and promotions, or between multiple companies and customers (many-to-many) using chat or discussion forums. In other media, this communication takes place only towards the recipient (one-to-many), so advertising on the Internet is

10   VOLOŠČUKOVÁ, D.: *Značky generácie Y.* [online]. [2015-09-12].
     Available at: <http://www.sme.sk/c/ 1199135/znacky-generacie-y.html>.
11   ZELNÍK, R.: *Marketingový oriešok: Generácia Y.* [online]. [2015-09-21]. Available at:
     <http://myslienky.vsieti.sk/marketingovy-oriesok-generacia-y>.

becoming more interesting and more relevant not only to the generation Y but especially for companies.

## Conclusion

In conclusion, despite the fact that in Slovakia young people usually belongs to the generation Y, they sometimes make decision through other patterns[12]. Marketing communications to generation Y is to mediate live and famous figures (best from the world of popular music or professional sports). They themselves are USP (Unique Selling Proposition), since they are the epitome of individual style and ideal generational style, combination of exclusivity and general availability. The product, which is supported thereby gaining status of generational symbol.

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VOLOŠČUKOVÁ, D.: *Značky generácie Y.* [online]. [2015-09-12]. Available at: <http://www.sme.sk/c/1199135/znacky-generacie-y.html>.

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12   Ibidem.

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# MARKETING IN DIGITAL ERA

*Jozef Matúš*

**Abstract**

In the paper the author deals with a very hot issue – which is changes in marketing at present, in the era that could be called the digital era. He points out the fact that these changes occur primarily in connection with the use of new information and communication technologies. In the first chapter the author discusses the nature and importance of mobile marketing. He emphasizes the fact that technological changes, particularly the spread of the Internet, have a significant impact not only on consumers but also on marketers. Digital marketing is the fastest growing area of marketing, whereas its importance and status have been constantly growing. The interaction between social networking and marketing is the main theme of the third chapter. The fourth chapter consists of the description of current trends in marketing, where the author pointed to the holistic concept of marketing, content marketing and viral marketing. In conclusion, the author assessed a brief overview, as well as the access to digital marketing.

**Key words:**

Content marketing. Digital marketing. Holistic concept of marketing. Information and communication technologies. Interaction. Internet. Marketing. Mobile marketing. Social networks. Viral marketing.

## 1 Nature and significance of digital marketing

In connection with the research of the field of marketing, its use, as well as changes that occur in connection with the use of new, primarily information and communication technologies, we may mention the idea of Carl Sagan: „We live in a society exquisitely dependent on science and technology, in which hardly anyone knows anything about science and technology." Perhaps it is the human who has to come through the biggest change. Advanced applications will improve intellectual abilities – for example analytical thinking, the reaction rate and the like. This will also require marketing tools, which will reconcile the effect of new technologies on the ´new´ human often with artificial intelligence. When mentioning artificial intelligence in connection with the new technologies (and we still do not know well the inherent human one), it should be noted that this will be gradually applied in the digital marketing. For example, Facebook has already acquired know-how aimed at recognizing human speech. It is therefore likely that before long people will soon dictate statuses to the mobile phones and will not write them any longer. At present, there are a range of factors influencing not only the economic life, but also addressing the social issues and they have to be taken into account. This is particularly a dynamic development of new technologies, which have a significant impact on innovation activities, further there are globalisation effects, but we have to consider also environmental activities. Under the influence of these factors the situation on the market has been rapidly changing. The problem is not the product but the customer, not the

supply but the demand. Current markets are characterized by hyper competition. Gradually, there comes to a situation that markets are changing much faster than the marketing can respond. Technological changes, particularly the spread of the Internet, have a significant impact not only on consumers, but also on marketers.

a) With the arrival of the information age, marketing is changing. It is more demanding on the quality of marketers, but also on funding. Due to competitors, companies are forced to invest heavily in information technology and this often exceeds investments in production facilities. There comes to a significant change when the decision-making power is moved from producers to consumers, who can now fully decide on what products they will buy, at what price, through which distribution channel as well as what marketing communication tools will most influence consumer decision-making processes. If a company wants to be successful in the market, it must address individual requirements of customers with full responsibility. An important role is played by the processes of customisation, in which a company overtakes the initiative and adjusts the market offer on the basis of requirements of individual customers, but also customerization, in which a company will leave the proposal of marketing offer up to individual customers.[1] The marketing concepts known in the process of digital marketing may include also the holistic conception of marketing.[2] To be able to design or to implement marketing procedures, strategies and also marketing tools in new conditions require knowing a lot of information. Also this has been changing from analogous to digital one. At present, the business is largely done through digital network, which connects customers and companies. The Internet is gradually changing from just a communication tool into truly revolutionary technology.

The Internet plays a dominant role as an available and globalizing medium. From the perspective of the companies, marketing usage of the Internet may be divided into following activities:
• focusing on promotion (advertising, Public Relations),
• focusing on sales,
• focusing on the support of all marketing activities.

From the perspective of the customers, it includes following activities:
• searching for information,
• sending e-mails,
• Internet banking,
• social networking,
• on-line shopping.

1    KOTLER, P. e al: *Modern marketing.* Prague : Management Press, 2007, p. 27.
2    KOTLER, P., DIPAK C. J, MAESINCEE, S.: *Marketing v pohybu.* Praha : Management Press, 2007, p. 48.

b) Dynamic changes in the penetration of the Internet enabled the development of digital marketing, and this is higher in companies (we may talk about 100 %), while the share of households in Slovakia with an Internet connection reaches 78%. The view at the overall structure of Internet users is also interesting. The most numerous age groups are the ones including those 15-29 years of age and 30-39 years of age. There is also a very interesting fact that the Internet user is also one in ten people aged 70 and more. Appropriate implementation of marketing tools in the Internet environment is an important and significant competitive advantage, and for this reason the presence on the Internet should be a must. In this connection it is necessary to note that the aims of digital marketing are the same as those of classic marketing, they are only partially modified in the context of virtual environment and the impact of new technologies.

c) Digital marketing is the fastest growing area of marketing, with its growing importance and status. Its great advantage is especially the transition from classical communication to interactive and digital communication strategy. Digital marketing is marketing using digital media to communicate with customers, which will increase demand for company products. Digital technology enabled (allows) us new ways of choosing a product based on sufficient relevant information. Naturally, apart from advantages that digital marketing provides there are also particular problems related to its use. The most common are the following ones:
• Distrust towards digital. There is more confidence to the traditional media such as TV, radio, print media. However, these are also in the process of changing from analogous to digital ones,
• Before the start of for example an advertising campaign there are no objectives set and if it does not work as wished then frustration is manifested in a weaker use in the future,
• Weak synergy among individual communication channels – advantages of integrated marketing communication are not used even in digital marketing,
• When using the digital marketing it is often focused on the sale and not on the brand,
• Lack of professionals often hinders inclusion of digital marketing among traditional tools of promotional mix,
• Advanced information and communication technologies are often used even where it is not needed.

Digital world is changing and developing very fast, so it needs to be constantly monitored so that media and marketing strategies could be adjusted to it. The most important forms of digital marketing include for instance mobile marketing, social networks, e-mail marketing as well as a variety of others. In the next section we will focus on mobile marketing and social networks.

## 2 Importance of mobile marketing

The internet has been increasingly more used via mobile phones. The Internet played an important role in nearly each innovation. It allows access to an amount of information, which is necessary to virtually every marketing decision. There are created new formats of mobile marketing. Gradually from texting – due to integrating the latest technologies – it is shifted to advertising built directly in mobile applications or on the WebPages. Internet accessibility and practically no web scarcity turn these devices into an endless source of information and at the same time a ´tailor-made´ advertising market. Mobile marketing creates good opportunities for e-commerce (e.g. payment for parking)). Together with effective targeting of mobiles, advertising also has good measurability – we can measure the entire process from the initial reaction to the offer up to purchasing behaviour and customer decision-making process. There is a survey that is of importance for further development and practical application of mobile marketing, on the basis of which there are estimates that in the short term more users will use the Internet through mobile phones than through classical computers. The QR code can be considered to be a modern tool of mobile marketing. Its principle of usage lies in the fact that the QR code printed on paper or an object will be scanned by a camcorder or a camera and the software decodes the text information contained in the code. In connection with the QR code there is a very urgent need to create conditions for expanding its use, for example by our ability to place it well end efficiently so that the users would be able to use it properly. We have to take into account that in our country 75% of respondents in a research (carried out in 2013) did not recognize these tools of mobile marketing and only 5% were able to use it. It needs to highlight the fact that if the customer decides to scan the QR code, then up to 40% of them will decide to buy a product. Interestingly, but also as support for mobile marketing it may be noted that in the next year (2016) mobile marketing will overtake advertising revenues in the print media and its share in total advertising expenditure will reach 12.4 %. In terms of marketing, mobile applications can (and must?) perform important functions. As an example, we may mention increasing of brand awareness or product awareness, it will fasten the shopping and localization of customer, there will be cost saving and creating an interactive catalogue into mobile application. However, sometimes speedy introduction slows down the use of new trends in mobile marketing. Mobile marketing should become an integral part of the marketing strategy.

## 3 Interaction of social networks and marketing

Social networks play important roles in digital marketing. Basically, it is a modern medium that is based on the relationships among users. From this it follows that what is important is not to have as many users as possible but as many relationships as possible among them. Here, we have to add following:
• The vast majority of content is used by users,

• The basis lies in relations among users,
• Network operators enter into the service only exceptionally.

It follows that when we want to use social networks as a marketing communication tool, we have to follow these principles. Within marketing we can use social networks mainly in the ensuring of the process to achieve these objectives:
• Effective advertising campaigns focused on a product or a brand,
• Building Public Relations and positive image of a company or organization,
• Creating community of our friends,
• Active communication with the friends,
• Space for publishing content created by sole users,
• Conditions for the implementation of the survey or research.[3]

The best known social networks include Facebook, Twitter, My Space, LinkedIn and more. We can obtain an increased interest or even demand for a particular product or a brand by balanced communication with users on the social network while using appropriate content. Appropriate communication also raises awareness of the innovated products and what is important from the perspective of the concept of the holistic marketing, it develops customer relationships and relationships with some partners. The basis for the success on the social networks must be (though different companies, products, brands) to make sure that every announcement or profile is funny, useful and proving something new while retaining a personal approach. How to use social networks for improving marketing activities and which are the most suitable ones? Let us mention at least Facebook and Twitter. On the Facebook the core of the network is creating profiles of people, brands, companies and groups that communicate with each other. This social network is a very good tool for marketing communication through advertising, the study of consumer behaviour to the product, the introduction of new – innovated products, as well as obtaining necessary marketing information. From the perspective of companies, it is a unique toll that is used to communicate with both the existing and potential customers. It may have a form of direct interaction or a form of marketing campaigns. On the Facebook, opportunities for advertising are great; however it is always necessary to choose the proper strategy. On the other hand, Twitter represents a micro-blogging social network. It has a form of publishing posts in the forms of short text announcements. The length of the contribution is limited to 140 characters. Twitter may be used within marketing research to introduce both new corporate products and the latest news in the company. However, the usability of Twitter in marketing is rather limited.

The advantages of social networking include direct targeting, a two-way communication and feedback, credibility and viral spread. The disadvantage is the identity and privacy, non-compatibility of activities and the ignorance of the

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3    Kolektív autorov: *Online marketing.* Brno : Computer Press, 2014.

rules of social networking.[4] Finally, we can confirm that the impact of globalisation of information and communication technologies makes marketing and its tools rapidly changing. For this reason, we should not consider social networking as a remedy for all marketing diseases, but we should use them to raise awareness of the company, to manage relationships with the customers and to do research into the factors that are used in purchasing decision-making of customers.

## 4 Current trends in marketing and digitization

**a) Holistic concept of marketing**
In the holistic concept, which was enabled particularly by digitization, the basis lies in solutions to individual customer requirements. This solution requires involving all stakeholders into this process, investing more in relational management, replacing a well-established business concept of customer relationship management by the concept of overall relationship management. To make it complete, holistic concept arose as a response to fundamental changes in the contemporary marketing environment – e.g. the impact of globalisation, the Internet, digitization. There are four components of holistic marketing – relationship marketing, integrated marketing, internal and performance marketing. Thus, it includes all the tools of marketing mix – both in terms of companies (4Ps), from the perspective of consumers, as well as the web marketing mix – Scope (strategy), Site, Synergy(linking marketing activities) and System (administration and operation). A holistic approach is chosen if it satisfies the elaborated strategy, product, brand, technological knowledge, but also the needs and wishes of customers.

**b) Content marketing**
In this case, it is a story that can be entered at any time, whereas its communication message becomes apparent at once. The first impression is of highest importance especially on websites and social networking sites. However, it must always be a story that is suitable for dissemination. The disadvantage is that it is time-consuming, needs high-quality authors and it is more difficult to be measured due to a long-term impact. However, it has a direct impact on sales and is effective in marketing terms due to the content that is not only interesting but also creating space for discussion. The aim is to involve as many members from our target group as possible. On the other hand, we cannot turn the content into advertising and the assumption for the success is gaining the trust.

**c) Viral marketing**
In digital marketing, its Internet version is represented by information that the customer wishes to share with their friends. Viral dissemination of information – it may be a product, but also its properties or other activities that influence consumer behaviour and purchasing decision-making. Further on, it is also

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4    BEDNÁR, V.: *Marketing on social networks.* Brno : Computer Press, 2011, p. 36.

possible to use social networks at encouraging consumers to post a report which can raise brand awareness. The most common tools of viral marketing include blogs, discussion forums and social networking in particular. Into this category we may include the so-called evangelist marketing (Kawasaki), which is based on the promotion of a product through satisfied users.

## Conclusion

We have outlined a brief overview together with an approach to digital marketing. We have introduced several of its instruments and areas in which they can be effectively used. In this regard, we often ask a question if it is a separate category of marketing or a new marketing tool, similarly for example emotional marketing, Facebook marketing or e-mail marketing. We should pay attention to finding answers to these questions as well as creating conditions for practical application of the acquired theoretical knowledge. We must be aware that even in the future the customers will play a ´power play´ and without new marketing activities we will not have to get another chance in the ever-changing marketing environment. For this reason, we should prepare marketing, its principles and tools for changes resulting from technological progress and from performing a knowledge-based economy well in advance.

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# FRAMEWORK FOR MEASURING PERFORMANCE OF WEBSITES IN TERMS OF SEARCH ENGINE OPTIMIZATION

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**Abstract**
In this digital age, customers and companies are using different approach when selecting their supplier or business partner. One of the criteria is the digital presence of the company or organization. It has to be positioned well in the search engine to attract the attention of the potential partner. Moreover, it should fulfil defined standards of usability to persuade the partner that the owner of the website is modern and performing. In this study, search engine ranking factors are examined according to their importance for the performance of the website in positioning in search results. Trends in ranking factors development are analysed and a complex unified framework for conducting search engine optimization performance benchmarking of websites of organizations is introduced applicable in any sector of national economy.

**Key words:**
Benchmarking. Digital marketing. Fulltext search. Search engine marketing. Search engine optimization.

## Introduction

This era of economy is being designated as knowledge or digital economy. New technologies are intensifying their penetration into all kinds of human activities. All organizations need to reflect changes in consumer behavior as the result of this digital age. Consumers rely on fulltext search to find information regarding their future purchases.[1] This does not occur only amongst young consumers, however, these trends are more intense in this segment.[2] All organizations and companies are facing these changes. Their prospective customers or business partners are searching online to find information regarding new products or supplier ratings. The placement amongst top 3 results will guarantee creating traffic to the website; lower placement is still beneficial but does not cause an increase in the number of website visitors. Organizations need to look for new methods of performing market research to determine their performance in the digital marketing.[3] The aim of this article is to identify changes in search engine

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1    MIKLOSIK, A.: Improving positions in search engines as the centre of consumer-oriented marketing campaigns. In MATUS, J., PETRANOVA, D. (eds.): *Marketing Identity: Explosion of Innovations.* Trnava : FMK UCM in Trnava, 2014, p. 323-333.
2    VRABEC, N., PETRANOVA, D., SOLIK, M.: New role models for Slovak youth in the context of media communication. In *European Journal of Science and Theology,* 2014, Vol. 10, No. 4, p. 143-153.
3    ŽÁK, S.: The identification of innovative research methods and techniques utilized in marketing research in the digital era. In *Studia commercialia Bratislavensia,* 2015, Vol. 8, No. 29, p. 139-152.

ranking factors that determine the placement of organization´s website in search results and introduce an updated framework for benchmarking websites from the search engine optimization performance point of view.

## 1 Changes in SEO ranking factors

In this study, the factors for SEO performance or positioning within search engine results page (SERP) in Google as the global leader in fulltext search services will be analysed. In 2014 and 2015, a significant shift towards increasing the importance of onsite factors and decreasing the importance of offsite factors could be detected. Onsite factors include those issues that are directly connected to the website. They consist of technological issues and content issues. It has been proven that content, its quality, quantity, and structure are important ranking factors at the moment. On the other hand, a simple inclusion of keywords into headings, URLs, anchors, etc. does not make the job anymore. The keyword factors are decreasing its importance. This decline can be seen when comparing the importance of keywords in URL and keywords in H1 (main page heading) over years. The correlation between these factors and placement in SERP has decreased in 2014 compared to 2013.[4] It has been confirmed as well that the relevance of context and length of texts is on the rise.

A recent study from Moz, the leading SEO analytical company, can illustrate this change in the Google algorithm. The study is conducted on a yearly basis and it aggregates expert opinions of leading SEO specialists from all over the world. The importance of content and page-level content distribution is ranked as the third most important factor, just slightly behind domain-level and page-level link metrics. Results of 2015 ranking factors are displayed at the Chart 1.

4    TOBER, M.: *Searchmetrics Ranking Factors 2014: Why Quality Content Focuses on Topics, not Keywords.* [online]. [2015-09-15]. Available at: <https://moz.com/blog/searchmetrics-ranking-factors-2014>.
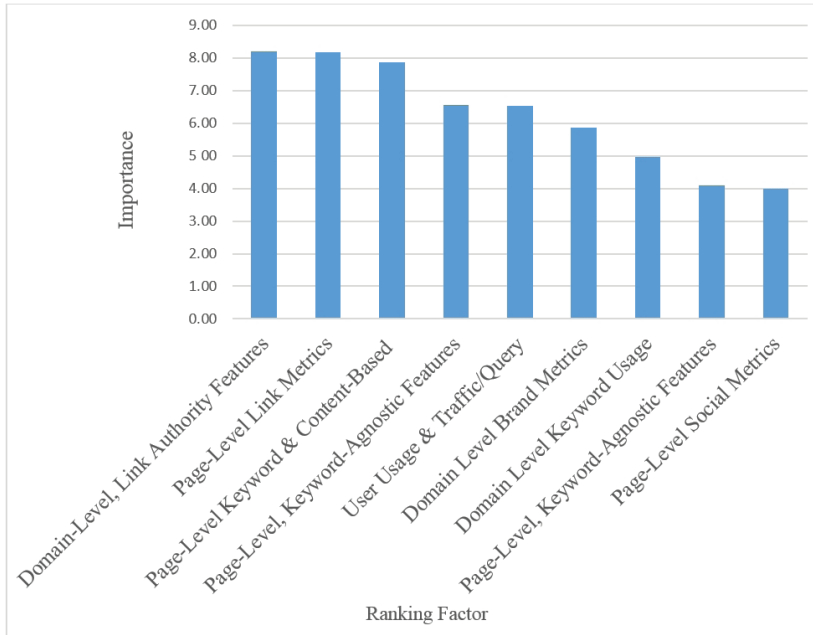
**Chart 1: SEO Ranking Factors for 2015**
Source: *MOZ: Search Engine Ranking Factors 2015.* [online]. [2015-09-30]. Available at:
<https://moz.com/search-ranking-factors/survey>.

The importance is measured on a scale from 0 (no importance) to 10 (maximum).
Evaluated components of presented factors include:[5]
1. Domain-Level, Link Authority Features: Based on link/citation metrics such as quantity of links, trust, domain-level PageRank, etc.
2. Page-Level Link Metrics: PageRank, Trust metrics, quantity of linking root domains, links, anchor text distribution, quality/spamminess of linking sources, etc.
3. Page-Level Keyword & Content-Based Metrics: Content relevance scoring, on-page optimization of keyword usage, topic-modelling algorithm scores on content, content quantity/quality/relevance, etc.
4. Page-Level, Keyword-Agnostic Features: Content length, readability, Open Graph markup, uniqueness, load speed, structured data markup, HTTPS, etc.
5. User Usage & Traffic/Query: Data SERP engagement metrics, clickstream data, Visitor traffic/usage signals, quantity/diversity/CTR of queries, both on the domain and page level.

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5    *MOZ: Search Engine Ranking Factors 2015*. [online]. [2015-09-30]. Available at:
     <https://moz.com/search-ranking-factors/survey>.

6. Domain-Level Brand Metrics: Offline usage of brand/domain name, mentions of brand/domain in news/media/press, toolbar/browser data of usage about the site, entity association, etc.
7. Domain-Level Keyword Usage: Exact-match keyword domains, partial-keyword matches, etc.
8. Domain-Level, Keyword-Agnostic Features: Domain name length, TLD extension, SSL certificate, etc.
9. Page-Level Social Metrics: Quantity/quality of tweeted links, Facebook shares, Google +1s, etc. to the page.

It can be stated that this study is the most comprehensive source of knowledge that can be used to measure the SEO potential of any website. The framework for measuring SEO performance presented in the latter part of this article takes into account the importance of these factors and introduces a unified performance measuring system consisting of ranking factors and their weights.

To determine changes in SEO ranking factors, the author has performed a comparative analysis of the latter survey with data from the year 2013. Except of content based factors, other factors are on a rise, influencing the search positioning more significantly than in the past. Due to a different methodology used in 2015 and 2013, the data from 2015 have been modified/recalculated to reflect the share of each factor on the overall algorithm. This makes the data directly comparable. Direction and intensity of the change is indicated as following: significant increase ↑, significant decrease ↓, minor increase ↗, minor decrease ✓. Results of the comparison are depicted in the Table 1.

**Table 1: Shift in the importance of SEO ranking factors**

| ID | Factor | 2015 | 2013 | Change |
|----|--------|------|------|--------|
| F01 | Domain-Level, Link Authority Features | 14.60 | 20.56 | ↓ |
| F02 | Page-Level Link Metrics | 14.54 | 19.31 | ↑ |
| F03 | Page-Level Keyword & Content-Based | 13.97 | 14.87 | ✓ |
| F04 | Page-Level, Keyword-Agnostic Features | 11.67 | 9.07 | ↑ |
| F05 | User Usage & Traffic/Query | 11.63 | 8.28 | ↑ |
| F06 | Domain Level Brand Metrics | 10.44 | 8.83 | ↑ |
| F07 | Domain Level Keyword Usage | 8.82 | 6.74 | ↑ |
| F08 | Page-Level, Keyword-Agnostic Features | 7.26 | 5.26 | ↑ |
| F09 | Page-Level Social Metrics | 7.07 | 7.28 | ✓ |

Source: Own processing

As can be seen from the data, domain level authority is declining on its importance quite significantly. On the other hand, the page level link metrics are becoming more influencing. These two changes indicate that Google is more likely to prefer websites that do not have to be globally acknowledged, however, they include an interesting and unique content that is recognised also by other websites. The traffic directing to the webpage is becoming more important along with other factors (F06 – F08). An interesting finding is that social media penetration is

not on a rise, actually, its weight is slightly decreasing. This is in contrary with expectations that were communicated by many experts just a year ago.

In the future, continuing changes are expected that should help the algorithm become even more intelligent. This means the never ending effort of Google and its team to improve search results in such a manner that offers the users best results according to their real requirements and expectations. It is expected that in the near future:

• Websites with responsive design that are mobile-friendly will be assessed more positively and on the other hand, websites that are not optimised for mobiles will be penalized. Moreover, a connection to mobile applications and their popularity is to be valued more.

• The quantity and quality of instant answers will be more closely evaluated. These are appearing in the Google Answer Box. The content comes usually in a text form based on the website extraction. According to Gavrilas, the appearance rate of Google Answer Boxes in o a rise, in July 2014 17% of queries already contained an answer box.[6] Websites that will be enable to include a website extraction into SERP will absolutely dominate the search results.[7]

• Usage data will continue their way up in the importance within the ranking algorithm. Google will value those websites that are more visited and people spend more time accessing their content.

• Website usability is gaining importance as well, along with shortening the page loading time and using HTTPS for securing the connection.

## 2 Constructing a unified framework for SEO performance benchmarking

To measure the level of search engine optimization of any website it is crucial to use a measuring framework that is consistent and includes a set indicators rated according to their importance. Results of the research presented in chapter 2 were taken into account when constructing an update to the before used benchmarking framework.[8] This framework enables to measure SEO performance of a website and compare it to the performance of other entities (e.g. competitors). The framework consists of:

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6    GAVRILAS, R.: *Decoding the Google Answer Box Algorithm – a SERP Research on 10.353 Keywords*. [online]. [2015-09-18]. Available at: <http://cognitiveseo.com/blog/6266/decoding-google-answer-box-algorithm-serp-research-10-353-keywords/>.

7    GAVRILAS, R.: *Total SERP Domination Using the New Google Answer Box Technique.* [online]. [2015-09-20]. Available at: <http://cognitiveseo.com/blog/6121/total-serp-domination-using-the-new-google-answer-box-technique/>.

8    MIKLOSIK, A., HVIZDOVA, E., ZAK, S.: Assessment of the search engine ranking position development of selected academic entities in Slovakia: An empirical investigation. In *Actual Problems of Economics,* 2013, Vol. 147, No. 9, p. 399-409.

Groups of indicators according to their character (influencing indicators are those indicators that affect the SEO performance in case they change – they are designated as causal indicators; influenced indicators are those that are affected by a change of an influencing indicator – they are designated as consequential indicators).
• Indicators within each group with assigned weights reflecting their importance.
• Standard process of executing the benchmarking.

When constructing the framework, other recent research results of SEO ranking factors have been taken into account.[9,10,11,12,13] Firstly, groups of indicators needed to be determined to objectively measure the whole complex of SEO performance issues. Five main groups have been identified with their overall impact on the final SEO performance score determined by their weights as following (Table 2):

**Table 2: Groups of indicators for the determination of SEO performance**

| ID | Group of indicators | Weight | Taxonomy |
|---|---|---|---|
| A | Global rankings | 25% | Hard, secondary consequential |
| B | Domain relevance | 15% | Hard, primary causal |
| C | Social metrics | 10% | Hard, primary causal |
| D | Compatibility and performance | 20% | Hard, primary causal |
| E | SERP positions | 30% | Hard, primary consequential |

Source: Own processing

Within each group of indicators, list of indicators has been created along with their contribution to the final performance within each group of indicators. In the following text, each group is closely analysed and indicators are introduced.

**Global rankings** represent complex indicators that reflect several other partial views regarding the performance of the website. In general, they consider website authority, relevance, popularity, and other aspects. In the Table 3, indicators in this group are presented along with their weights on the partial score calculated for this group of indicators.

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9 ALAM, M. A., DOWNEY, D.: Analyzing the content emphasis of Web search engines. In *SIGIR 2014 – Proceedings of the 37th International ACM SIGIR Conference on Research and Development in Information Retrieval.* 2014, p. 1083-1086.
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**Table 3: Indicators in the group A – Global rankings**

| ID | Indicator | Weight | Characteristics |
|----|-----------|--------|-----------------|
| A01 | Google PageRank | 60% | The most complex indicator of web page importance according to Google. Values ranging from 0 (worst) to 10 (best). This indicator already consists of several dozens of subfactors and even if no other indicator shall be used, it evaluates a website in a complex manner. |
| A02 | Alexa Rank | 20% | Evaluation of the page according to company Alexa includes the expected traffic to the website. Values range from 1 (best) to several millions (worst). There is no fixed maximum value achievable in this indicator, because the number of websites included in the evaluation by Alexa varies in time. |
| A03 | NetCraft Page Rank | 10% | Evaluation according to NetCraft, values are analogic to Alexa. Also the way of creating the evaluation by NetCraft is similar to those of Alexa. In general, NetCraft is less popular and complex and thus, its weight on the final score is lower than that of Alexa. |
| A04 | History | 10% | History of the website. Measured in days (current date minus creation date). Websites with longer history are generally valued higher by Google, but recently Google decreases value of this factor and gives chance to websites that originated recently or do not have such a long history. |

Source: Own processing

**Domain relevance** indicators assess the website regarding the relevance of its domain. The most important indicator is domain authority according to Moz, which can be determined using the tool Open Site Explorer. Is uses a complex algorithm and by its nature it is similar to Google PageRank. Linking root domains is the most important indicator as it evaluates the relevance of the domain over the Internet. Two other indicators are included in this group as well.

**Table 4: Criteria in the group B – Domain relevance**

| ID | Indicator | Weight | Characteristics |
|---|---|---|---|
| B01 | Domain Authority | 40% | Predicts the root domain´s ranking potential based on an algorithmic combination of all link metrics. Values from 0 (worst) to 100 (best). |
| B02 | Linking root domains | 30% | Unique domains linking to the webpage. Values from 0 (worst) to infinity (best). |
| B03 | Total links | 15% | All linking to the webpage. Values from 0 (worst) to infinity (best). |
| B04 | Spam Score | 15% | 17 unique signals that a subdomain may be penalized/ banned by Google. Values from 0 (best) to 17 (worst). |

Source: Own processing

Within this group of indicators, the authority of a respective page should be analysed if possible. According to latest studies, page authority is more important to SERP than domain authority. However, if homepages of websites are included in the comparison, it is not relevant to assess the relevance of each subpage and thus, measuring domain authority is indicated as a comparable indicator.

**Social metrics** evaluate the reputation of the website amongst users of social media. This group has the least impact on SEO performance and thus, its weight on the overall SEO performance is only 10%. Values for each indicator can be collected using different tools, but the use of Open Site Explorer is preferred. Google+ rating measurement tool is in beta version at the moment and this fact is reflected by the low weight of this indicator. The indicator mix is prepared as following (Table 5):

**Table 5: Indicators in the group C – Social metrics**

| ID | Indicator | Weight | Characteristics |
|---|---|---|---|
| C01 | Facebook shares | 45% | Number of times the URL was posted on public Facebook pages. |
| C02 | Facebook likes | 25% | Number of times the posted URLs were on Facebook. |
| C03 | Twitter tweets | 20 % | Number of tweets and retweets containing the URL. |
| C04 | Google + | 10% | Number of times this URL has been Google +ed. |

Source: Own processing

**Compatibility and performance** group includes such factors that assess the usability of the website, its compatibility to common web standards, and its performance measured by page load times. The mix is constructed as following (Table 6):

**Table 6: Group D – Compatibility and performance**

| ID | Indicator | Weight | Characteristics |
|---|---|---|---|
| D01 | H T M L errors | 25% | Number of errors that occur in the code represent the breach of the HTML standard and prevent the website being designated as xHTML 1.0 Transitional. W3C Markup Validation Service can be used to gather results. Values range from 0 (best result) to X (worst result) |
| D02 | H T M L warnings | 10% | Number of warnings that occur in the code represent the potential problem of website compatibility or displaying in different browsers. W3C Markup Validation Service can be used to gather results. Values range from 0 (best result) to X (worst result) |
| D03 | CSS errors | 20% | Checks the Cascading Styles (CSS) of the website and lists errors according to the CSS Level 2.1 standard. The W3C CSS Validation Service can be used to gather results. Values range from 0 (best result) to X (worst result). |
| D04 | C S S warnings | 10% | Checks the Cascading Styles (CSS) of the website and lists potential problems in CSS. The W3C CSS Validation Service can be used to gather results. Values range from 0 (best result) to X (worst result). |
| D05 | Speed | 20% | Measured by page loading time in seconds. Values range from 0.01 (best result) to X (worst result). |
| D06 | HTTPS | 15% | Using HTTPS for a secure data transmission. |

Source: Own processing

**SERP positions** determine the real effects of SEO. They are reflecting all performed activities and are showing the success of SEO initiatives. By measuring SEP positions for defined keywords, the situation in SEO is measured from the point of view of the search engine user. Position in SERP is the visible effect of SEO that is apparent to each user. Before measuring SERP positions, a set of keywords needs to be defined. There are two possible approaches to defining keywords usable for the purpose of benchmarking:

1. Using a general set of keywords for all websites in the benchmarking. The advantage of this approach is a direct comparability, differences between performance of each competing website are immediately seen and are apparent. The negative aspect is that keywords need to be general to cover activities that are common for all subjects. Thus, they cannot reflect special goods, services, or location that are relevant to each website. For example, to perform benchmarking of e-shops with electronics, a unified set of 20 keywords including category-, product-, and location-specific keywords can be prepared. Only common categories, products, and locations may be included in the list.

2. Using a specific set of keywords for each website. The advantage of this approach lies in the greater informative value, because the resulting partial performance index will reflect the real usage of the potential available for the specific website. Using this approach, nevertheless, does not limit the comparability of websites´ performance. If the keywords set is prepared using a similar methodology, results are comparable in general, thus, the overall

partial performance index for a set of indicators SERP positions of subject 1 is comparable with partial performance indexes of subjects 2 to n.

In this framework there are no limits regarding the number of keywords. The more keywords, the more objective and comprehensive is the study and the more precise is the performance index. The principle of defining a set of keywords is shown in the Table 7.

**Table 7: Group E – SERP positions**

| ID | Indicator | Weight |
|----|-----------|--------|
| E01 | Keyword 1 | 1/n |
| E02 | Keyword 2 | 1/n |
| ... | ... | ... |
| En | Keyword n | 1/n |

n – final number of keywords in the set
Source: Own processing

Within these indicators, the position in the search engines results pages up to max. 50th position is measured. Measurement of positions shall be performed with the use of an independent analytical tool, such as Moz. Due to customization of search results by Google it is not recommended to determine positions manually by inserting the keywords into Google.

The standard process for executing the benchmarking consists of these steps:
1. Decision regarding the methodology of measurement of values for each indicator.
2. Determination of the values for each indicator and each website.
3. Transformation and conversion of values:

Transformation of values set to positive orientation of the series – points (the smallest value has to represent the worst performance). The formula differs according to the character of the data series. A simple formula is applied, where the data series is positively oriented, thus lower original value represents worse performance (e.g. A01 or A04):

$$P_x = V_x / \max(V_1 : V_m) \times 100$$

Where:
$P_x$ is number of points that will be assigned as the transformed value for this indicator for the website $x$
$\max(V_1 : V_m)$ is the maximum value of all values within the original data series
$V_x$ is the original value for the website $x$
$x$ takes values from 1 to $m$
$m$ is the number of websites in the benchmarking

In other cases (e.g. A02, A03, D01, etc.), a more complex formula is to be applied. An example by the indicator D01: If the measured value of the indicator D01 is 20 for the first website and the worst website´s value is 200, website No. 1 will

gain (200 − 20) / 200 x 100 = 90 points. This formula is applied if the scale is negatively oriented:

$$P_x = [\max(V_1{:}V_m) − V_x] / \max(V_1{:}V_m) \times 100$$

Application of weights within each group of indicators and calculation of the partial performance index for each of the five groups of indicators.

$$PPI_{xy} = P_{x1} \times W_1 + P_{x2} \times W_2 + \ldots + P_{xk} \times W_k$$

Where
$PPI_{xy}$ is the partial performance index for the website $x$ for a group of indicators $y$
$P_{xk}$ is the number of points allocated within the transformation (see point 3a.) for the website $x$ and indicator $k$
$W_z$ is the weight of the indicator
$x$ takes values from 1 to $m$
$y$ takes values from 1 to $n$
$z$ takes values from 1 to $k$
$k$ is the number of indicators within the group of indicators $y$
$m$ is the number of websites included in the benchmarking
$n$ is the number of groups of indicators in the benchmarking

Application of weights to each partial performance index of a group to calculate the final performance index of each entity.

$$FPI_x = PPI_{x1} \times W_1 + PPI_{x2} \times W_2 + \ldots + PPI_{xy} \times W_n$$

Where
$FPI_x$ is the final performance index for the website $x$
$PPI_{xy}$ is the partial performance index of the website $x$ for a group of indicators $y$
$W_y$ is the weight of the group of indicators
$x$ takes values from 1 to $m$
$y$ takes values from 1 to $n$
m is the number of websites in the benchmarking
$n$ is the number of groups of indicators in the benchmarking

## Conclusion

As Karlicek and Drabik note, organizations have to leverage the influence of the marketing function and therefore also the overall performance of the company.[14] One of the possible solutions is introducing an integrated marketing approach and intensification of digital marketing activities. The presented constituted framework represents an approach for objectification of the SEO performance

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14   KARLICEK, M., DRABIK, P.: Marketing's Influence within Companies: Current Issues and their Possible Resolution. In *Studia commercialia Bratislavensia,* 2012, Vol. 5, No. 20, p. 587-596.

measurement of entities in any sector. Implications of using this framework for benchmarking are the following:

• It enables direct comparison of SEO performance of websites in the given time.
• It enables detection of performance trends over time, however with a limited application: Final performance indexes of entities are not directly comparable over the time. It means that the result FPI=88.25% in 2015 compared to FPI=87.25% in 2014 does not mean that there was a performance improvement of 1.00% over the year. The reason for this is the fact that the number of points for each indicator in each groups is dependent on the maximum number of points achieved by the best performing website in this indicator – and this value is volatile (it changes in time).
• It foresees the continual evolution of the algorithm (the composition of groups of indicators, their weights, and structure of indicators within each group and their weights). This is necessary because of the continual change in the importance of SEO ranking factors in the Google algorithm. Nevertheless, results between different years are comparable even if the algorithm has changed (if it is composed according to presented principles and logic), again with limited application (see the previous point).

In the following studies it is expected to apply this framework to different sectors and determine the state of SEO optimization level of organizations and companies within these sectors.

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# CELEBRITY NECROMARKETING: NONLIVING CELEBRITIES IN MEDIA COMMUNICATION

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**Abstract**
The following scientific paper focuses on necromarketing considered to be a special type of marketing communication using death theme applied in its specific form. Authors primarily draw their attention to the phenomenon of using nonliving celebrities, so called delebrities that can be applied in a vast group of media as well as marketing discourses including media communication. The submitted text states various examples of using delebrities in advertising practice. In the background of current scientific conceptions on celebrity support functioning among those are mainly so called source models but also widely conceived synthetic models such as No Tears and Tears demonstrate the advantages and disadvantages resulting from using nonliving celebrities in media communication.

**Key words:**
Advertising. Celebrities. Death. Mass Media. Necromarketing.

## The Introduction: Celebrity and Delebrity

Discussion on celebrity presence in our culture can be acknowledged from the state of functionalist approach to communication originated by Harold Laswell. This approach puts a spotline on the needs of society and its individual members. There are five following basic societal functions distinguished: surveillance, correlation (lineage), transmission of values, entertainment, and mobilization. It is necessary to remark that the above mentioned functions often overlap. For example, the advertisement, which we would assign to the category "mobilization" due to its function, is also a mean of surveillance (simply said: it informs about the news, inovations etc.), but it is also a source of social reality (it shows what is modern, reflects social trends) and even it may become an object of entertainment itself (for instance by the media alternation: tv commercial may become an internet viral video willingly shared).

Nowadays one of the most noticeable and most frequent theme connecting media social functions are mainly celebrities. Celebrities may be located at the level of all five stated functions, while on the other hand their presence in media markantly contributes to the shift of boundaries among those functions. Their penetration to the area of functions may be seen in three fundamental levels: implict, explicit and post-journalistic. Implicit journalistic level refers to the concentration of media interest on various events in the life of celebrities that is more likely regarded as a supplement to socially relevant informing. Explicit journalistic level inheres in a presentation of informative media products whose main content are celebrities. (e.g. Promi Noviny on Slovak TV station Joj). This type of celebrity presence in the media area regarding to its purposelessness

may be denoted as a tabloid despite its attribute "coverage" or "news". Post-journalistic level evidently appears in relation to new media where the traditional communicator reference is substituted by free and mostly arbitrary exchange of communication roles. Authorship of celebrities informing gradually vanishes in the set of pluralistic communicators (journalists, fans, celebrities themselves) who as communication media use blogs, microblogs, social networks, etc. With regard to high concentration of celebrities in media area it is necessary to perceive them as a major socialization element.

The term celebrity (latin celebrare – to celebrate) as a celebration aspect (even deification) and its transformation related to present celebrity concept is by some authors interpreted in deeper social context e.g. Rojek[1] (2001, p. 14) states: "Celebrities replaced the monarchy in the way of creating new symbols of worship and fellowship as the belief in God gradually declined the celebrities have become immortal. This is the reason why for instance Thomas Jefferson, George Washington, Gandhi and Winston Churchil succeeded in keeping a large aura in a nowadays cultures." The celebrity concept is related to the asymmetry between media exposed area and the audience. It creates a social situation consisting of several individuals such as "those being worshiped" into interaction with a large number of people "worshiping". Therefore, the celebrity concept shall be perceived as a modern phenomenon whose inevitable condition is the existence of mass media system that enables fast transmission of a good quality to the public.

The author of well known and probably the most quoted definition of the term celebrity is Daniel J. Boorstin[2] according to whom "The celebrity is a person who is known for his well-knownness." Celebrity represents a specific type of cultural text that reports on generally known subject. Rusnák[3] elaborates on the nature of this text whereas from his point of view it refers to "the mutual author's work of media and its audience according to culture indication that enabled this mutual action." At first sight it may seem that a celebrity is a media concept whose potentially the only limit of usage is their presence in media area that requires physical existence. However, current media production revives nonliving celebrities. In compliance with D'Rozario and Brynt[4] we define nonliving celebrities as the term delebrity (dead celebrity).

1    ROJEK, Ch.: *Celebrity*. London : Reaktion Books, 2001, p. 14.
2    BOORSTIN, D. J.: *The Image: A Guide to Pseudo-Events in America.* New York : Vintage, 1992, p. 57.
3    RUSNÁK, J.: *Homo popularis: homo medialis? Popkultúra v elektronických médiách.* Prešov : Filozofická fakulta Prešovskej univerzity v Prešove, 2013, p. 52.
4    D'ROZARIO, D., BRYNT F.: The Use of Dead Celebrity Images in Advertising and Marketing— Review, Ethical Recommendations and Cautions for Practitioners. In *International Journal of Marketing Studies.* 2013, Vol. 5, No 2.

## 1 Delebrities in media culture

The term necromarketing is a reaction to neverending opacity and dichotomy between Eros and Thanatos in the world or marketing and advertising. It was coined at the beginning of 2009[5] as a reflection on a surrounding reality that used to be associated to marketing practices and death or tragedy aspect. It shifts from tabooing to its establishment with the purpose of increasing the recipient's latency in advertising. Necromarketing is based on integration of marketing practice with death or tragedy aspects that shift from taboo scope to the centre of social interest of media and marketing specialists. The analogically defined term had been anticipated (compare Marcin Laberschek[6]) before coining the term necromarketing in the papers of Wiesław Gałązka[7] and Wojciech Jabłoński[8]. With the aim to specify the term we discuss this term again. Necromarketing represent "type of marketing that uses generally known marketing rules and techniques with the objective to draw an exchange that would meet the individuals' requirements, organizations and appeals towards such situations and objects that are explicitly or implicitly related to death or parasitise on death and tragedy"[9]. In the mass media era the death as well as tragedies, diseases and accidents related are coming to the fore although their representation is not that prevailing as we might suppose. They are being used or misused because of their paradoxicalness- they scare a man as well as they attract him[10]. The facts

5    WOJCIECHOWSKI, L. P.: Nekromarketing – nekoľko poznámok k definícii. In *Európska identita, masové médiá a kultúra – vybrané aspekty*. Nitra : Univerzita Konštantína Filozofa, 2010.

6    LABERSCHEK, M.,: Nekromarketing towarów kultury w serwisie aukcyjnym Allegro. pl. Przypadki Violetty Villas i Ireny Jarockiej. In *Zarządzanie w Kulturze.* Rocznik 13, Numer 13 Zeszyt 2. [online]. [2015-06-02] Available at: <http://goo.gl/9c8WrR>.

7    GAŁĄZKA, W.: *Politycy uprawiają nekromarketing. Jeżdżą na miejsca katastrof, by się pokazać,* 2010. [online]. [2012-04-08]. Available at: <http://www.se.pl/wydarzenia/ opinie/wiesaw-gaazka-politycy-uprawiaja-nekromarketing_156780.html>.

8    JABŁOŃSKI, W.: *Politycy się polansują i zapomną o powodzi,* 2010 [online]. [2012-04-08]. Available at: <http://www.money.pl/archiwum/mikrofon/artykul/jablonski;pol itycy;sie;polansuja;i;zapomna;o;powodzi,237,0,629485.html?p=md>.

9    WOJCIECHOWSKI, L. P.: Nekromarketing – nekoľko poznámok k definícii. In *Európska identita, masové médiá a kultúra – vybrané aspekty.* Nitra : Univerzita Konštantína Filozofa, 2010, p. 86.

10   WALTER, T., LITTLEWOOD, J., PICKERING, M.: Death in the news: public invigilation of private emotions. In *Sociology*, 1995, Vol. 29, No. 4.
     ZAWIŁA, M.: Śmierć na szklanym ekranie. Obraz Śmierci i umierania w polskiej telewizji na przełomie XX i XXI wieku. In GIERULA, M. (ed.): *Środki masowego komunikowania a społeczeństwo*. Katowice : Wydawnictwo Uniwersytetu Śląskiego, 2006.
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that may be classified as necromarketing far more precede the term. The possibility of their partial identification reaches to historic times when the act of burying and objects and acts related to it became the subject of barter itself. Necromarketing appears in two possible levels: explicit and implicit[11]. Explicit necromarketing deals with displaying catastrophes, misfortunes and death in their pure, direct form and serves as an example of funeral services trading. Implicit necromarketing deals with indirect presentation of death.

Necromarketing is relatively vast phenomenon and it may be identified in both direct and indirect ways within various fields[12]. Particularly it is possible to state the usage of nonliving celebrities in divers types of media and marketing products. Supposedly, the death theme along with nonliving celebrities in media culture is manifested in two ways:
a) The act of dying and its media representations
b) The presence of celebrity in a culture and after their death/ using their image

The death of celebrity is considered to be an event of similar relevance as informing about political situation, broader social problems, etc. In case of some particularly favourite celebrities the act of dying has become a global event. Related to this it is necessary to mention such names as John Fidzerald Kennedy, John Lennon, Lady Diana, and last but not least Michael Jackson. Along with great popularity for their representation relevance of the death undoubtedly the cause of their death is important factor as well (often unexpectedly, tragically) and moreover the death itself is shrouded in mystery even in the field of conspiracy theories.

Delebrities similar to celebrities are of permanent focus of media production: there are journalistic articles on their lives, published biographies, movies being shot, etc. The property of delebrities may enlarge by selling their personal belongings, creating tourist destinations (so called grave-site tourism; Elvis Presley's Graceland serves as an example) or merchandising. Along with generally stated resources of increasing profit from delebrities it is possible to differentiate between various specific cases – for instance surprising announcement about finding of "new" songs of John Lennon in 1994. Another specific case is the death of an actor while shooting a movie, more precisely immediately after its finishing. To illustrate this we introduces an example of Heath Ledger and Paul Walker. Ledger played Joker in the movie of The Dark Knight (2008). His death caused by drug intoxication aroused interest of the public that undoubtedly supported massive commercial success of the movie. Accroding to Evans's et al. research[13]

*Príčiny vzniku a spôsoby ich odstraňovania.* Nitra : Univerzita Konštantína Filozofa, Fakulta sociálnych vied a zdravotníctva, 2007.

11  WOJCIECHOWSKI, L. P., SHELTON, A. J.: Necromarketing in Advertising. In *Studia Ekonomiczne*, 2014, Vol. 205, Marketing communication: selected issues.

12  WOJCIECHOWSKI, L. P., MALÍČEK, J.: Nekromancja we współczesnej popkulturze. In *Opcje: kwartalnik kulturalny*, 2014, Vol. 96, No. 3.

13  EVANS, R. D. et al.: Elvis: Dead and Loving It – The Influence of Attraction, Nostalgia,

who focused on popularity of nonliving celebrities among American university students, Ledger was placed as the second[14]. Paul Walker, the star of Fast and Furious film series, passed away at the time of shooting its seventh series. The film itself lacked several scenes, pictures and details of Paul Walker's face and those were replaced with the help of computer animation. Its enormous success placed the movie into the third position in the history of film industry.[15]

The extent of delebrity market is hard to define because as D' Rozario and Bryant[16] state there is no conformity to what this market represents. Kroft et al.[17] estimate the market in the USA at 800 mil. USD The chart of top-earning dead celebrities according to Forbes magazine in 2014 enables the creation of particular concept. (tab. 1)

**Table 1: List of top-earning dead celebrities in 2014 according to Forbes magazine**

| | Delebrity | Death Year | Income (in mil. USD) | Main source of income |
|---|---|---|---|---|
| 1. | Michael Jackson | 2009 | 140 | Cirque de Solei performers (Immortal, One); share in the publishing Sony/ATV; album Xscape |
| 2. | Elvis Presley | 1977 | 55 | Fee to Graceland; show Cirque de Solei |
| 3. | Charles Schulz | 2000 | 40 | Film adaptation of Peanuts comics. |
| 4. | Elizabeth Taylor | 2011 | 25 | Perfume |
| 5. | Bob Marley | 1981 | 20 | Coffee, beverages; lifestyle products; clothing; selling albums |
| 6. | Marilyn Monroe | 1962 | 17 | Clothing |
| 7. | John Lennon | 1980 | 12 | Selling music; Beatles Cirque du Soleil show; |
| 8. | Albert Einstein | 1955 | 11 | Posters; clothing; special line of tablets |

Source: POMERANTZ, D.: *The Top-Earning Dead Celebrities. Michael Jackson Is The Top-Earning Dead Celebrity With $140 Million Haul.* [online]. [2015-04-02]. Available at: <http://www.forbes.com/sites/dorothypomerantz/2014/10/15/michael-jackson-tops-forbes-list-of-top-earning-dead-celebrities/>

Based on results (fig. 1) it may be stated that time interval from the celebrity death barely influences the height of their income with the exception of Michael

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and Risk in Dead Celebrity Attitude Formation. In *Journal of Management and Marketing Research*, 2009, Vol. 3.

14 However, it is necessary to emphasize that the research was carried out in year when Ledger died. For example, Elvis Presley, who was dead 31 years at that time, was on the sixth place. Even better position was achieved by Bob Marley (4th place, 27 years after his death).

15 *According to IMDB.* [online]. [2015-09-02]. Available at: <http://www.boxofficemojo.com/alltime/world/worldwideopenings.htm>.

16 D'ROZARIO, D., BRYNT, F.: The Use of Dead Celebrity Images in Advertising and Marketing— Review, Ethical Recommendations and Cautions for Practitioners. In *International Journal of Marketing Studies*, 2013, Vol. 5, No. 2.

17 KROFT, S.: *How Celebs Make a Living After Death,* 2009 [online]. [2015-06-02]. Available at: <http://www.cbsnews.com/news/how-celebs-make-a-living-after-death-19-06-2010/> .

Jackson and Elizabeth Taylor. The scope of activities delebrities may profit from is of wide nature; from copyright to performances related to their period of success through grave-site tourism to building their own brands. Secondly, this ostentatious presence supposedly provides cult persistence of mentioned celebrities. Kroft[18] draws his attention to a paradox situation where the nonliving celebrities even earn more than they did during their lives. (e.g. Michael Jackson). Forbes magazine[19] states that the future of delebrities in the area of financial income is very optimistic. The main factor is a holography that enables extensification of wanted celebrities and their more obvious presence in media culture. Future possibilities are currently difficult to anticipate; delebrities will become the standard part of entertainment TV shows, their presence in advertising multiplies and they can perform as presenters of various social events, etc.

Delebrities similarly to celebrities constantly draw the public's attention. One of the manifestation is, generally said the desire to become a part of delebrity's world. In relation to this Rojek[20] states so called Effect of Saint Thomas. In Christian tradition this saint is known for his doubting and the need of physical evidence. *"The term Effect of Saint Thomas refers to an urge to authenticate a desired object by reaching, touching or taking pictures of it."* If the common denominator of the mentioned effect is consumption of experiences related to a celebrity/ delebrity, then it may be understood more widely also for the phenomena as tabloid, especially paparazzi. Rojek intensifies the religious tone of Effect of Saint Thomas by the parallel between medieval saints cult worshipping and present delebrity worshipping. The objects a nonliving celebrity came in contact with during their life are of high fetishistic added value and the desire for artefacts is sometimes far beyond the ethics limits. To illustrate this point, after the Paul Walker's crash two men tried to embezzle pieces of the damaged car and what is more an Internet shop even offered for sale six such pieces that were successfully embezzled from another man.[21] Other more extremes cases involve the need of physical contact with a delebrity. While in living celebrities we define so called stalking of celebrities by their fans, physical contact with a delebrity is

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18  KROFT, S.: *How Celebs Make a Living After Death.* 2009 [online]. [2015-06-02]. Available at: <http://www.cbsnews.com/news/how-celebs-make-a-living-after-death-19-06-2010/>.

19  POMERANTZ, D.: *The Top-Earning Dead Celebrities. Michael Jackson Is The Top-Earning Dead Celebrity With $140 Million Haul.* [online]. [2015-04-02]. Available at: <http://www.forbes.com/sites/dorothypomerantz/2014/10/15/michael-jackson-tops-forbes-list-of-top-earning-dead-celebrities/> .

20  ROJEK, Ch.: *Celebrity.* London : Reaktion Books, 2001, p. 62.

21  DUFF, S.: *Fanatics steal charred bark and wreckage from Paul Walker death site to sell on eBay.* [online]. [2015-04-02]. Available at: <http://metro.co.uk/2013/12/08/fanatics-steal-charred-bark-and-wreckage-from-paul-walker-death-site-to-sell-on-ebay-4222405/>.

not possible. Sometimes it may happen that thieves steal their gravestones. (Jim Morrison, Buddy Holly, James Dean et al.).[22]

## 2 Apparently Dead Endorser

Another example of such endorsement are apparently "dead persons". This way we may refer to personal formation of a campaign of an organization fighting against HIV/AIDS. "Dead endorsers" were used in a project called The Digital Life Sacrifice in which celebrities from various fields such as Alicia Keys, Katie Holmes, Usher, Jay Sean, Swizz Beatz, Ryan Seacrest, Serena Williams, Kim Kardashian, Jaden/Willow Smith Lady Gaga, Justin Timberlake, Elijah Wood, or photographer David LaChapelle and many others sacrifice their "digital lives" on social networks. Celebrities were supposed to be dead until people "buy their lives back" by sending a text in the amount of $ 10. That particular person had decided to sacrifice their digital life in the interest of a real life of million of people suffering from HIV/AIDS disease that represents no activity on social networks such as Twitter ot Facebook until their life is not "bought back again". The aim was to raise the amount of 1 000 000 $. It was fulfilled when the first half of the amount was successfully raised and subsequently a philantrope Steward Rahr (pharmaceutical billionaire) contributed with his second half. In this case manipulation is more than obvious. The intention was to evoke a panic from the death of a celebrity and appeal to a parasocial interaction originated between this particular person and their adorers. It is apparent in advance that death itself is not taken seriously and it refers to pretending to be a necromancer as well as voting on death or life using a thumb in gladiator fights or with texts (thumb is also used) in contests of reality show types, where the death is of course represented in metaphorical sense as well as conventions of TV life as it is in the case of computer games. It is still questionable what number of people is impressed by this reality and how much they are willing to pay for virtual "brought to life".

## 3 Delebrities in marketing communication

Endorser is in a certain sense a manipulative magnet functioning in favour of promoted product or a brand. Famous people endorse the same products regarding to the fact that they are aware of being generally famous and they create a space of identification with a product. Reconstruction of delebrities emerges from current technical options of computer animation and sound work. According to McBride[23] the basis of current technology may be dated since 1982

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22 ROJEK, Ch.: *Celebrity*. London : Reaktion Books, 2001, p. 60.
23 D'ROZARIO, D., BRYNT, F.: The Use of Dead Celebrity Images in Advertising and Marketing— Review, Ethical Recommendations and Cautions for Practitioners. In *International Journal of Marketing Studies,* 2013, Vol. 5, No. 2.

when the two dimensional pictures of people or sound so called text-to-speech began to shape and it enables define any text that a celebrity is supposed to "say". Thanks to digital technologies and body doubles they come "back to life". At a visual as well as auditory level they may generate completely new media texts. For such endorsers cult persons are chosen associated with certain *modus vivendi* and sometimes a form of death as well. The example of usage and misusage are considered to be advertising campaings of brands like Dr. Martens or net or Hard Rock Cafe. The brands producing footwear for diverse subcultures (i.e. rebellion) refers to persons such as Kurt Cobain, Sid Vicious, Joe Strummer and Joey Ramone. In the second case mentioned Kurt Cobain appears again as well as Elvis Presley or Freddie Mercury (the campaign with its significant name They never left. The campaign was created for a company Hard Rock Cafe. Scenography of discourses is associated to music as well as the Hard Rock Cafe net. The campaign strengthens the company status in such way that when there is music present there are persons who created it and created it very well, too. In this case despite dealing with persons who are the part of the past, it is possible to identify with them at present as well.

The presence of delebrities in advertising points out on one of the levels of their media presence in current culture. However, it is necessary to emphasize their commercial potential that shall not be reduced to advertising activity. The area of advertising shall not be understood as being autonomous or isolated on the contrary it is deeply associated with the overall activity of celebrities/ delebrities in culture. Brand and products support helps not only to transfer commercial messages, but secondly also other values related to celebrities/delebrities, such as cultural values, social influences, construction of social reality, etc.

Advertising creators depict celebrities in two ways: either they use collection of documents that were created during their lives or they try to reconstruct a celebrity. In the first case it is possible to use film scenes, broadcasting of sport events, etc. An actor Steve McQueen in the commercial on Ford Puma (1997), or a runner Emil Zátopek in the commercial on Pilsner Urquell (2012) can serve as an example.

It is not typical for TV commercial to ask broad philosophical questions. Depiction of nonliving celebrities opens a question of the nature of life and death and their interdependencies. Creators of stories related to delebrities may implement unexpected, speculative levels. For instance, the commercial spot of Allan Gray Company (financial services) in 2009 featured James Dean. To contrary with fatal car accident, James Dean survives pointing out on the possibility of long-term investments. Dean is at the very beginning depicted as a successful middle aged man who gradually grows young until the moment of the accident. The commercial slogan is as follows: Given more time, image the possibilities.

This view is supported by the fact that at present, delebrities are integral part of marketing and media communication and their value is determined at the

practical level as well. In the USA so called Q-score is used as a measurement of the familiarity and appeal of a television show, brand, company and celebrity, as well as delebrity.

As you may see in the table 2, Q-score is used as a tool for selection of appropriate or valuable celebrity/delebrity endorsers. Q-score of publicly known persons is commercially available and often used by American companies and advertising agencies. In the chart there are involved celebrities from entertainment field, sportsmen and sportswomen and other famous persons.

**Table 2: Q-score Categories**

| | |
|---|---|
| TVQ/Cable Q | for TV shows/ spread by cable televisions |
| Performer Q | for living celebrities |
| Dead Q | for the current popularity of nonliving celebrities |
| Sports Q | for celebrities from sport field |
| Cartoon Q | for animated figures, video games characters, toys etc. |
| Brand Attachment Q | for brands and company names |
| Kids Product Q | children perception of brands and company names |

Source: SHAFER, H.: *New 'Dead Q Study' Now Available – Assessing the Value of Deceased Celebrities.* [online]. [2015-04-12] Available at: <http://qscores.blogspot.sk/2014/01/new-dead-q-study-now-available.html>

The chart "Dead Q-score measures 150 dead celebrities whereas each of them is evaluated through nationwide representative sample of 1400 adults and it is being collected during 2 years interval. Totally the "Dead Q-score database" contains approximately 1000 persons and there are also trends from previous studies from 1997 available.

In the following explanation it is appropriate to demonstrate similarity as well as differences between celebrities and delebrities. Although the models explaining functioning of celebrity endorsement in advertising mostly deal with living celebrities, they can be also applied to delebrities. The most famous models in this field are so called source models, particularly Source Credibility Theory and a model Source Attractiveness Theory. In practice there are two models frequently used, TEARS and No Tears that partly overlap and include three above mentioned models, too. In the following part we focus on TEARS and No Tears models.

The name of the TEARS model is an acronym for sub-attributes of credibility (T-trustworthiness; E- expertise) and attractiveness (A – Physical attractiveness; R – respect; S Similarity to the target audience). Various authors dealing with the usage of celebrities/delebrities as endorsers of brands/ products[24] are based on the assumption that there are two attributes present influencing the effectiveness

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24   SHIMP, T. A.: *Advertising, Promotion, and Other Aspects of Integrated Marketing Communications.* Mason : Thompson, 2007.
OHANIAN, R.: The impact of celebrity spokespersons' perceived image on customers' intention to purchase. In *Journal of Advertising Research*, 1991, Vol. 31, No. 1.

of such form or promoting: credibility and attractiveness. In the initial stages of research consideration in this field there was a dispute over which attribute is more prominent from the view of perception respectively if they are perceived as equally prominent. Based on this there were two models created: the model of Source Credibility Theory and Source Attractiveness theory whereas both elements were considered to be separate and to some extent as contradictory variations of the approach to the relationship of endorser-audience.

Source Credibility Theory is the oldest attempt to explain the functioning of celebrity endorsement. It was established in 50s and its creator is a psychologist Carl Hovland. The fundamental postulate of this model is dependency of successful communication on source quality. The general expression of this quality is so called credibility. The Source Credibility Theory is based on social psychology researches. The basis of credibility from its role point of view in the process of endorsement is an assumption that recipients will later accept the message they trust[25]. Credibility consists of two sub-attributes: trustworthiness and expertness. The first attribute of credibility, trustworthiness refers to reliability and integrity of a communicator, "…it is the ability of source to transmit respectable and impartial statements."[26] The second sub-attribute of credibility is expertness. This attribute refers to knowledge, experience or abilities of endorser and are in a relation to promoted brand. It is the ability of source to communicate valid and impartial[27] statements. If a communicator- referred to as endorser- is evaluated as credible by the audience there is a great assumption that advertising message will be perceived positively.

The second traditional model of celebrity endorsement is a model or Source Attractiveness Theory that was created by William McGuire[28] as a part of broader theory of Source Valence in 80s. According to this approach the basic attribute of celebrity endorsement is a source attractiveness whose persuasive role is based on an assumption that "provide its medium the possibility to successfully influence others especially because of the fact that people have a tendency to identify their opinion and attitude as well as the behaviour with those who are attractive for them".[29]

In the scope of attractiveness there are 3 subcategories distinguished: physical activity, respect and similarity. Endorser may be perceived by the audience as attractive for other reasons then being physically attractive. Perceived attractiveness may be reached through each of those attributes that does not

25  TELLIS, G. J.: *Reklama a podpora prodeje.* Praha : Grada, 2000, p. 256.
26  Ibidem.
27  BELCH, G. E., BELCH, M. A.: *Advertising and Promotion – An Integrated Marketing Communications Perspective.* New York : McGrow Hill, 2003, p. 175.
28  1985 in OHANIAN, R.: The impact of celebrity spokespersons' perceived image on customers' intention to purchase. In *Journal of Advertising Research*, 1991, Vol. 31, No. 1.
29  GRÁC, J.: *Persuázia: Ovplyvňovanie človeka človekom*. Martin : Osveta, 1985, p. 120.

explicitly mean that celebrities dispose with all of them simultaneously. On the contrary, disposal of some special attributes of attractiveness can represent high marketing-communicative potential of some of them.

Shimp[30] says about the approach "No Tears" whereas he implies the above mentioned TEARS model. While implying TEARS model the approach "No Tears" draws its attention to make the marketers be of no tears in the case of not appropriate celebrity choice mainly referring to high costs that has to be taken into consideration, as well as other possible dangers of promoted brand.

The basic imperative of positive celebrity acceptance by the target group is congruency between celebrity and target audience. It may be perceived more sensitively by some target groups than in the others. In general young target audience is more willing to identify themselves with their idols.[31]

Along congruency with target audience, while selecting a celebrity it is necessary to take into consideration the similarity between a celebrity and a product. Therefore, marketers require endorser's behaviour, performance and presented values to be in accordance with the image required or expected from promoted brand. Till[32] also supposes that the process of endorsement is much more effective if the size of congruency between endorser and a brand is high. To create an associative connection between the brand and an endorser is simpler, if perceived similarity exists.

The question on consideration of financial costs belongs to fundamental problems of marketing communication and together with higher urgency it cannot be ignored regarding the celebrity endorsement. Making decisions in this field is particularly risky because it is impossible to calculate the profit resulting from appointing a celebrity as an endorser of a particular brand.

The question on saturation is the next important factor that is necessary to take into consideration regarding the celebrity endorsers, while some authors consider this factor as a key one[33] for very effective communication. Sometimes there is a tendency- mainly in extremely popular celebrities- that a celebrity is engaged in promoting of vast number of brands. In this case it refers to multiple

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30   SHIMP, T. A.: *Advertising, Promotion, and Other Aspects of Integrated Marketing Communications*. Mason : Thompson, 2007.
31   Regarding the issue of young people and media or marketing communication, see: VRABEC, N., PETRANOVÁ, D.: *Nové vzory mládeže v kontexte mediálnej komunikácie.* Trnava : FMK UCM in Trnava, 2013.
32   TILL, B. D.: Using Celebrity Endorsers Effectively: Lessons from Associative Learning. In *Journal of Product and Brand Management,* 1998, Vol. 7, No. 6.
33   E.g. UM, N. H.: Exploring the Effects of Single vs. Multiple Products and Multiple Celebrity Endorsements. In *Journal of Management and Social Sciences*, 2008, Vol. 4, No. 2.

endorsement[34]. Another possibility of multiple endorsements is promotion of one brand/ products by various celebrities (under-exposure). Belch and Belch[35] indicate that advertisers are contractually protected by morals clause against celebrity overexposure endorsing their products. Morals clause is of preventive nature but in any case it does not guarantee the elimination of a particular factor. Regarding the endorsement of brands/ products it is necessary to consider the tendency of celebrity to get into trouble at the time of contract validity. Celebrity may be arrested, get into custody or be convicted. The celebrity endorsement is a part of broader communication context of a brand (at least being a part of advertising campaign and communication strategy), and possible negative medialization brings wide spectrum of problems. The example of a celebrity whose image underwent a radical change and whose activities destroyed the promoted brand is an ex-player of American soccer O.J. Simpson. However, the risk of trouble celebrity cannot be completely avoided. For instance, the great celebrity and an idol of young people, the American swimmer Michael Phelps was caught smoking marihuana and driving drunk. Celebrity may get into troubles suddenly and by coincidence like a sportsman Michal Martikán or TV presenter Rastislav Žitný who caused fatal car accidents.

## Conclusion

Nonliving celebrities evoke undeniable interest of media and the public. The phenomenon regarding their presence in our culture is manifested in many different ways. Delebrities are not considered to be an abstract, untouchable phenomenon, but functional practical concept. Their fundamental quality, which is their current physical non-existence, determines them to various ways of usage in advertising communication – similarly it refers to any type of endorsers. However, nowadays we are witnesses of the situation that the time unavailability is overcoming through its virtual re-creation. This issue is currently still of a new nature and its full consequences (including ethical, legal and also pragmatic) will be fully developed in the following decades.

Models explaining the process of celebrity endorsement may be clearly applied to delebrities as well. If credibility, attractiveness and expertness are considered to be traditionally most fundamental assumptions for successful functioning in the advertisement then we can assume delebrities are not at a disadvantage. Their credibility was deserved by their lives being a closed unit. Gradually the audience recognizes rather positive aspects of their lives, and the negative are mostly omitted. Delebrities being immensely successful in a certain field

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34  Tripp, Jensen, Carlson (1994) state that endorsement of more than three brands has negative impact on credibility of the celebrity endorser. This applies both to the most famous and less famous celebrities. Also Tellis (2000, p. 269) thinks that if a celebrity promotes more brands, specific quality of his/her image can be lost.

35  BELCH, G. E., BELCH, M. A.: *Advertising and Promotion – An Integrated Marketing Communications Perspective.* New York : McGrow Hill, 2003.

of human activities are suitable for the corresponding product categories as experts. Finally, delebrity attractiveness often overcomes living celebrities. In the charts of most attractive celebrities, delebrities also often appear. For example, among 25 most attractive men according to Bazaar magazine there are six delebrities present.[36] Their indisputable advantage is their "time conservation" that especially refers to delebrities who passed away in relatively young age (Marylin Monroe, James Dean).

As many various works imply[37] especially perceptive group for advertising communication using celebrities are individuals of young age. At first sight it may seem that communication among them through delebrities will not be possible because it is not possible to iniciate appropriate size of congruency between a delebrity and this particular group. Among living idols (currently successful musicians, sportsmen and sportswomen) the mentioned age segments have a tendency to identify themselves with some delebrities. Mentioning Bob Marley and Che Guevara. However, the people of cohort baby boomers age obviously the most identify themselves with delebrities. For this age segment the communication through delebrities seems to be potentially most appropriate. The second type of congruency stated together with the No Tears model is the celebrity similarity to a particular brand/ product. At this point there is a room left for creativity of advertising creators to model such connection in a certain advertising spot.[38]

The question on delebrity saturation is not that urgent as it is in the area of living celebrities. At present delebrities are not only used in the area of advertising so frequently that it may damage the image of brands/ products endorsed by them. Explicitly critical aspect of celebrity endorsement is the issue of the factor of cooperation difficulty and celebrity proneness to get into troubles. These factors are not fully foreseeable. In some cases the celebrity causes the company a trouble situation intentionally or by various misfortunes that deforms the celebrity image. In these particular areas it is possible to locate one of the most fundamental advantages of delebrities: those are non-living concepts that can be dealt variously. It is necessary to state that the delebrity image may change for example by disclosing of different information about their lives. In practice it is hardly possible to spot the complete celebrity image transformation through disclosing scandalous information. It rather seems that delebrities have a tendency to keep their positive image respectively improve it during their post

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36  *Heath Ledger, Paul Newman, Joe Strummer, Steve McQueen, Marlon Brando, Rock Hudson.* [online]. [2015-06-16] Available at: <http://www.harpersbazaar.com/ culture/features/g4612/hottest-men-of-all-time>.

37  SHIMP, T. A.: *Advertising, Promotion, and Other Aspects of Integrated Marketing Communications.* Mason : Thompson, 2007.
PRINGLE, H.: *Celebrity Sells.* Hoboken, New Jersey : John Wiley & Sons, 2004.

38  To the problem of creativity in the field of advertising and marketing communication, please see Fichnová, 2013.

mortal lives.[39] At last, the question of ethical aspect arises regarding the usage or misusage of an individual with the aim of sale and profit. Paradoxical situation occurs; a man loses everything he owns, including his own identity that may further live and "sell" forever stuck, circling in the period of the greatest fame and beauty so it becomes immortal.

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39    Fully knowing a specific position of J. V .Stalin in Russian/Soviet history, it is possible to demonstrate tendency of positive image on this example. Although there are many clear proves confirming his brutality, his image is perceived rather positively in current Russia.

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# THE ERA OF SEGMENTED MARKETING AND POLYPHONIC BRAND IDENTITY: THE TATRA BANKA RYTMUS FINANCE ACADEMY CAMPAIGN. A CASE STUDY

## *Pavol Minár*

**Abstract**
The paradigmantic shift brought by the social media is not expressed only in a totally connected society, but also in the acceleration of creating communities and groups that share their "own worlds", values, ideologies, or needs and desires, disconnected from other groups, communities or segments of population. Therefore, current totally connected society is not homogenous, but is also segmented and fragmented. This phenomenon influences human life-strategies, and, of course, marketing, marketing communication and advertising, too. Goal of the text is to show that in the current segmented and fragmented world, in which different segments of population exist in a parallel way side-by-side, rules of integrated marketing communication and 360° branding do not apply any more, since they lost their relevancy. Brand, in order to be relevant in the segmented and fragmented society, must give up talking monologically to the consumers and stop presenting them one brand meaning. Instead, the brand needs to communicate dialogically with the consumers, inspire their participation in the brand narrative and to invite them to co-produce multiple brand meanings – the ones always specifically relevant to different segments of consumers. This a beginning of the era of segmented marketing and polyphonic brand identity.

**Key words:**
Polyphonic branding. Segmented and fragmented society. Segmented marketing. Social media. The end of integrated marketing communications.

## Introduction

The goal of the paper is to show at the analysis of Tatra banka's campaign *The Rytmus Finance Academy* that it is a representative example of the new era in marketing, marketing communication and advertising, the era in which 360° branding and integrated marketing communication have lost their relevancy and validity and do not work anymore. If the brand doesn't want to become irrelevant – at least for certain part of this fragmented world, the one that sees the current brand meaning as not being relevant – it needs to embrace the new paradigmatic changes in society, culture and values. Those changes have created the era of segmented marketing and polyphonic brand meaning, in which various different brand meanings can simultaneously co-exist side-by-side without damaging the brand, but, on the contrary, helping it: it will make the brand more attractive and relevant for very different population segments with very different needs, desires and attitudes in the same time.

# 1 Methodology

Tatra Banka's campaign *The Rytmus Finance Academy* – its strategy, communication goals and solutions and results – is analysed and interpreted in a broader social and cultural context by using various sources of data, information and insights (domestic and foreign researches, and cultural, social and sociological studies). The broader social and cultural picture, which will thus be constructed, will show us that the campaign indicates and highlights the need to reconsider the mainstream concept of integrated marketing communication in the academic as well as in practice (commercial, business) marketing.

**Tatra Banka's *The Rytmus Finance Academy*[1] campaign – goals and results[2]**

In the spring and early summer of 2013, Tatra Banka introduced its online campaign (with minority support on the radio and "out of home" media: stickers in secondary schools) called *The Rytmus Finance Academy*. In demographic terms, young people aged from 15 to 26 were the wider target group. The narrower and primary target group were people in the *Teenager segment* (15-19).
The marketing goal was to open 4,000 new student accounts (Tatra Personal Academy service package) during the whole campaign. In terms of weekly averages, the campaign's aim was to double – and more – the average weekly growth, so as to achieve more than 360 new accounts (the weekly average during the campaign's eleven weeks), compared to 138 new accounts previously (the weekly average before the campaign).

During the campaign, the www.tatraacademy.sk had 630, 240 visits, of which 370,474 were unique visitors. The Facebook page for *The Rytmus Finance Academy* recorded 613,054 visits, of which 363,508 were unique visits. There were 23,571,442 page views and 29,633 fans ("Likes"). There were 51,258 registered players in *The Rytmus Finance Academy*, of which as much as 91.5% were from the 15-26 target group, and 67% from the 15-19 target group. The correct targeting of the campaign is shown by the fact that the number of people who knew and liked the campaign grew significantly the younger their age.

Over the course of *The Rytmus Finance Academy's* eleven weeks, up to 20,204 accounts were opened, which means that every second or third registered player opened an account with Tatra Banka (the conversion ratio was 1 to 2.54). The target of 4,000 new accounts (360 per week) was met during the campaign's first two weeks. An average of 1,836 accounts were opened each week (13.3 times more than before the campaign). The campaign's target was thus met by 510%.

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1    *Tatra banka campaign The Rytmus Finance Academy (case video).* [online]. [2015-10-09]. Available at: <https://www.youtube.com/watch?v=ePeOB21LACM&feature=youtu.be>.

2    *The Rytmus Finance Academy. EFFIE Slovakia 2013 application.* [online]. [2015-10-09]. Available at: <http://www.effie.sk/wp-content/uploads/2013/11/Rytmusova%20financna%20akademia.pdf>.

The real media costs for the campaign were 188,092 euros. The amount placed on the new active accounts opened during the campaign was 2,773,386 euros. Tatra banka's market share in the *Teenager segment* rose from 5% to 10% in eleven weeks.

Since the reward for correctly answering all the questions in the game was 30 Euros, it is important to know how many people were drawn in only by this financial motivation. The number of accounts in which the holder only withdrew the bonus was 3,648, which is 18.1% of all new accounts opened during the campaign. Inactive accounts, i.e. those where no deposit or withdrawal was carried out, totalled 624 (3.09%). *The Rytmus Finance Academy* stirred up a certain amount of controversy on social networks, when some of Tatra banka's clients declared their intention of leaving Tatra banka, mainly because the protagonist behind the whole project, who is a "divisive" figure.[3] The reality was different, however. The average number of accounts closed by customer request during the campaign and following it actually fell slightly. The predictions by certain communication and marketing experts about the negative impact of the campaign on the brand and on its commercial results were not confirmed either[4].

*The Rytmus Finance Academy* campaign by the Zaraguza SK advertising agency won two silver EFFIE awards in the EFFIE Slovakia 2013 contest for efficient marketing communication and was the most successful online campaign in the history of Tatra banka, for whom it was worth its weight in gold[5].

**Tatra banka and Rytmus?**

Tatra banka, a brand with the image of a "high-end" bank for successful, ambitious professionals, which had long communicated its technological innovations using its typical dark blue glass-and-steel glamour style, joined up for its *call-to-action, recruitment* or *hard sell* campaign with Rytmus, a well-known but controversial celebrity who is quite obviously outside the sector of the bank's "dignified" and "respectable" communication.
How was this possible? Why did it happen? And why was the campaign so successful?
In order to answer these questions, we need to look first at the whole Slovak banking market.

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3   Brand „word of mouth"on social networks in the banking sector is analysed by ŠPERKOVÁ, L.: Word Of Mouth Analysis On Facebook In Banking. In MATÚŠ, J., PETRANOVÁ, D. (eds.): *Marketing Identity. Explosion of Innovations.* Trnava : FMK UCM in Trnava, 2014, p. 236-252.

4   Špecialisti sa zhodujú: *Reklama s Rytmusom je šliapnutie vedľa!* [online]. [2015-10-09]. Available at: <http://www.cas.sk/clanok/246552/specialisti-sa-zhoduju-reklama-s-rytmusom-je-sliapnutie-vedla.html>.

5   *Striebra z EFFIE majú pre nás hodnotu zlata.* [online]. [2015-10-05]. Available at: <http://www.tatrabanka.sk/tlacova-sprava/5149048/striebra-z-effie-maju-pre-nas-hodnotu-zlata.html>.

**Universal banks *vs.* banks in a *niche* ghetto**

The Slovak banking market is small and limited, a situation which has important consequences for banks' commercial, marketing and communication strategies. This is why from the point of view of the numbers and financial standing of their clients it is banks with a universal positioning that are the most successful in Slovakia, those that do not try to meet the needs only of limited population segments, and have a more or less central positioning in the implicit space mapping out the in-depth needs of consumers. In the Slovak banking sector, this is a strategically advantageous positioning which gives banks the opportunity to be equally close to all population segments and thus to meet their specific needs in the financial market, while also being able to "serve" other population segments.
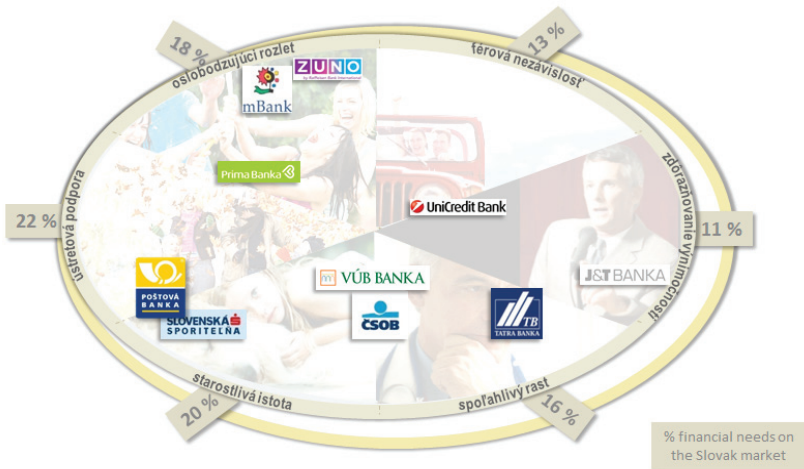


**Picture 1: Positioning of bank brand in the implicit space of financial needs[6]**
Source: *LifeStyle Finance – NeedScope.* TNS Slovakia 2013.

In marketing and business strategies, implicit space maps are usually read so that the further the brand is from the centre of the implicit space, the more strongly-defined and clear-cut it is, and thus all the better for it in terms of its market activities. In principle, this is the correct reading for such data, and it is valid for many categories of products and services not only across the world, but also in the Slovak market in general. The Slovak banking market, however, is rather peculiar in this respect and the brands of banks active within it have gradually learnt that a universalist positioning is more advantageous for them than a specifically defined one. A strictly differentiating strategy has the potential

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6     *LifeStyle Finance – NeedScope.* TNS Slovakia, 2013.

to reach relatively quickly the ceiling of its commercial opportunities, given the relatively low number of clients as well as *prospects* (potential clients): if a bank decides to serve only certain population segments within the limited Slovak banking market which does not have a particularly high capital, then it runs the risk of confine itself to a niche segment with doubtful opportunities for growth and also with potential mental barriers preventing the entry of prospective clients from segments other than the niche segments served (potential clients may have a problem identifying with the products, services and values of such a specifically differentiated bank). The bank then finds itself in a *niche ghetto*[7].

These are the most important reasons why specialised and originally rather ambitious banks (for example Prvá komunálna banka or Poľnobanka) are no longer active on the Slovak banking market, or why specifically corporate banks have either left (e.g. Crédit Agricole), or play an effectively negligible role (e.g. Citibank). Our major bank, Slovenská sporiteľňa, tries to make its basic narrative line "*for the whole family/ for all members of the family*" more universal by using various tactical campaigns and product innovations focused on specific population segments. Otherwise, it would limit itself to being a mass bank, but one for population segments with relatively low financial credit, which is a disadvantageous position in the long term. Poštová banka has been trying to shed this image for a long time (and not very successfully); from the point of view of market logic, it is trying to get rid of its "niche ghetto" of a *bank for village pensioners* and become a more universal bank.

VÚB bank's concept of *regular guys – billboard posters* which was a communications and commercial success brought on the one hand interesting commercial results; at a time when the economic and financial crisis was beginning to have an impact, VÚB bank managed to differentiate itself with this "regular guy"[8] narrative, as opposed to the banking "wolves of Wall street" and the financial lords of the world in expensive suits who – as consumers saw it – not only brought about the crisis but were also unable to predict it or recognise it when it broke out. However, on the other hand, this narrative gradually began to create a meaning which after a while slowly shifted the brand from the centre towards the edge of the implicit space, deeper into the territory of the mass market, thus distancing it in terms of mentality and values from those consumer segments, often with better financial credit, with different needs and values than the mass market.

7    FRANZEN, G.: *The Science and Art of Branding*. New York, London : M. E. Sharpe, 2009, p. 186.
8    "The Regular Guy/Gal demonstrates the virtues of simply being and ordinary person, just like others... The Regular Guy/Gal hates artifice, hype, and people who put on airs. The Regular Guy/Gal brands, therefore, almost always have a down-home, no-nonsense quality to them that makes them seem genuine." MARK, M., PEARSON, C. S.: *The Hero and the Outlaw.* New York : McGraw Hill, 2001, p. 165-169.

The social, value-based and economic atmosphere also partially contributed to this shift; the fading away of the crisis and an improved mood in society[9] weakened the relevance of the *regular guy* narrative. This is why VÚB bank recently decided to re-position itself as a universal central bank which will equally close to all segments in the banking market, which is being communicated by the universally well-known and widely-accepted Petra Polnišová as the main face of the bank's advertising and communication.

To complete the picture, it would be appropriate to mention the acutely niche, specialised J&T Banka. This *rich man's bank* is a relative newcomer, which is why it is difficult to say how successful it will be. However, its commercial strategy is already a clear combination of *price promotion* and *cross-selling*, or *cross-subsidization[10]*: J&T Banka offer relatively high interest rates on relatively high deposits (price promotion) and also gives benefits, attractive prices or other advantages which clients can use in other business units and facilities in the J&T empire (cross-selling, cross-subsidization). This is a rational business strategy, if its objective is, for example, to fill unoccupied hotel rooms or develop customer loyalty for a particular ski resort and thus fight the competition in the tourism sector. Whether and to what extent this lowers the commercial performance of these *subsidised* business units is another question. De facto, in J&T Banka's case, this is something other than a purely banking business model, from a commercial point of view, whereas the other players on the market are "pure" banks.

## 2 House of brands – the pluralist strategy of Raiffeisen Bank International on the Slovak market

In the context of the development of the Slovak banking market, Tatra banka's trajectory is very interesting. In the 1990s, it wanted to be an alternative (qualitative, technological, with its level of services, in customer relations etc.), to the then "old", "slow", "un-modern" former state banks that were thus unattractive to part of the population. It achieved this target with the narrative *The best follow us*. This is how Tatra banka marked and defined its positioning on the Slovak banking market, differentiating its brand from the competition. As *the best bank for the best*, it became attractive for the newly-developed higher income and socio-economic segments of the Slovak population, and for the then-developing corporate banking. From this point of view, it was a successful strategy which brought in affluent clients with financial credit. Effectively, this

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9     Life-satisfaction index has been growing in the Slovak society. *Lifestyle 2008-2015.* TNS Slovakia.

10    "Cross-subsidization invites price cutting or new product introductions by competitors against the items priced artificially high." PORTER, M. E.: *Competitive Strategy.* New York : Free Press, 2004, p. 242. "Cross-subsidization of competitive initiatives in one market using profits from other markets involves predatory pricing – cutting prices to the level that drives competitors out of business." GRANT, R. M.: *Contemporary Strategy Analysis.* Chichester : John Wiley & Sons, 2014, p. 330.

strategy is still continuing consistently, with Tatra banka profiling itself as an innovative leader for a rapidly changing world; the brand's current motto is *Innovations which change your world*. This can be seen in its image and in its client base: Tatra banka is used above average by young people (aged under 45), who are better educated, come from towns with a population of over 20,000 and with an above average income, who are trying to be successful in life and who are open to novelty and change. This concerns 12.1% of the Slovak population, of whom 8.8% consider it as their main bank[11].

This strategy, however, has its *side effect* or *unintended consequence*: Tatra banka has not become a bank for the masses (its services are used only by 12.1% of the Slovak population). For a significant number of consumers, it has created and creates a mental barrier against entry. In the past, the barrier was the lack of identification by certain consumer sectors with the brand meaning of *for the best*. Many consumers at the time perceived Tatra bank as a *yuppy, individualistic, "early Capitalist"* brand, which is not for them, because it does not match their values. Alongside the persistence of this perception (it seems that the created meaning of the brand can last a relatively long time), the high level of "hype"-technology is at present a barrier in terms of products: it can create in some population segments a feeling of all these technological "gadgets" being complicated, unclear and often pointless, and a barrier in terms of values: an aversion to joining in a permanently *changing world* and giving preference to *stability, constancy* and *comprehensibility* in the world.

For Tatra banka, this is nothing new. In the past, it already tried several time to re-position itself closer to *"mass" retail banking*, but it was never a complete success. Consumer reactions show the persistence of the perception and "cementing" of Tatra banka in the position of a delimited and specific bank, but one in no way universal. Raiffeisen Bank International, the majority owner of Tatra banka, had to use the strategy of *house of brands*[12] and *pluralistic brand architecture*[13] to address other population segments with another portfolio of needs and other values in a relevant way, and had to begin operating up to three independent brands on the Slovak markets: alongside Tatra banka, this includes Raiffeisen Bank for the "mass market" and ZUNO for internet banking. Raiffeisen Bank, with its brand meaning of *A bank for a simpler life* is a direct alternative

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11    Information and data come from the research *Media Market Lifestyle.* MML-TGI, 2W/2015.

12    "In the branded house, all activities carry the corporate brand; in the house of brands, the business units carry their own brands." FRANZEN, G.: *The Science and Art of Branding.* New York, London : M. E. Sharpe, 2009, p. 412. See also MOOTEE, I.: *60 Minute Brand Strategist.* Hoboken : John Wiley & Sons, 2013, p. 136-139.

13    "In this scenario a parent has a series of products that are well-known consumer brands. All marketing resources are focused on selling these brands to their specific target markets. The name of the parent may be either invisible or inconsequential to the consumer." WHEELER, A.: *Designing Brand Identity.* Hoboken : John Wiley & Sons, 2006, p. 43.

to *Innovations which change your world*. Simplicity and a bright, warm and kind world with Grandpa Jozef, Bambuľka and a smiling bank clerk is a narrative about humanity, certainty, guarantees and an uncomplicated kind world, while in Tatra banka's glamorous dark blue/glass and steel world, people hardly ever appear and the main hero is technological innovation. This *pluralist* strategy is an example of how demanding in marketing, commercial and financial terms the over-narrow profiling of a brand is; it "cost" Raiffeisen Bank three independent brands, which increases "operational costs" too much, as shown by the ongoing sale of ZUNO bank.

## 3 Tatra banka and strategic new clients

Tatra banka itself, however, needs new clients. The target group of young people has become strategic from this point of view. The *Teenagers, Youth* and *Young Adults* segments are very valuable in marketing terms. Today, these are the very people who create and shape social trends, which gives them important *consumer influence*[14] – they are able to influence in terms of consumer and shopping habits not only their peers, but also other people from their social circle (e.g. their parents and active grandparents when making decisions on technological equipment for mobile or internet communication). *Teenagers, Youth* and *Young Adults* are the Holy Grail for marketing, because they are impulse buyers; they are more willing to spend money, and compared to older and more experienced population segments, they are less prone to prudent consumer behaviour. And they are people, because of their young age, whose lifestyle and consumer habits are just being shaped.

In the sector of banks and financial services, it can be seen that when people, regardless of age, begin a relationship with a bank, and the bank becomes their main bank, it is likely that they will remain its clients for a relatively long period of time. This is why it is very important strategically for a bank to win over clients as early as possible, at a young age if possible, so that they can use and think of this bank as their main bank in the near future.

**Banks and young people: a bank on the move, from brand to *payment portal* and the lack of interest in advertising fed by off-line media**

The world of banks and banking, however, is very distant from young people, too "institutional", "grown-up", serious and very, very boring, so banks effectively do not belong in their world. This is also supported by the fact that current technologies and the new life strategies brought along by these technologies change the very concept of banking. People in effect no longer have any reason to go to a bank; they deal with their finances online and as a result of this consumer

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14   O'REILLY, T., TENNANT, M.: *The Age of Persuasion.* Berkeley : Counterpoint, 2009, p. 78.

experience, which is reduced in the long term to a computer screen, tablet or smartphone, the bank becomes something like a *payment portal*. This perception of the once "elevated" and "esteemed" banking category is aided by the non-banking competition present in payments (e.g. PayPal, Apple Pay, Android Pay etc.), as well as in loans (peer-to-peer investments and loans) which have the potential in the near future of becoming the greatest threat to the whole banking sector. "M-payments [mobile payments, author's note] are increasing at a rapid pace with non-banks slowly increasing their share of the transactions. In the period 2011-2015, m-payments are expected to grow by 60.8% to 47.0 billion transactions. Non-banks will increase their share of transactions from 1.1 billion in 2012 to 7.0 billion in 2015"[15]. Young people know how the *marketing machine*[16] works; they understand perfectly the language of media, they can identify advertising strategies and are turning away from traditional, offline media fed by advertising, and are creating their own communities on social networks with their own values, language, needs and ideology[17]. So how can we interest them in becoming clients of Tatra banka?

**The connected world has created a segmented society.**
**Has it put an end to integrated marketing communication?**

A standard communications solution in line with the concept of *integrated marketing communications* (IMC) and its "*advertising placed across media in a complementary and harmonious manner*"[18] would, in Tatra banka's case, have been a campaign developing the brand's main meaning, that is *innovations which change your world*, with media targeting on young people and the *Teenager segment*. Potential communication, had it gone in this direction, would have had to respect (in a *complementary, harmonious manner*) the above-mentioned very focused brand position and narrative to avoid risking the "collapse" of a *360 degree* or *integrated* communications system. However, this would have almost definitely made it irrelevant to the campaign's target audience in terms of their lifestyle, values and media consumption (it would have been off their *radar*[19]), or would have been very costly in media terms; the campaign would probably have required large media spending in order for Tatra banka to *enter the radar* of the *Teenager* target group as part of its standard communication.

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15  *World Payments Report 2014.* Campegnini & RBS, 2015, p. 5.
16  "Young people...are media savvy enough to know how the marketing machine works." O'REILLY, T., TENNANT, M.: *The Age of Persuasion.* Berkeley : Counterpoint, 2009, p. 76.
17  *Lifestyle 2008-2015*. TNS Slovakia. *Trendbook 2013/2014.* Strategy Network : Pernod Ricard, 2015. FROMM, J. , GARTON, CH.: *Marketing to Millenials.* New York : AMACOM, 2013.
18  SHARP, B.: *Marketing. Theory. Evidence. Practice.* Melbourne : Oxford University Press, 2013, p. 417.
19  The concept of a *consumer radar* was formulated by BOND, J., KIRSHENBAUM, R.: *Under the Radar.* New York : John Wiley & Sons, 1998.

At the same time, the campaign would have had to deal with a very frequent dilemma for brands which see *IMC* as a self-evident and indeed the only option for their strategy: how to make the brand relevant to the new target group, that is how to gain new users from different population segments without discouraging or putting off existing users. This dilemma, reminiscent of Catch 22, will always appear with a traditional *IMC* concept, since its ambition is "*to ensure cohesion and the delivery of a single-minded message to the target audience.*"[20]

*Cohesion, message* or *target group*: the importance lies in the singular. IMC works with the assumption of *one* target group to whom we need to communicate *one* message in order to create *one (cohesive)* brand meaning. The dynamics of the contemporary world, however, give us good reason to talk about *several* target audiences which exist concurrently and in parallel, each of which perceives and helps create their own brand *meanings*, and this means that several brand narratives are required, which makes the *harmonising, integrating* and *synergising* attitude of IMC more problematic.

One of the consequences of these mega-trends which shape our contemporary world is the growth of a *segmented society*. Social networks on the one hand enable people to connect in such an unprecedented manner, quantity and intensity that this creates the conditions, according to Kevin Kelly, for the creation of a new type of culture: *a new socialism* and *new collective worlds* of radical, mutual equality, connections and joint *wiki* and *commons*[21]. However, social networks with their community principle cause a further effect, too: they also create mutually unconnected, closed communities living in parallel, which share *their* values, information, statuses and "worlds" which often do not overlap with the "worlds" and statuses of other communities. Social networks accelerate, or accentuate the segmented state fragmentary character of contemporary culture[22], and this is the case even if we realise that one person can appear in parallel in various worlds and social groups (work, family, hobbies, sport, politics etc.). And this is another reason why the world of users of serious banking is dramatically different from the world of young people, which is in turn even more different among *Teenager segment*.

20 YESHIN, T.: *Integrated marketing communications.* In BAKER, M. J., HART, S. J. (eds.): *The Marketing Book.* Oxford : Elsevier, 2008, p. 330.
21 KELLY, K.: *The New Socialism.* Wired, p. 120-125, 2009.
22 This subject has been analysed, for example, GODIN, S.: *We Are All Weird: The Rise of Tribes and the End of Normal.* New York : Portfolio, 2015. GODIN, S.: *Tribes.* London : Piatkus Books, 2008. LEVINE, R. et. Al.: *The Cluetrain Manifesto.* New York : Basic Books, 2001. RUDDER, CH.: *Dataclysm.* New York : Crown Publishers, 2014. RUDDER, CH.: Race and Attraction, 2009-2014. [online]. [2015-10-09]. Available at: <http://oktrends.okcupid.com/>. TURKLE, S.: *Alone Together.* New York : Basic Books, 2012. SCHMIDT, E., COHEN, J.: *The New Digital Age.* London : John Murray, 2013. URBAN, T.: *Why Generation Y Yuppies Are Unhappy.* [online]. [2015-09-10]. Available at: <http://waitbutwhy.com/2013/09/why-generation-y-yuppies-are-unhappy.html>. Topic is extensively analysed also in the chapter *Generation Identity.* In MATÚŠ, J., PETRANOVÁ, D. (eds.): *Marketing Identity. Design That Sells.* FMK : Trnava, 2013, p. 91-213.

Awareness of the *segmentation and fragmentation of society* led the creators of *The Rytmus Finance Academy* campaign to decide to build their campaign exclusively on the values and rules of the target group's world, regardless of how the Tatra banka brand has been built up and is positioned, and of who its users are. This means that they left Tatra banka to carry on communicating to its usual target group in their majority communication using exactly those approaches (consistent, cohesive and integrated) which they have been using for a long time. From the very fact that this usual, majority communication by the brand is irrelevant and *invisible* (being *off the radar*) for the *Youth* or *Teenagers* target audience, they drew the conclusion that the latter need to be addressed in a different way, and that a *different narrative, a different message* and *a different brand meaning* need to be created, while the nature of the segmented society means that these two segmented communications will not intersect or collide, since they will be existing in different worlds which do not meet.

**From *presentation* to *participation* or from talking *to people* to talking *with people***

The changes which have taken place in our contemporary culture have brought seismic shifts and paradigmatic changes into marketing, advertising and communication. One basic, fundamental change is the shift of marketing and advertising from *presentation*, which has been the basic approach of advertising since its creation, to *participation*, which has been brought about by a connected, "new socialist" culture, where people no longer want the brand to talk *to them*, but to talk *with them*.

Before social networks, marketing with its presentation advertising was an era when the brand was in control – communication was *a presentation*, a monological one-way persuasion and *unsolicited disturbance* (for example during watching a favourite film or sports game). The brand *stole*, or used – or misused – a public belonging to someone else (e.g. a television channel). The consumer was a passive consumer of the medium and thus of the advertising. Today, the consumer is in charge, and s/he decides when, what, where and how s/he will watch and what or how s/he will pay attention to. For this reason, contemporary advertising is about *dialogue* and *participation*, during which the brand creates its *own public* (branded content) and where the *consumer* is a *co-creator*, an active participant and *co-producer*; this often takes place with the simultaneous use of different screens with different content.

For these reasons, the creators of *The Rytmus Finance Academy* chose an interactive game which intensively engaged participants and offered them an *attractive, gamified*[23] *branded content* which was nonetheless very closely linked

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23  Similar topic is analysed by KOSZEMBAR-WIKLIK, M.: Marketing Communication With Generation Y – Advertising, Games And Social Networking. In MATÚŠ, J., PETRANOVÁ, D. (eds.): *Marketing Identity. Explosion of Innovations.* Trnava : FMK UCM in Trnava, 2014, p. 298-309.

to banking, finance and the world of money, and had an important educational dimension. It was not just fun for fun's sake. And instead of a one-way, monological presentation of the benefits of Tatra banka, it was about the *mutual participation of consumers* and the *brand* and their repeated and voluntary interaction.

Naturally, the most important decision in the whole project was to choose the protagonist of the academy. Rytmus was a guarantee of awakening interest in the target group. And once again it has to be pointed out that just as the game was not about fun for fun's sake, unrelated to the financial and banking theme, in the same way the choice of Rytmus was not just about any celebrity known for his well-knowness[24]; Rytmus likes talking about money and wealth, and shows off his financial success. This is why he became a "qualified expert" for the finance academy.

## 4 The Rytmus Finance Academy – the archaeology of a success story

The key reasons behind the success of *The Rytmus Finance Academy* are as follows:
• The perception of a segmented and fragmented society allowed Tatra banka to leave its standard brand marketing and communication space, and step outside its niche position, which is irrelevant and thus makes the brand invisible to the young target group, and the *Teenager segment* in particular.
• The potentially boring presentation of the bank for the target audience was replaced by an attractive participation-based branded content.
• The one-way, ordinary call-to-action communication of a recruitment or hard-sell advertising campaign, which gives the consumer a passive role was changed into an active, interactive and voluntary consumer involvement, where the sales and business aspect were not damaged in any way or did not fall, quite the opposite, as the commercial results show.
• The campaign is an example of *experience-based marketing*[25]: it gave the consumer a fun and attractive opportunity to experience banking, finance and money management subjects in an authentic way; this *inherent dramatization of the banking product*[26] is probably one of the main reasons why players actually opened a bank account in such numbers.

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24　"The celebrity is a person who is known for his well-knowness." BOORSTIN, D. J.: *The Image.* New York : Vintage Books, 2012, p. 57.

25　A classic on experience marketing is SCHMITT, B., SIMONSON, A.: *Marketing Aesthetics.* New York : The Free Press, 1997.

26　M. Mark a C. S. Pearson use the term "archetypal dramatization": MARK, M., PEARSON, C. S.: *The Hero and the Outlaw.* New York : McGraw Hill, 2001, p. 20-21.

**A lesson to be learnt or: What does the success of *The Rytmus Finance Academy* campaign mean for contemporary marketing and advertising?**

**The era of new, segmented marketing and *polyphonic* brand**
In the society fragmented and segmented by social networks and social media, there exist parallel worlds which do not meet, with their own values, ideologies, media, communication channels and contact *touchpoints* with the brand. In this society, the nature and approaches of branding, marketing and advertising also change. The traditional concepts of a single, harmonising, synergic and ever-consistent brand narrative, spreading over a 360 degree universe, and of integrated marketing communication not only cease to apply, but can even become counter-productive for a brand.

Had Tatra banka applied them in this campaign, they would probably have spent a relatively large media budget, without necessarily reaching the target group to such an extent and with such commercial success as was the case with *The Rytmus Finance Academy*. This is often, incidentally, the fate of the campaigns of brands which find themselves in a Catch 22 situation: to become attractive to *prospective clients*, and to work on the relationship with existing clients, while following the principles of *IMC*.

It is possible that the era of *segmented and fragmented marketing* is upon us, an era in which several different *narratives* exist parallel to each other, which the brand creates with the interaction of its various target groups (user segments); the brand and consumers thus co-produce various brand meanings, each with its own relevance for its own target group. Let us call this type of branding *polyphonic*.

I have adapted the term of *polyphonic branding* from the work of the Russian cultural and literary theorist M. M. Bakhtin, who considers the specific feature of F. M. Dostoyevsky's novels to be their polyphony compared to the monologue of the conventional forms of the European novel:
"A plurality of independent and unmerged voices and consciousnesses, a genuine polyphony of fully valid voices is in fact the chief characteristic of Dostoevsky's novels. What unfolds in his novels is not a multitude of characters and fates in a single objective world, illuminated by a single author's consciousness; rather a plurality of consciousnesses, with equal rights and each with its own world, are combined but not merged in the unity of the event[s he depicts]... Dostoevsky created the polyphonic novel. He created in effect a new type of novel... As a result all the elements of the structure of the novel are excessively distinctive. They are all determined and limited by this new artistic task... the task of creating a new polyphonic world and breaking up the fixed forms of the European – monologues (homophone) novel."[27]

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27   BACHTIN, M. M.: *Dostojevskij umělec.* Praha : Československý spisovatel, 1971, p. 11-12.

At present, Tatra banka continues in its majority communication with the brand meaning *Innovations which change your world* and has launched several further campaigns following *The Rytmus Finance Academy* which respect a segmented society (and do not respect *IMC*). It can be considered as evidence that *polyphonic branding* does not have a negative impact on the brand, quite the opposite: it opens up new opportunities to connect with clients.

## 5 Kofola

Another example of a brand from the new era of *segmented marketing* and *polyphonic branding* is Kofola, which for several years has separated the communication, narrative and meaning of Kofola on tap and in a 0.5l PET bottle. In the spring and summer of 2015, it launched at the same time two exceptionally highly differentiated and disintegrated campaigns from the point of view of integrated marketing communication: Kofola on tap communicated using its long-term narrative *When you love him/her, there's nothing you can do about it* (Skala[28] campaign) and Kofola in a 0.5l PET bottle with a lisping dog (*Fofola*[29] campaign), which met with a phenomenal communication and breath-taking commercial sales success. This even inspired Kofola to take a very risky step from the point of view of traditional marketing and branding: it launched on the market the special edition 0.5l PET bottles with a modified brand name: Fofola. From this point of view, Kofola can be seen as a very interesting example of *segmented marketing* and *polyphonic branding*.

**Historical excursion**

It will be interesting to mention, that probably the first, although unintended, usage of *segmented marketing* and *polyphonic branding* goes back to 1986. Hip-Hop band Run DMC is considered to be one of the Hip Hop pioneers. The Adidas tracksuit and shell toe Superstars (always laceless) became part of the band's image. It was Run DMC who made a significant contribution in bringing sneakers and sportswear from the courts and sport arenas to the streets. Run DMC even wrote a song called "My adidas".[30] Their fans started to wear Adidas, too. Sales were growing significantly among Hip-Hop and Rap fans and communities. But, this everything was happening totally without any "contribution" or intention of the Adidas company or brand. On the contrary, Adidas people were literally very surprised, given the unexpected sales growth. This can be called

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28 *Kofola, kampaň Skala.* [online]. [2015-09-05]. Available at: <https://www.youtube.com/watch?v=pxL7Tk9mhMY>.
29 *Kofola, kampaň Fofola.* [online]. [2015-09-05]. Available at: <https://www.youtube.com/playlist?list=PLP6VvrEsjIBsAKfKxfkBywebftAqC6u7E>.
30 *RUN DMC. My Adidas.* [online]. [2015-10-12]. Available at: <https://vimeo.com/2986384>.

a *brand hijack*[31] – the consumers' spontaneous activity resulting in taking control, at least partially, over the brand without any intention done by the brand itself.

Shortly after the Run DMC show at Madison Square Garden, which was attended by Adidas marketer, the company signed a contract with the band and Adidas started the product line specifically designed for the Hip-Hop and Rap scene, which was totally independent from the Adidas mainstream products, communication and brand meaning.[32]

**Certain market categories (for certain consumer segments) are becoming commodities**

The changing nature of banking, when a bank becomes in effect a payment portal and non-banking payments or peer-to-peer investments and loans take on more relevance, may mean that in the banking segment, a paradigmatic breaking-point will occur: the *commoditising and weakening of the importance of the brand and branding*. As well as the fact that this is an apparent social trend (peer-to-peer is a direct product of the *New Socialism* generated by social networks), banks are also partially responsible themselves, since they taught consumers that their products are in fact *parity products* in terms of product attributes (in consumers' perception, a loan is a loan, a mortgage is a mortgage), and the only differentiator is a number – the rate of interest rate – according to the dominant communication in the banking sector. If the difference is only in the price, and otherwise everything is the same, the brand loses its significance and the category turns towards a commodity. This will have important consequences on branding, marketing and the banking business model. We have to see from this point of view that the high level of usage and attitude preferences for the ZUNO brand in the *Carefree (youth* segment)[33] is related to this brand's basic *product* attribute: it is for them the optimal "payment portal".

Paradoxically and contrary to intuition, *The Rytmus Finance Academy* met with so much success in the *Teenager* and *Youth segments* (in LifeStyle NeedScope they are labelled "Carefree") because of this changing brand role in the banking category, too. The very fact that the bank brand plays a weaker (*payment portal, commodity*) role in the consumer behaviour of these people helped bring Tatra banka *on to their radar*; these people who might perhaps never have considered Tatra banka came to it – fascinated by the campaign – without brand *pre-understanding* and *prejudices*, which resulted in their easy, problem-free, positive emotion-packed entry into the world of *The Rytmus Finance Academy*, followed by a discovery of the Tatra banka brand. This situation continues: since *The*

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31   WIPPERRFURTH, A.: *Brand Hijack. Marketing Without Marketing.* Portfolio : New York, 2005.

32   HEUMANN, I.: *Exclusive Interview: Insights From Run DMC.* [online]. [2015-10-29]. Available at: <http://blog.adidas-group.com/2011/11/exclusive-interview-insights-from-run-dmc/>.

33   *LifeStyle*. TNS Slovakia 2015.

*Rytmus Finance Academy*, surveys show a visible tendency for young people to prefer, and even use, Tatra banka.
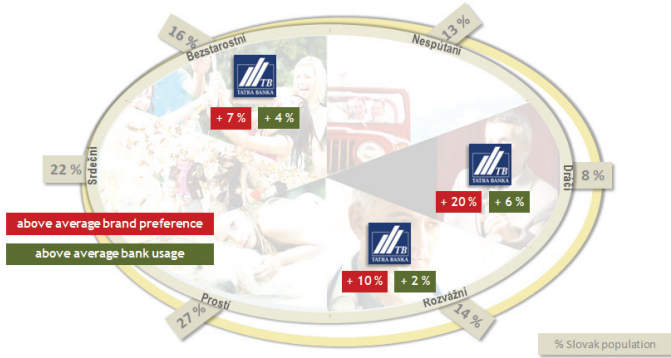


Segments with above-average preference and the use of of Tatra banka
(deviation from the Slovak average)
(source: LifeStyle NeedScope, TNS Slovakia, 2015)

**Picture 2: Segments with above-average preference**
Source: *LifeStyle Finance – NeedScope.* TNS Slovakia 2015.

This means that *The Rytmus Finance Academy* attracted the interest of young people so much that Tatra banka as a result became interesting even for those who did not take part in the game, and this increased interest lasted even after the end of the game.

In the language of behavioural economics, *The Rytmus Finance Academy* created *cognitive ease*[35] for the target group, which is a mental state associated with a good feeling. The absence of *cognitive ease* is an explanation of why the campaign was perceived in such a negative way in other population segments: these people had *difficulty understanding* (and this is the exact opposite of *cognitive ease*) how this campaign *matches the brand*. According to these people, the campaign did not match the brand at all. The campaign's target group, however, reacted to it without these *brand value attitudes*; the (un)suitability of the campaign for the brand was not a subject of interest for the campaign's target group. And this is why these people are turning to it even after the campaign.

Incidentally, banking is not the only category which is tending towards commoditisation as a result of paradigmatic social change. Another candidate is the car industry. Not so long ago, it was the dream of all young people to have a car. Not so long ago, the brand of a car had a large symbolic and self-

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34   *LifeStyle Finance – NeedScope.* TNS Slovakia 2015.
35   "It appears to be a feature of System 1 that cognitive ease is associated with good feelings… The link between positive emotion and cognitive ease in System 1 has a long evolutionary history." KAHNEMAN, D.: *Thinking Fast and Slow.* London : Allen Lane, 2011, p. 67.

representative value for all population segments. The increased quality of rail transport, low-cost airlines, *mamas and papas hotels* (young people living at their parents' long past the age of 30), car-sharing (joint ad-hoc car sharing for long journeys), *Uber* or *Hopin* type applications and services, community living and equipment-sharing (several people of the same age living in one flat or house who lend each other a shared car), ecological awareness of one's carbon footprint, all the above factors create a trend which makes car manufacturers unhappy: young people's reluctance to buy a car, which in marketing terms means that the relevance of the whole category falls. If a whole category loses relevance, the brands within it lose relevance too, and these will potentially then be commoditised; if or when these people buy a car one day, it will be only a utilitarian means of transport for them, a commodity.[36] The perception of a car in commodity terms just as a means of transport will be reinforced by the potential introduction of self-driving cars.

## 6 Brands still matter

The commoditisation of banking and the automotive industry, however, does not mean that new generations of people are growing up who are not interested in brands. They are *brandists,* brand fans, although they are brand fans only in certain categories, not in all of them, and it will be a challenge for marketing, branding, advertising and business to find their way around in *this new brand-commodity spaces.* Contemporary young people are a *multiscreen population*, living *with, in* and *on* the screens of their communication tools and the brand of the equipment they use does matter a lot to them. In fact, they are very, very brand conscious when choosing these products (smartphone, tablet etc.)[37].
Slovak data shows that young people prefer brands which let them appear and be trendy, without paying a premium price for it: H&M and Gosh[38]. This fits in with the above-mentioned research: Wal-Mart and Target also appear in the top ten favourite brands.

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36  ROSS, D.: *Millennials Don't Care About Owning Cars, And Car Makers Can't Figure Out Why.* [online]. [2014-09-25]. Available at: <http://www.fastcoexist.com/3027876/millennials-dont-care-about-owning-cars-and-car- makers-cant-figure-out-why>. MINCER, J.: *The allure of 'no ownership' for Millennials is moving beyond housing and cars.* [online]. [2015-05-28]. Available at: <http://www.businessinsider.com/the-allure-of-no-ownership-for-millennials-is-moving-beyond-housing-and-cars-2015-5>. NEWMAN, R.: *The Real Reason Millennials Don't Buy Cars and Homes.* [online]. [2015-09-30]. Available at: <http://finance.yahoo.com/blogs/the-exchange/real-reason-millennials-don-t-buy-cars-homes-153340750.html>.

37  In the top four places among young people's top ten favourite bbrands, there are three brands of *screen* technology and communication tools (Apple, Samsung, Sony). *The top 10 brands millennials love.* [online]. [2015-09-27]. Available at: <http://www.businessinsider.com/top-10-millennial-brands-nike-apple-samsung-sony-2015-8>.

38  *LifeStyle.* TNS Slovakia 2015.

Other examples of the *brand-ism* of our new generations of consumers are *local,
"our" brands*: if, for example, the 1990s were about global brands, today's young
people are much more local, which can be seen in our conditions with the *boom
in Slovak brands* (Martinus, Pohoda, Tatratea, Kozí vŕšok, Jablčnô, Sygic, Erb,
Stupavar, Lyra, Novesta, Puojd, Koun and so on, but also the growing interest in
Slovak literature, music and art), whose *core target* are mainly young population
segments.

Coffee and cafés are at present following an interesting trajectory in Slovakia
(at the moment, mostly in towns). What were until recently commodities are
becoming the subject of brand awareness; consumers are beginning to care
about the quality, type, origin and supplier of coffee and about the quality of
its preparation in its point of sale (here, too, we can find Slovak brands such as
Coffee Brothers, Štrbské preso, Ebenica, Štúr, Foxford, Cafe Dias, La Putika, Le
Šenk and so on.). Wine went down a similar path a little earlier. From what was
essentially a red or white commodity, an interesting wine culture was born which
differentiated various wines and wine-makers (e.g. Elesko, Slobodné vinárstvo,
Mrva & Stanko, Karpatská perla and many, many more); there are also original
Slovak grape varieties: Devín and Dunaj.

**Campaign of paradigmatic change**

For the reasons mentioned in this case study, Tatra banka's *The Rytmus Finance
Academy* campaign by the Zaraguza SK agency is as revolutionary for Slovak
marketing and advertising as are on a worldwide scale the campaigns for BMW
*Films* (2001), Burger King *Subservient Chicken* (2004), Dove *Evolution* (2006),
Old Spice *The Man Your Man Could Smell Like* (2010), Oreo *You Can Still Dunk In
the Dark* (2013), which changed forever not only digital and online marketing
communication, but also the whole perception and production of contemporary
marketing and advertising.

# Conclusions

Analysis of the Tatra banka campaign *The Rytmus Finance Academy* in the social,
value-based, cultural and consumers' context of the current civilization has shown
that the paradigmatic shift that have social media brought into our lives ask the
marketing mainstream, whether the academic one or the one in the business
practice, to consider the "naturalness" or "the matter of fact-ness" of the concept
of the integrated marketing communication and 360° branding. Weakness of its
unified and integrated attitude is that it can make the brand irrelevant (invisible,
being off-radar) for the important part of the market, which can have negative
consequence for the brand success. Fragmented and segmented society asks for
the concept that we call *segmented marketing* and *polyphonic branding*. "Brands
can grow in multiple generational directions simultaneously. It can be done. We

are doing it"[39], says Mark-Hans Richer, Harley-Davidson svp, global CMO, when explaining the Harley-Davidson strategy of simultaneous communication *with* Boomers and *with* Millenials.

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39  GRANATSTEIN, L.: *How Harley-Davidson Is Reaching Out to Millennials While Still Appealing to Boomers.* [online]. [2015-10-16]. Available at: <http://www.adweek.com/news/advertising-branding/how-harley-davidson-reaching-out-millennials-while-still-appealing-boomers-167585>.

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# POSSIBILITIES AND LIMITS OF DIGITAL COMMUNICATION IN MARKETING COMMUNICATION

*Dušan Pavlů*

**Abstract**
Analysis of the current global and local trends in the use of digital communication forms in the commercial types of marketing communications. It concentrates on interpreting the results of studies conducted in the Czech environment and is aiming to answer the question: what changes in digital mass communication, generally, and in digital marketing communication, specifically, do we witness and also make? What human society is formed by these changes, what they mean and where they are most likely to lead, and, last but not least, are we able to effectively influence them?

**Key words:**
Changes in thinking. Digital communication in marketing. Mass communication. Structure of changes in information sources.

## 1 Historic background

There can be no doubt that as Johannes Gutenberg invented the printing press with replaceable/moveable wooden or metal letters around 1450 and thus predetermined the preservation and creation of the historical memory of nations, alphabetization of societies, played a crucial role in development of mass media, so did the introduction, development and mass use of electronic form of information result in a major change in the individual, group and mass communication of people and enabled the development of many practical apps that now and everyday influence our life – including the life of marketing communications.

The history of the origin of Internet dates to the 1950s-1960s. Digital development was taking place primarily in the environment of mainframe computers; however, it soon became apparent that their capacities should be connected and data shared. And so the first network comes to life – ARPANET (1966-1969). But it takes quite some time before the first central communication protocol – the Internet protocol suite TCP/IP – was introduced in 1982. The first internet was solely non-commercial and served primarily to connect universities and other research institutes. The first commercial providers of data services start to appear in the 80s and in the 90s of the last century and very soon afterwards it is the internet that has a major impact on information and on the resulting commercial life of our society: electronic mail, instant messaging (IM, apps like ICQ or Skype – 2003), video conversations, video conferences and thousands of websites are developed – 1991 – discussion forums, chats, blogs and first social network become active – the search engine Google in 1998, the social network Facebook in 2004 and YouTube to share videos in 2005. It is estimated that

approximately 1 % of telecommunications is transmitted over the internet in 1993, as many percent as 51 % seven years later and in 2007 almost 97 % of all information flows over the internet.[1]

In October 1990 „the internet in ČR" (local networks through landline phones) is connected with ERAN (European Academic and Research Network). The Czech Republic was officially connected to the Internet on 13 February 1992: at Czech Technical University (ČVUT) in Prague an internet connection to the University of Linz (Austria) became available. The first national backbone networks in the Czech Republic began to be built as early as in 1991. This national network was called CESNET (or, the Czech Educational and Scientific NETwork). CESNET was supposed to connect, above all, universities, research institutes and academic units, however, at the same time should serve as the backbone for metropolitan networks. In Slovakia they started to build the network SANET (Slovak Academic NETwork). The first commercial providers of internet connection emerged in 1995.[2]

## 1.1 Current world of electronic communication

We are extremely lucky to live in the stage of world development when we are witnesses and also participants involved in the major change in the contact between human beings and nature and society as a whole : we live on the brink of **industrial revolution 4.0.** Just to refresh your memory:
1. The first industrial revolution begins in the late 18th century and follows introduction of water- and steam powered mechanical manufacturing facilities.
2. The second industrial revolution at the start of the 20th century was typical of assembly line production, use of electrical power and development of combustion engines.
3. The third revolution has happened recently – in the 70s of the last century: we can see microprocessors, use of computers and further automation of manufacturing. Digitalization allows a shift from mass production to tailored and individualized production.
4. The fourth industrial revolution is based on technological concepts of cyber-physical systems which facilitates the vision of "smart factory". Intelligent devices will overtake some activities previously performed by people. It relies on the methods of machine perception, auto-configuration and auto-diagnostic and on the computerized assembly of machines and parts. This major change in manufacturing was initiated by Germany, which decided to go for extensive digitalization and use of robots. The initiative of the German government is called Industry 4.0 and its goal is to strengthen competitiveness and create enough jobs for qualified workers. The vision of the fourth industrial revolution

1   *Internet – History.* [online]. [2015-10-25].
    Available at: <http:// www.imip.cz/internet-historie>.
2   *Internet – History.* [online]. [2015-10-25].
    Available at: <www.imip.cz/historie-internet-v-cr>.

comes from 2011 and the full document was presented on the Fair in Hannover in 2013. Within the modular structured Smart Factories of Industry 4.0, cyber-physical systems monitor physical processes, create a virtual copy of the physical world and make decentralized decisions. The German government subsidizes the programme with 50 million EURO for the time of three years and involved are the leading German machinery and electro-technical companies like Siemens, Bosch or Volkswagen. These manufacturers have their affiliates and business partners active across the Czech Republic and so the project starts to directly concern them.

It is primarily about interconnection of the real and virtual world to increase labour productivity, but, at the same time, it can be perceived as a threat for jobs. Instead of people, it will be automated manufacturing systems. According to these German plans the labour productivity is to increase by 15% – 25 % in the next ten years which will contribute to the GDP by 1 % per year. Globally and briefly – it is about new models and a new reality of work with the help of the internet which is technologically enabled by dynamic developments in these areas:
• Communication technologies.
• Information and computer technologies.
• Methods and techniques of cybernetics and artificial intelligence.
• New materials and biotechnologies. [3]

It is absolutely clear that the key role is to be played by a highly skilled, qualified worker with interdisciplinary knowledge not only of the technological character but also of the social relationships resulting from these changes. However, a lot less workers will be needed to do the job. And as data from abroad indicates some professions have significantly reduced their numbers: [4] E.g., in the US it is expected with the probability about 0.98 – 0.99 that as many as 30 professions are likely to be taken over by robots. These professions will be, e.g.:
• Call centre salespersons
• Archivists
• Seamstresses
• Calculation engineers
• Insurance agents
• Watchmakers
• Dispatchers in transport companies
• Tax assistants
• Employees of photo labs
• Accounts opening clerks
• Librarians
• Data entry into systems
• Insurance claims liquidators

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3    *National initiative Industry 4.0., MPO CZ September 2015*, p. 10.
4    ZÁMEČNÍK, M.: Strach ze zbytečnosti. In *EURO 2015*, Vol. 18, No. 36, p. 12.

- Office workers in brokers firms
- Handling orders
- Credit clerks
- Radio operators
- Bank clerks at the desks
- Engravers
- Operators of packaging machines
- Purchasers
- Operating and adjusting machines in metal working industry
- Credit analysts
- Parts and components salespersons
- Drivers and salespersons, etc.

The same source brings an overview of the already lost jobs in selected professions due to technological advances since 2001.

**Table 1: Jobs lost in London since 2001 due to advances in technology**

| Profession | Number of jobs lost in London |
|---|---|
| Secretaries | 32 900 |
| Bookkeepers | 30 100 |
| Cashiers | 15 900 |
| Archivists | 14 100 |
| Marketers | 9 100 |
| Employees of travel agencies | 7 300 |
| Librarians | 4 700 |
| Clerks in insurance companies | 2 900 |
| Credit clerks | 1 900 |
| Debts administrators | 800 |

Source: ZÁMEČNÍK, M.: Strach ze zbytečnosti. In *EURO* 2015, Vol. 18, No. 36, p. 12

What will the revolution of this – i.e., the cyber-physical type – mean specifically?[5]
- Existence of an extended reality – the interconnection between the real world with the virtual elements created by the computer.
- New forms of transport – self driving cars.
- Analyses of big data – their system analyses increase the effectiveness of human activity.
- Transformation of mass uniform production to individualized products.
- Creating the Internet of things –system interconnection of manufacturing, products and distribution.
- Creating additive manufacturing – with the help of 3D printing technology products can be manufactured where needed.
- Cloud solutions – these platforms make it possible for users to use services and solutions with access from anywhere.
- Simulation will make many processes cheaper and faster – e.g., substitute for physical tests of products, for destructive testing, etc.

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5    FRANCOVÁ, P., KLESLA, J.: Česko dohání digitalizaci průmyslu. In *Lidové noviny*, 2015, Vol. 28, No. 212, p. 12.

- Autonomous robots – intelligent machines capable of some degree of self-sufficiency to perform tasks in the world by themselves, without explicit human control.

Pavel Kysilka, Director of Česká spořitelna, defined five areas that will bring major changes to the world. He says: „The checked main indicators clearly show five areas to bring huge changes with major complex impacts, and do so in a foreseeable future. Interestingly, the coming innovations in these primarily non-digital areas are to a great extent enabled and supported by digital technologies and, so, in a broader sense of the word the symptoms of the emerging digital revolution."[6]

1. Finance – number of fin-tech companies in USA already bigger today that that of banks.
2. Healthcare – wearable electronics, a set of health monitoring sensors connected to apps on smartphones and computers of doctors. Medicine will move from a reactive position when treating patient illnesses to one that is more oriented towards preventative care. It will be about permanent, predictive, preventative, participative medicine – with our active involvement and proactive.
3. 3D manufacturing of needed products.
4. Robotization – intelligent and interactive robots not only in manufacturing but also in household, in follow-up medical care, etc.
5. Genetic engineering in a variety of areas.

The increasing digitalization of life encouraged the EU in 2010 to adopt an initiative i2010 – European information society for growth and employment. The initiative defined interests of the EU in the use of information technologies with the aim to overcome various electronic barriers in Europe, particularly, in the use of IT to solve global problems faced by our society like, e.g., climate change, aging population, etc. The innovated EU strategy comes out of the initiative i2010 – European information society for growth and employment but contrary to it covers practically all areas of life. The digital agenda expects about 100 following measures to be taken out of which 31 are of the legislative nature. The goal of these activities is to create a single digital market with no barriers among the member states. So, there is to be created a market that is global, worldwide.

The Czech Republic developed its own document DIGITAL ČESKO 2.0 with the main policy approaches to the development of digital economy but not only that: it is apparent that a consistent digitalization of our lives will be reflected in a different lifestyle if the internet network is easily and reliably accessible across the Czech Republic. In August 2015 the Czech government following the European Strategy for a single digital market adopted the Action plan for the development of digital market defining the tasks for the Czech Republic in the next five years. However, our still fairly unsatisfactory digital public services are

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6    KYSILKA, P.: Pět oborů, které světu přinesou velké změny. In *Hospodářské noviny*, 2015, Vol. 20, No. 152, p. 14.

the reason why the Czech Republic is ranked only 17th in Europe among the EU countries in the factor: progressing towards a digital economy and society.

76 % of people in the Czech Republic regularly use the internet (but 93 % in Luxembourg), 56 % of the Czech population have basic skills to use the internet, 58 % of them use online banking and 52 % shop on the internet. But only 14 % of them use the internet to deal with the authorities and, so, the Czech Republic is ranked at 26th place out of 28 EU countries in this respect. But more than 60 % of internet users would use the internet for these purposes in Denmark, Finland and the Netherlands.

The European Commission evaluates the progress of countries towards a fully digital economy by the DESI index. The DESI index is compiled on the strength of nations´ performance in five main categories: connectivity, human capital, use of the internet, integration of digital technologies and digital public services. Connectivity – the Czech Republic is ranked at 14th place: 99 % of people had broadband connection already in 2013 and the European average is 97 %. [7]

## 1.2 Digital commerce, digital communication

In 2014 online sales turnover in Europe reached 423.8 billion EURO and in comparison with 2013 it is an increase by more than 14%. The EU countries reached the volume 368.7 billion EURO and of that the Czech Republic approximately 3.1 billion EURO. On-line sales in the Czech Republic saw a year-on-year increase of 16 % (in 2014 consumers purchased the goods online worth 67 billion CZK and another almost 20 billion CZK resulted from the sale of services). The share of e-commerce in the pan-European GDP has also increased. In 2009 it accounted for 1.27 % and in 2014 it was almost a double – 2.45 %. In the end of the second decade of the 21st century could e-commerce reach 6 % of the pan-European GDP. E-commerce currently gives jobs to almost 2.5 million of Europeans.[8]

There are many surveys to map the use of the internet forms of shopping behaviour available and we would like to pay attention to the category where frequent, repeated purchase is common – foods. 21 % of the Czech population have ever purchased food online but a mere 2 % of them would do so regularly. 23 % of the asked are planning to shop food online.

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7   *Public services are a weakness of the Czech economy.* [online]. [2015-09-15]. Available at: <https://www.euroskop.cz/8952/25369/clanek/slabinou-digitalni-ekonomiky-cr-jsou-verejne-sluzby>.

8   *E-commerce in Europe increased in 2014 by 14.3 %. Turnovers were almost 424 billion EUR.* [online]. [2015-08-10]. Available at: <www.apek.cz: E-commerce in Europe increased in 2014 by 14.3 %. Turnovers were almost 424 billion EUR>.

Table 2: Frequency of purchasing food in online supermarket

| Frequency of purchasing food in online supermarket March 2015 | |
|---|---|
| Seasoning | 35 % |
| Fruit, vegetables | 37 % |
| Alcoholic beverages | 38 % |
| Milk, milk products | 40 % |
| Sweets/confectionery | 44 % |
| Non-alcoholic beverages | 55 % |
| Non-perishable foods | 66 % |

Source: RŮŽIČKA, K.: Každý pátý Čech nakoupil potraviny přes internet. In *MARWICK,* 2015, Vol. 1, No 1, p. 6

It is beyond doubt that such a dynamic increase in e-commerce sales could not be possible without the important and active role of marketing communication. We have only partial data available on the development in the volume of investments in the main mediatypes in 2015, however, this data shows a year-on-year increase 2014/2015 of 4.1 % when the total volume for I-IX/2015 reached almost 48 billion CZK.

Table 3: Media investments in ČR in the three quarters of 2015

| MEDIATYP 2014/2015 | I-IX/2014 | I-IX/2015 | INCREASE | DECREASE |
|---|---|---|---|---|
| TV | 21 257 841 000 CZK | 23 528 706 000 CZK | 10.7% | ↑ |
| Press | 12 428 531 000 CZK | 12 159 825 000 CZK | -2.2% | ↓ |
| Radio | 4 287 857 000 CZK | 4 424 717 000 CZK | 3.2% | ↑ |
| Internet– only display advertising | 4 470 231 000 CZK | 4 218 036 000 CZK | -5.6% | ↓ |
| OOH | 3 430 634 000 CZK | 3 405 610 000 CZK | -0.7% | ↓ |
| TOTAL | 45 875 095 000 CZK | 47 736 895 000 CZK | 4.1% | ↑ |

Source: *Guru Weekly 44/2015.* [online]. [2015-10-30]. Available at: <http://www. mediaguru.cz>.

The survey conducted by IPSOS, an independent market research agency, indicates that advertisers invest in digital media at a quicker pace. The total volume of investments in all forms of internet advertising in 2015 could eventually make a fifth of all investments in advertising communication and ranked second behind TV advertising.[9] The same survey points out a factor marketers should take into consideration: the image size of the electronic communication device significantly influences the feeling of being bothered. It is clear that the smaller the image size, the more intensive feeling of the adverts' entering the intimate zone of the respondent:

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9    Presentation of IPSOS _ Digital, September 2015

**Table 4: Number of people bothered by adverts on the below devices**

| Communication device | Number of respondents bothered by adverts – in % |
|---|---|
| PC | 58 |
| Tablet | 62 |
| Laptop | 64 |
| Smartphone | 67 |
| Smartwatch | 70 |
| Mobile phone | 72 |

Source: Presentation of IPSOS _ Digital, September 2015

At the same time we should take into consideration the fact that people with higher education are more likely to be bothered by digital advertising: the level of intolerance to advertising among the respondents with elementary education is 38 %, among those with vocational training it is 45 %, among those with secondary school leaving certificate it is 55 % and among college/university graduates it is even 64 %. This survey carried out by IPSOS reveals many inspirational thoughts about how and where electronically communicate so that the mere fact of electronic communication a-priori did not evoke resentment of the target group towards the form of communication and subsequently towards its content.

Development of new digital communication channels naturally resulted in re-distribution of client money. [10] According to KPMG in 2014 the PR agencies in our country earned 1.228 billion Czech crowns, i.e., a year-on-year increase of 56 million crowns. The agencies associated in APRA make 80 % of the total volume. Clients now ask their PR agencies more and more often for services in the area of digital communication – primarily, in that of social media and community management (74 % of the asked agencies) and relationships with the media came second in the list of the most often required services–52 %. The survey for APRA conducted by STEM / MARK in August 2014 discovered some new structures of interest in selecting the individual mediatypes by big advertisers.

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10   *www.apra.cz.* [online]. [2015-09-15].
     Available at: <http://www.apra.cz/cs/aktuality/1106.html>.

**Table 5: Changes in investments in marketing communications on the sample of 44 big advertisers**

| Investments in each mediatypes in ČR in billion CZK | 2010 | 2013 | 2015 | Change 2010/2015 in % of the total budget |
|---|---|---|---|---|
| Production for the paid media except online | 2.73 | 2.47 | 2.56 | 7.5 / 6.0 |
| Apps, social networks and other on line | 1.32 | 2.32 | 2.86 | 3.7 / 6.7 |
| Payments to agencies, consultations, legal services | 2.35 | 2.61 | 3.15 | 6.5 / 7.3 |
| Shopper + merchandising | 1.53 | 2.91 | 2.59 | 4.2 / 6.0 |
| Promotion with promo teams, mystery shopping | 1.72 | 1.87 | 1.82 | 4.7 / 4.2 |
| Consumer contests | 1.17 | 1.16 | 1.38 | 3.2 / 3. 2 |
| Events | 1.11 | 1.24 | 1.29 | 3.0 / 3.0 |
| Gift items | 0.78 | 0.96 | 0.96 | 2.1 / 2.2 |
| Production of POS and POP materials | 3.54 | 4.22 | 4.69 | 9.7 / 10.9 |
| Guerrilla, buzz, ambient | 0.09 | 0.14 | 0.24 | 0.3 / 0.6 |
| Direct Marketing – physical and electronic | 1.04 | 1.07 | 1.41 | 2.9 / 3.3 |
| CRM, loyalty and retention activities | 0.41 | 0.61 | 0.93 | 1.1 / 2.2 |
| Internal communication | 0.70 | 0.88 | 0.83 | 1.9 / 1.9 |

Source: AKA – Marketing activity. STEM / MARK for Activation agencies AKA, August 2014 – Final report. p. 21-34.

The Economist in the periodically published prognosis The World .... 2015 forecasts a global ad expenditure in 2015 which comes out of the growth in these investments likely to reach the volume 605 billion USD. And the highest increase in advertising investments is predicted exactly for internet advertising communication.

**Table 6: Prognosis of global advertising expenditures**

| Marketing communication type | Change 2014-2015 in % | Volume in billion USD |
|---|---|---|
| Internet | +12.2 | 149 |
| Television | + 4.7 | 182 |
| Outdoor advertising | + 4.6 | 39 |
| Radio | + 2.8 | 36 |
| Cinemas | + 1.9 | 68 |
| Magazines | + 0.8 | 50 |
| Newspapers | -0.6 | 81 |

Source: World 2015, supplement EKONOM 2015, p. 87

A survey organized by Focus Agency on the sample of 400 Czech businesses reveals that manufacturers relatively clearly understand the advantages of communication via internet channels. 38 % of the asked companies actively communicate with their target groups online and 33 % of them are planning to communicate online through social networks, company blogs or discussion

forums. To have a company website is perceived as a necessity – 94 % of the asked businesses actively use it and 95 % of them believe it is just the website that is the key to support their brands. 43 % of these companies use banner internet campaigns and 42 % of them use search engine optimization functions and PPC campaigns. [11]

It also seems evident that internal company processes in big corporations can often be rather complex – the survey carried out by Accenture on the sample of 1,100 senior CMOs and CIOs in major global companies in 2014 reveals that cooperation between marketing and IT department is still relatively complicated. This study shows that CIO managers are more determined to cooperate with marketers than marketers themselves. However, only 45 % of the asked CIOs say it is their priority to support marketing. Analysis of the level of satisfaction with their cooperation on marketing projects discovered that none of the partners was completely happy with this cooperation. Roughly a third of CMOs say the results of work performed by their IT division don´t meet their expectations and the same answer is given by 46 % of CIOs about the counterpart – their marketing departments don´t give them enough resource materials to be able to effectively support marketing activities. However, both parties to the matter understand that the synergic effect of their cooperation will definitely overcome their current problems with cooperation: information technologies are vital for business, and their main purpose is to get data on customers. Nevertheless, their priorities are different: the key driver for cooperation with IT for CMOs is to gain more detailed data on customers and the key driver for CIOs is to give the client better customer experience with interactions with the company. As evident, complexity in managerial processes in big corporations doesn´t help in an informal and close cooperation between individual organizational units. This cooperation in small organizations is simpler, less formal, prompt and more natural. [12]

The survey conducted by Deloitte on the sample of 15,000 professionals from banks, businesses and media is an analysis of the use of new technologies. It is estimated that in 2015 more than 60 % of one billion of worldwide cordless devices were purchased, paid for and used by businesses. The volume of this trade is approximately several hundred billions USD.

The products people personally use most often: playstations, smartphones and cordless microphones connected to the internet. According to Deloite, the market with smartphones will sell one billion of pieces this year. These phones will be the most popular modern technology until 2020. And the phones with an average price 14.500 Czech crowns have accounted for almost half of total sales.[13]

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11   Firmy začínají komunikovat na sociálních sítích. In *Profit*, 2014, Vol. 25, No. 7-8, p. 6.
12   *CMO-CIO Alignment 2014.* [online]. [2015-09-14]. Available at: <http://www.accenture.com/cz-en/insight-cmo-cio-alignment-digital-summary>.
13   ADAMCOVÁ, K.: Internet věcí – miliardový byznys pro společnosti. In *Hospodářské noviny*, 2015,Vol. 20, No. 182, p. 14.

Analysis of opinions and habits of the global community of internet users aged 16-65 years using it at least once a week on the sample of 55,0000 people in 2014 revealed interesting information about user habits and decisions.[14] „A quarter (25 %) of the global population watch video content every day on their PC, laptop, tablet or mobile now. In the Czech Republic it is almost a fifth (18 %) against, e.g., Hong Kong (32 %) where, as a consequence, people like phones of the size of tablets or phablets very much. Because of high-quality broadband internet and a bigger number of following services available in Hong Kong there is a trend to watch content online rather than on traditional TV screens. In the evening a quarter of people (26 %) start to watch content on their mobile devices against 14 % of those who turn on their television set. It is an opposite in the Czech Republic today. 46 % of people sit down in front of television against 18 % who watch content on their mobile devices. In spite of this increase in online consumption traditional television sets play a great role in our lives. 7 out of 10 Czech residents sit in front of television every day. The so-called TV dinners are still with us and 71 % of viewers while eating their dinner pay attention to television“.

Until recently, thoughts about wearable electronics have been perceived as science fiction. But today we have an unprecedented, dynamically developing market with products which, without any doubt, will have a real impact on the life of everyone and I dare say that with the ever increasing average life expectancy their presence in our life will play a more important and vital role – they will become literally essential to life.

Data published by GfK on the development on the global market show that in the last year 13.5 million health & fitness trackers were sold as well as 4.1 million smartphones. GfK predicts that in 2015 the total volume of the sale of the above devices will reach 51.2 million, i.e., three times as many against 2014. The two segments are equally important on this market.

Table 7: Global volume of wearable electronics based on the forecast made by GfK

| Sold pieces in millions | 2014 | 2015 |
|---|---|---|
| Smartwatch | 4.0 | 26.1 |
| HFT – Health & Fitness Tracker | 13.5 | 25.0 |
| Total | 17.6 | 51.2 |

Source: According to the survey of GfK 51 million of wearable electronics are to be sold worldwide in 2015. [online]. [2015-09-14] Press release GfK, 16/3/2015, Available at: <http:// www. gfk.com>

But all information and facts to help us map the world of digital communication are just partial views of this dynamic and changeable phenomenon. On the other hand, there is some positive news, too, strengthening our belief that there is no reason to be sceptical about it. A survey carried out in 2014 in the community of

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14  *Television fights back: increase in mobile devices make new viewing habits of the audience.* [online]. [2015-09-14]. Available at: <http://www.tns.aisa.cz /novinky/>.

Czech internet users finds a significant factor of their loyalty to the news websites – an internet version of traditional public media (the question was asked the respondents who visit these websites at least once a month).

**Table 8: Popularity of news websites**

| News website | Popularity of news websites |
|---|---|
| iDnes.cz | 34 % |
| Novinky.cz | 28 % |
| Aktuálně.cz | 12 % |
| TN.cz | 5 % |
| ČT.cz | 5 % |
| Facebook.com | 3 % |
| Blesk.cz | 2 % |

Source: *Internet users are loyal to the news servers they visit; the websites of public service media are trusted most.* [online]. [2014-04-01] Available at: <http://www.mediaresearch. cz>.

### 1.3 A good servant but a bad master

New technology and new internet technologies lead to dynamic changes and on the job market the relationship between work and free time has changed. People are not strongly tied to one communication source – their desk PC – any longer but can communicate with the world via their mobile phones, smartphones, tablets, laptops almost anytime and anywhere. The company INTEL surveyed a sample of their own 102,000 employees to learn that 60 % of those working in IT and communication technologies have three or more mobile devices with them virtually all the time. These devices are not only traditional ones but more and more often wearable units that combine two functions in one. So, not only the multiple functions of technology would blend together but people would also blend work time with personal time. The survey reveals that IT professionals in roughly an hour – to two-hour intervals work and spend time on personal matters in turns. It is tolerable for creative workers and some other professions but generally it is an undesirable phenomenon which is a distraction from focusing on work. It is also undesirable to take your job home with you and keep working at home instead of having a rest and relax.[15]

**Table 9: Percentage of IT employees in INTEL carrying mobile devices all the time.**

| Number of mobile devices | Percentage of IT employees |
|---|---|
| 1 | 20 % |
| 2 | 20 % |
| 3 | 24 % |
| 4 – 5 | 23 % |
| 6 and more | 13 % |

Source: KEMENÝOVÁ, Z.: Pracovní doba se u mnoha lidí skoro ruší a splývá se soukromím. In *Hospodářské noviny*, 2015, Vol. 20, No. 189, p. 19

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15 KEMENÝOVÁ, Z.: Pracovní doba se u mnoha lidí skoro ruší a splývá se soukromím. In *Hospodářské noviny*, Vol. 20, No. 189, p. 19.

All these technologies and innovations that facilitate and enrich our lives would naturally have their other, for the time being only vague, face – "a Janus Face". Human beings become more and more dependent on electronic sources of information and so, logically, don´t have to use their memory as much and as a consequence mental capacity weakens and so does mental performance. Memory structures of the human brain are not developed systematically and people rely more and more on the fact that information is always available online. A survey conducted by the University of Birmingham reveals that more than half the English don´t remember their home or work telephone number and just under 3 % of them know the number of the mobile phone of their kids. It is a worrying trend having an influence on the young generation: particularly children don´t learn to systematically code information which negatively affects not only long-term memory but also the quality of thinking.[16]

Some Czech and international surveys indicate that the young generation is less self-reliant than those of the past, less dexterous – skilful and less clever. A Bloomberg survey shows that in entrance examination for secondary schools American children had worst knowledge in the last 10 years. The ability to read and understand the text – the literacy level – has been constantly declining since 1972.[17]

Children, above all, become dependent on the internet. According to experience from the Addiction Treatment Centre of Charles University every fourth child admitted to this clinic had pathological dependence on the internet – an internet addiction, i.e., the excessive use of the internet or pathological gaming. The educated guess about the number of children showing signs of dependence on communication technologies is 5 % to 20 %. Device dependent children are those who spend about 40 hours a week playing computer or tablet games. This dependency on communication technologies is potentially extremely dangerous as children are not adequately socialized in the emotional ways and lack basic knowledge of the real world. [18]

D. Šmahel, a psychologist, believes that when we want to talk about internet addiction of children we need to see the presence of all the below signs:
• Some online activity is for the child the most important.
• Online activities lead to mood changes and influence subjective experiences of that child.
• The child requires more and more online activities.
• The child shows withdrawal symptoms, has negative feelings after ending the activity on the computer.

16   KVAČKOVÁ, R.: Jak spočítal Mendělejev ty protony? In *Lidové noviny,* 2015, Vol. 28, No. 236, p. 10.
17   HRSTKOVÁ, J.: Děti, naše přítomnost. In *Hospodářské noviny*, 2015, Vol. 20, No. 170, p. 20.
18   SOUKUPOVÁ, A., HRONOVÁ, M.: Děti závislé na tabletech nevědí, že týden má sedm dní. In *Hospodářské noviny*, Vol. 20, No. 190, p. 4.

• Online activities cause conflicts in the family, with friends or at school.
• The child has a tendency to return to addictive behaviour even after periods of relative control.[19]

A survey of the University in Bonn found out that not only children would become the slaves of their new information tools: also the users of smartphones use their devices every 18 minutes on average – to send and receive text messages, play games, browse on the internet and 10 % of them do so as often as every 10 minutes.[20]

The manufactures naturally come up with motivators that will prompt children to play like, e.g., merchandising has become involved: they make figures of interactive characters that play in games and can – through connection – actively enter the game. Blizzard has sold over 250 million action figures for Skylanders in 4 years, Nintendo 15 million of figures for Amiibo and about 15 million for Disney, too.[21]

There is a new diagnosis in the medical world: nomophobia. It is the fear of being out of mobile phone contact, an anxiety. For some people, smartphones are just as addictive as a drug. Those suffering from nomophobia are particularly young Asians. The consequences of this addiction make it comparable to a heavy smoker or a drug addiction. A new study published in South Korea reveals that 72 % of children aged 11 and 12 years have their own smartphone and spend on average 5.4 hours per day. A quarter of these children is severely addicted to it. There are clinics to treat digital addiction already in operation in Asia.

Six signs of nomophobia:
1. You have the fear of being without your mobile, you can´t turn it off and compulsively check your phone for notifications – whether you received a text message, e-mail, etc.
2. You feel stressed without your phone, not having access to your smartphone stresses you out.
3. You choose to spend time on your phone rather than talk to friends or family.
4. A forgotten charger makes you feel panic.
5. You sleep with your phone and the first thing you do when you wake up is to check it.
6. You have fears about losing service, anxiety you have no network coverage.

Analysis from 2014 in USA discovered the average mobile phone user checks his or her phone for updates 150 times per day. A mobile addict is the one who checks it more than 60 times per day.[22] Some schools even ban children from

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19   ŠMAHEL, D.: Závislost dětí na internetu není častá. In *Lidové noviny*, Vol. 28, No. 207, p. 14.
20   BARÁK, V.: Chytrý telefon, to je cesta ke zblbnutí. In *Dnes*, Vol. 36, No. 224, p. 15.
21   SCHÖN, O.: Všichni chtějí přenést hračky do videoher. In *Hospodářské noviny*, Vol. 20, No. 180, p.18.
22   KRYZÁNEK, L.: Středem jejich světa je smartphone. Ta závislost je ničí. In *DNES*,

having electronic communication devices – mobile phones, tablets at school: to be able to concentrate on one task – on study. However, the surveys indicate the success of tablets and mobile apps largely depends on teachers´ abilities and the general view of the matter is without any rationale behind.

The problem is not the use of the electronic device itself; the problem is that these devices take over some human activities – and do so in people younger and younger. Our brain needs to be stimulated to work well, and childhood stimulation is key to brain development, otherwise the centres of the brain that are not used (memory centre, for logical connections, etc.) become stagnant and the brain won´t develop its capacity. Regularity is good for strengthening brain power in general, it is great for building habits, rules of behaviour and conduct, intellectual operations, comprehension of functions, meaning and rules of conduct that govern the social systems where an individual person moves. Špaček points out that the parallel watching of different internet information sources – multitasking – doesn´t lead to a larger amount of information about the world outside but the contrary – to a fragmented knowledge and, actually, as good knowledge, factual information and cognitive processes. „Human brain strengthens itself and creates new connections as long as made to be used actively, i.e., by learning.“[23] J. Špaček cites the British author – S. Greenfield – who defined three main needs that make us be online:

1. **Be recognized as exceptional** – you don´t have to achieve this by being talented and working hard to get recognition in a group. There are real people in a group whereas virtual identities of anyone and anything linked in a connective. It is enough to be fun and the first need is met with thumbs up and the number of followers.
2. **Be recognized as a tribe member** – it is easy to become the member of a virtual group on the web. It hardly requires any special abilities and skills; you can be the member of as many groups as you want.
3. **Be rewarded, gratified** – you can achieve this as early as at the first level of a game.

„The internet is changing our brains more deeply than we care to admit. It creates neuronal dependence and makes the user to get used to easy to get rewards. The user gets used to accept easily, not to analyse and put in the context with other previous experience in the memory. “[24]

### 1.4 What to do about it?

The Internet era brings with it the flood of information – different kinds of information of various quality; however, the respondents with a lower education are not able to make an adequate reflection, analyze and discriminate significance

Vol. 28, No. 206, p. 7.

23  ŠPAČEK, J.: Osud mozku v online světě. In *Lidové noviny*, Vol. 28, No. 253, p. 19-20.

24  Ibidem, p. 20.

of information and data, interpret them, find corresponding context and draw conclusions to make the right decisions.

Some global trends show possible new directions for development.[25] E.g.:

- In 2001-2009 over 2.7 million U.S. manufacturing jobs lost and 700,00 jobs in transactions and control.
- Empathy is the most important, critical 21st century skill.
- Engineering education without the contribution of creativity and open-mindedness of humanities can change just to interpretation of codes and memorization of formulas without the ability to discover.
- Humanities education plays a key role to develop critical thinking skills, to be able to write, formulate and learn: this is the essential and vital point to seek and find new ways and for the development of society.

The main conclusion for marketers to be drawn from analysing the development in the existing global internet communication: jobs based on knowledge will be on the decrease and there will be more and more jobs requiring social skills, ability to interpret interpersonal relationships and cooperate. This should be the profile of well-educated marketing communication graduates. However, they also need to understand intercultural tendencies and trends and so be the real owners and active users of knowledge from the fields like sociology, culturology and social psychology.[26]

A deeper insight into the system of mass-media and non-mass-media sources above gives certain hopes for new approaches adopted by marketing communicators in creation of structured sources of marketing communications: the overviews show that marketers actively build and strengthen the sources that more than ever before make respondents participate in person, activate them in the form of consumer contests and competitions, encourage them to search for some information at the point of sale, etc. They want to make active members of the target groups out of passive recipients of information in the electronic world. And the way leading to this goal is, e.g., to make highly creative campaigns of the integrated marketing communication.[27] The mass media industries are today in the stage of profound transformation; everything is liquid, volatile and only finding its place in the newly created information structure. And so we need to watch these trends and tendencies and sensitively, in a knowledgeable and well-versed manner enter them with the goal to activate target groups, with the goal to see them actively search for information they need.

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25  VEIS, J.: Nerušme humanitní obory. In *Lidové noviny*, Vol. 28, No. 236, p. 11.

26  In more detail about these issues, e.g.,. PAVLŮ, D.: Jak profilovat obor marketingová komunikace na vysoké škole. In *Marketing & Komunikace*, 2015, Vol. 25, No. 3, p. 15-16.

27  In detail see, e.g., historical excursion of Pavlů, D.: Complex promotional – advertising action: a beginning of the integrated marketing communication (historic looking back at innovation of the Czech advertising theory and practice in the 70s and 80s of the 20th century). In MATÚŠ, J., PETRANOVÁ, D.: *Explosion in Innovations.* Trnava : FMK UCM in Trnava, 2014, p. 158-172.

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# E-MARKETING RESEARCH – EVOLVING NEW POTENTIAL FOR KNOWING CONSUMERS BETTER

*Marek Prymon*

**Abstract**
The purpose of an article is to present the result of studies on how internet and other electronic tools influence probable changes in the methodology of marketing research. The thesis by an author is that main influence is concerned with the use of secondary data, use of observation methods and evolving combination of secondary sources with communication methods. The starting point in a paper is comment on traditional structure of research methods. Next, some recent trends in research are shown .On such bases author analyses relationships between evolving e-marketing and e-marketing research. The practical part of an article contains some case. This is example of research on consumers attitudes based on internet data. Final part contains questions of ethical context of e-marketing research. The focus is on how traditional ethical norm apply to realities of new research technologies.

**Key words:**
Communication methods. Consumer's opinions. Database marketing. E-marketing research. Observations. Research ethics.

## 1 The structure of data for marketing research

In the history of marketing research there evolved much clear classification of both data and methods of gathering the data. This classification is of universal nature and concerns not only studies on the market, but also social sciences and natural sciences. This classification contains firstly dichotomy of research data: secondary versus primary sources and then triad of primary research:[1] observation, communication and experiments (see Picture 1).
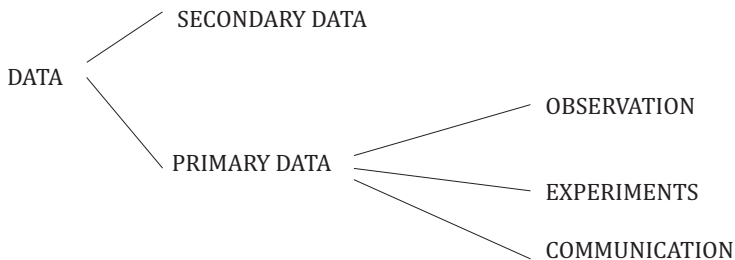


**Picture 1: Data and data searching methods in marketing research**
Source: CHURCHILL, G. A.: *Marketing Research. Methodological Foundations*. Chicago : The Dryden Press, 1987, p. 224.

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1    CHURCHILL, G. A.: *Marketing research.Methodolical Foundations.* Chicago : The Dryden Press, 1987, p. 224.

If the classification shown is commonly accepted, in the past there were some different approaches to the group of methods called communication methods. For instance, they used to speak about survey methods instead of communication. However when classical surveys, it is typical, open and standardised surveys, were supplemented by other methods, like tests or in-depth interviews, more appropriate started to be to use the name communication methods.

Looking at the history of market research it can be assumed that the starting point should be observation, non-structured and basically spontaneous one. Observation was the oldest and the most available way of getting the knowledge on anything. However evolving in XX century scientific market research was predominantly based on surveys. Before and immediately after WW1 market research companies like Curtis Publishing or Eastman Research Bureau[2] were focused mainly on consumer's surveys. It is interesting that after years, surveys are used more frequently than other communication methods.

Why surveys are so popular? It seems the there are two main reasons for popularity of surveys. First, is convenience – it looks to be very simple to arrange for a questionnaire and then distribute it. The second, more essential reason is the subject of research. The subject of primary sources as a whole group contains, apart from some facts about consumers: consumer attempts, attitudes and opinions, motives and personality. Most of such subjects are not likely to be contained in secondary sources, so it is necessary to rely on primary sources. Also popularity of surveys is concerned with the fact that they are "direct" methods, in a sense that they are conducted with consumers. For this reason some researchers even assume that any marketing research should include surveys.

If surveys can generally be accepted, the very convenience in conducting surveys should not be enough to accept them. For instance, researchers who want to know people's attitudes should know that what they deal with in surveys are mainly opinions, not attitudes. Also motives as the research subjects are less reliable when taken directly form surveys.

What appeared as the new trend in the second half of XX century were new methods of observation and experiments, based on technical devices. They, to the extent, they replaced very simply observations used by research companies, observations like counting the stock of products on the shelf or informal observing people in pubs.[3] Popular methods of contemporary observations were:[4]
• fMRI – Functional Magnetic Resonance Imaging,

2    KACZMRCZYK, S.: *Marketing Research.Methods and Techniques.* Warszawa : PWE, 2002, p. 14.
3    HAGUE, P. et al.: *Market Research in Practice.* Gliwice : Helion, 2005, p. 14.
4    BOROWIECKI, M.: Communication and biometric methods – perspectives and controversies. In PILARCZYK, B. (ed.): *Market Communication. Strategies and Instruments, Conference Proceedings.* Poznan : University of Economics, 2011, p. 87.

- ECG – Electrocardiography,
- fNIR – Functional Near-Infrared Spectroscopy,
- MEG – Magnetoencephalography,
- EEG – Electroencephalography,
- VPA – Voice Pitch Analysis,
- GSR – Galvanic skin Response,
- TARA – Time Antagonistic Response Alethiometer,
- fEMG – Facial Electromyography,
- Eyetracking,
- IAT – Implicit Association Test.

## 2 E-marketing research and e-marketing

If marketing research is fundamental function of marketing, e-marketing concept is not necessarily concerned with market research. E- marketing evolves dynamically and it is not easy to shape its scope. Common approach to it as to focus on e-marketing as an instrument of communication and in such situation to interpret research only as a tool to measure effects of communication campaigns.[5] Other approach is to focus on communication, but to consider some research as starting point .The role of research here is mainly to segment market, to find and evaluate target market, and to find right position for an offer.[6] Still other approach is to integrate communication and distribution as basic e-marketing processes. This is view by Kotler et al that e-marketing is company effort to inform buyers, communicate, promote and sell its product and services over the Internet.[7] It seems that there is no need to reduce e-marketing tools to internet. So like is a case in e-business, e-marketing tools may be inclusive also of other then internet electronic tools. Similarly e-marketing research tools can be interpreted as inclusive of all kinds of electronic tools at any stage of research process. The reason is that all those tools create new research reality.

Broader view on e-marketing represent Kalyanam and McIntyre who stress marketing mix as a core of marketing and formulate the concept of e-marketing mix from the view point of relationship exchange perspective. It consists of following functions, as added to classical marketing-mix:
- site (anytime, anywhere digital access point),
- personalization,
- privacy,
- security,
- customer service.[8]

5    PANKIEWICZ, K. (ed.): *E-marketing in action.* Gliwice : Helion, 2008, p. 94-99.
6    MACIOROWSKI, A.: *E-marketing in practice.* Warsaw : Edgard, 2013 p. 10-19.
7    KOTLER, PH. et al.: *Marketing Management.* Harlow : Pearson, 2009, p. 864.
8    KALLYANAM, K., McINTYRE, S.: The e-marketing mix – A contribution of the e-tailing wars. In *Journal of the Academy of Marketing Science*, 2002, Vol. 30, No. 4, p. 494-496.

In the context of the above mixes the proposed role of marketing research is concerned with personalization: identifying individual customers and to gather information about them. More holistic approach is proposed by Chaffey and Smith who follow classical interpretation of marketing: identifying, anticipating and satisfying needs profitably .They propose that e-marketing explained: how e-tools can be used to get closer to customers, to be able to identify ,anticipate and satisfy their needs efficiently and effectively.[9.]

Chaffey and Smith propose to use e-marketing strategically and adopt e-planning.[10] The e-planning process however is to be based not only on special e-tools but also on traditional research sources. It seems justifiable because no reason that planning decisions were based only on e-tools and instruments. It is logical that strategic decision cannot be made on the basis of reduced group of sources, e-sources. Final proposition by authors is that e-marketing plans must support and be integrated with corporate or business plans and marketing plans. It can be agreed that an organization should be led by marketing strategy with e-plan as a part of it. In marketing strategy the fundamental role plays marketing research and within it some important part should be e-marketing research.

## 3 General directions of an influence of computer technology and internet on marketing research

Historically taking, computer technology made revolution that meant new possibilities in data gathering and data processing. For marketing research it meant new potential. The most remarkable was an influence of introducing Universal Product Codes (UPC) in retailing. It suddenly occurred possible to gain detailed control over sales and stocks in many places. From the view point of general research methodology it meant comfortable substitution of surveys or observation by secondary data. Before scanning of codes was possible, research companies, like A.C. Nielsen had to survey thousands of outlets to have some insights into changes in sales. New wave of data was good base for many kinds of research concerned with market situation and market trends.

Evolving potential concerned with data on consumer inspired to form what is called database marketing – the process of building, maintaining and using customer databases and other databases for the purpose of contacting, transacting and building customer relationships.[11] Combining data on consumers and various marketing decision within the framework of relationship management, may seem to be an answer to turbulence in an environment. So in part, information from individual clients can directly serve as base for production or distribution

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9    CHAFFEY, D., SMITH, P. R.: *E-Marketing – eEcellence. Planning and Optimizing your Digital Marketing.* Amsterdam : Elsevier, 2008, p. 20.

10   Ibidem, p. 439-482.

11   KOTLER, P. et al.: *Marketing Management.* Harlow : Person, 2009, p. 863.

decisions. In such way it is possible to avoid some traditional market research jobs. However the problem is, if strategic decisions can be deducted from historical company's data. More probably, database marketing, can serve daily and short term decisions. What is interesting is that today secondary data may substitute primary research especially surveys by "hard" data. Instead of asking people about what they buy it is easy just to control various consumer data.

This is concerned also with organizational behaviours as a research field. As an example can serve research on diversification strategies. For years experts on management kept researching the phenomenon of diversification, using mainly surveys among managers. As conclusion was that diversification is just one of popular strategies. Profound inquiry into historical secondary information about companies shown, however, that diversification is quite seldom practised by companies and vast majority of companies do not leave industries they originally entered.[12] So there is big potential to develop research using growing stream secondary data.

Other influence is that digital technologies lead to integration of marketing function. First of all, it is some integration of research and communication function of a company. Generally taking new technologies have positive influence of market research conditions. Nonetheless what is negative side of the whole e-marketing is that traditional face-to-face ties seller-consumer are reduced. As Mruk and Stepien indicate – some natural source of knowledge about market – direct contacts with consumer – are cut off.[13]

The next influence of new technology on market research was concerned with primary research. There appeared new possibilities of conducting observations in the market. Internet allows to trace consumers' behaviours and reactions. Experiments started to be easier. For instance, experiments conducted in researcher's premises can be substituted by field experiments. Reactions of internet users to pictures on a monitor can be traced using camera built in desktops (fEMG). Many contemporary experiments listed in previous chapter require using computer, other can least be supported by computer. Many techniques of observations and experiments evole in the context of neuro-marketing.

Finally, traditional communication methods started to be more available using computers and other devices. As for all kinds of interviews, internet interview represents distinct advantages. Still there is big potential to extend the use of internet in communication methods well beyond simple interviews. In general, it is necessary to remember that broadly understood e-marketing do not substitute

12   PRYMON, M.: *The role of diversifiction strategies in global companies.* Proceedings of the AABRI Conference, Nashville, 2011. [online]. [2015-09-11]. Available at: <http://www.aabri.com/NC2011Manuscripts/NC11060.pdf>.
13   MRUK, H., STEPIEN, B.: *Creating value for consumer – from the view point of consumers and companies.* Warsaw : PWE, p. 26.

basic marketing. Kotler et al say that digital technology itself should not be seen as an instrument that dominates other marketing instruments. Rather digital marketing complements other marketing activities – with which it should be integrated.[14]

## 4 On the use of internet data on opinions to trace consumer attitudes – practical case

As was mentioned above, the use of primary data is necessitated by fact that some subjects are not covered by secondary data; as an example could serve opinions and attitudes. Today is becoming more and more possible to find information about consumer's opinions not using primary but secondary data. Furthermore, it may occur that research on based on secondary data are more reliable that individual direct research. New possibilities for exploring people attitudes and opinions come from the fact that more and organizations runs and publishes online the results of various research.

The case presented below is an author's research on influence of general attitudes of people on ways they formulate evaluations on specific subjects. An inspiration to launch the topic were suggestions in literature on international marketing, that a researcher conducting surveys internationally should have in mind that regardless of the topic, respondents in different countries may be inclined to provide some kinds of evaluations, ones better evaluations, ones worse evaluations. As example they used USA respondents who are likely to provide more positive opinions on different things than people in other countries.

The detailed purpose of study was to check if there are distinct difference between attitudes in evaluating things by nationals from Germany, United Kingdom and USA. The subject of attitudes was evaluations of specified hotels. There were 10 hotels selected, each in different country. These were hotels whose guests are interviewed by major internet booking service, immediately after they leave the hotel. In internet interview guests are asked to comment on: personnel, facilities, cleanness, comfort, relation quality-price and location. On this basis total evaluation is calculated. The best total evaluation is 10,0. The idea in selecting hotels was that each of them was evaluated by 20 guests of each nationality. To have hotel comparable, all of them were middle class hotels and ones of similar quality in consumers' minds. So the criterion in selecting hotels was to get hotels with similar general evaluation by all clients, of all nationalities. Research results are presented in the table 1.

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14   KOTLER, P. et al.: *Marketing Management*. Harlow : Pearson, 2009, p. 120.

**Table 1: Average evaluation of hotels by different nationals**

| Location of a hotel | Germany | USA | UK |
|---|---|---|---|
| Paris | 7,8 | 8,8 | 8,7 |
| Amsterdam | 7,6 | 8,2 | 8,5 |
| Copenhagen | 7,4 | 8,2 | 8,3 |
| Rome | 7,6 | 8,1 | 8,2 |
| Moscow | 7,9 | 9,3 | 8,7 |
| Brussels | 7,3 | 9,0 | 8,0 |
| Warsaw | 7,9 | 8,4 | 8,1 |
| Tokyo | 8,3 | 8,4 | 8,1 |
| New York | 7,8 | 9,o | 8,4 |
| Prague | 8,3 | 8,4 | 8,6 |
| Everage evaluation | 7,8 | 8,6 | 8,4 |

Source: Own processing

Conclusion coming from research is that it is Germans who have the least positive attitude towards evaluated things while clients from the USA have more positive attitude. Clients from UK have also quite positive attitude. The research also leads to more general conclusion – which inquiry into secondary data allows not only to know opinions of consumers but also their attitudes.


# 5 Ethical aspects of e-marketing research

Ethical side of research activities is less explored than ethics of other marketing function. General marketing research main ethical standards, required by American Marketing Association (AMA) are shown in the Table 2.

**Table 2: Ethical norms of concerned with marketing research**

| | |
|---|---|
| 1 | Norms for all actors (research firms, users and interviewers). 1. None of individuals or organizations will conduct activities presented as market research, which true goal is selling products to respondents taking part in research. 2. When the respondent was suggested that he or she takes part in marketing research as anonymous person, his or her name cannot be revealed within organization nor it can be used to other purposes than research. |
| 2 | Duties of research organizations. 1. There will not take either conscious nor intentional hiding research methods or research results. 2. All the time, name of sponsoring units will not be uncovered. 3. Researching organization will not undertake research for firms competing with each other. |
| 3 | Duties of users of the research. 1. User will not present research results in a way not compliant with research data. 2. As far as employed techniques, methods or approaches were unique, the user will not share them with other firms (without acceptance by researcher). |

| 4 | Duties of interviewers.<br>1. Instruction materials i data gathered will not be passed to nobody except for sponsoring firm.<br>2. None of information gathered will be used for private purposes of a researcher.<br>3. Interview will be conducted strictly in accordance with instructions.<br>4. Researches will not be conducted two or more research projects at the same time (unless with acceptance by the sponsor of the research). |
|---|---|

Source: Based on ZIKMOND, W. G.: *Exploring Marketing Research*. Forth Worth : The Dryden Press, 1997, p. 93.

The ethic norms indicated at the Table 2 are troublesome in new research realities. First of all, research using internet is conducting mostly for commercial reasons. Users are commercial organizations. So it seems that first principle should be softened in a way that the respondent will be informed who and for whom conducts the research. It would lead also to the proposal not to restrict name marketing research to purely scientific research.

With no hesitation, what should be restricted is a kind of misleading practice – to present as a sponsor of a research other than true one. This is practice used sometimes to get better attitude of potential respondents. The principle of not share information about respondents, is widely demanded for, so no need to comment of this principle.

To see ethical context of research there is a need to see more precisely problems that can happen in relation with respondents, sponsors and other firms.

• Relations with respondents. Ethics in this field is not reduced to questions of misleading the respondent as for the purpose of research. More important is not to make any injury to respondents. Injury may be, for instance, to break privacy of respondents or unkind insistence on participation in the research. Breaking consumer's privacy can be manifested in many ways. First of all, it is all kinds of hidden observation methods that break privacy. As for traditional observation it was the norm adopted by the British Market Research Society, under which observed people had to agree on being observed. In norms formulated by ICC/ESOMAR[15] they require to inform people about observation, before the start of observation. Furthermore, when observation has already started, observed people should have the right to cut back observation material. No doubt that observation by internet cannot subject to identical norms as those adopted to traditional observations. There is difference between observations as for who is observed, and what observation categories are. People observed in internet are not the same people as those observed in the street. In internet more risky from ethical side is situation when an individual is followed, step by step, during observation, than situation when incidental market related facts about consumer are recorded. Less risky from ethical view point is collecting data to develop some syntheses about people, than to "surround" individuals.

15    *ICC/ESOMAR. International code on Market and Social Research.* [online]. [2015-08-25]. Available at: <https://www.esomar.org/.../codes.../ICCESOMAR_Co>.

- Relations with users. ESSOMAR requires reliability of the very research. Some researchers may keep hidden important facts concerned with methodology employed. For instance there is the reason to hide information about response rate. This is important, since internet interviews may suffer from generally low response rate.
- Relations with other firms. Availability of data in internet provokes to use of data gathered by other organizations or individuals. If the field of intellectual rights is partly regulated by law, yet remains open ethical question if, or eventually, how to use the results of other people's work.

## Conclusion

E-Marketing in various ways influences research realities. It is not only growing access to data on the market. What subjects to change is the very role of secondary and primary data and relationships between two categories. Deep and representative secondary data can allow to avoid using primary research. Observations can allow to gain knowledge without using risky communication methods. Communication methods in turn can become more reliable and convenient when used on mass scale. Total change in market research facilitates the whole marketing management concepts like relationship marketing or mass customisation.

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# CREATIVE INDUSTRIES IN SLOVAKIA
# IN THE ENVIRONMENT OF THE DIGITAL WORLD

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**Abstract**
Creative economy is the result of interactions between the technology, art and commerce. Its basic characteristics reflect the current economic situation, structural changes in the world of economy and changes in the preferences of economic subjects. The presence of creative industries leads to increase of innovative strength and flexibility, which translates into an increasing number of self-employed people and generally has a positive impact on economic development of the region and the entire national community. The aim of this paper is to highlight the selected aspect of the development of creative industries – craft industries, regarding their existence in the digital world and the new changed conditions, despite the fact that they present the traditions and values that were created by human mind in the distant past.

**Key words:**
Craftsmanship. Creative industries. E-marketing. Regional development.

## Introduction

Creative economy is based on the existence and development of creative branches or creative industries. The social aspect of creative economy is the growing ratio of creative industries in relation to employment of the region and country.[1] Howkins (2001) named the creative industries via the optics of the intellectual property rights in four forms: design industry, trademark industry, patent form and authors' rights form.[2] There are various definitions of creative industries. Mostly, it depends on the determination of industries, selecting the key element, methodology and the point of view. It is a sector which is based on the assessement of an intellectual property and it is possible to include there the areas of creative activities, e.g., architecture, design, film, music, craftsmanship and so on. The creative industries represent the complex of industries that are based on the use of the results of intellectual creativity from the sectors of art, culture and other industries. Matthias Horx (in Dacey, Lennon), German research worker is one of those who talk about the large significance of creative industries for the development of the region. According to him „ the regions and cities with a large number of people working in creative occupations, are in the process of transformation from several points of view".[3] The presence of creative occupations leads to the increase in innovation power and flexibility and

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1    KLOUDOVÁ, J. et al.: *Kreatívna ekonomika*. Praha : Grada Publishing, a. s., 2010, p. 218.
2    HOWKINS, J.: *The creative economy: How people make money from ideas.* London : Penguin Books, 2001, p. 288.
3    DACEY, J. S., LENNON, K. H.: *Kreativita*. Praha : Grada Publishing, a. s., 2000, p. 325.

it has positive impact on economic development. Florida (2002) confirmed that the areas which signalize the values like liberality, openness and diversity are primary searched by people from creative sector for their private and working life whereby these areas are becoming more attractive.[4] From the point of view of better knowledge of the structure of creative industries in Slovakia it is possible to determine their sectors according to the character of goods and services to: sector of the art and culture (including crafts); sector connected with creative activity (e.g., advertising, design); sector of selling or creating the access to the goods or services (e.g., electronic communications, information services, archival science). On vertical level the creative industries can be determined by individual activities, from creating conditions for creative activity, creating the subject of protection of intellectual property through its implementation, processing, production, propagation – including public accessing – to its storing, archiving, renewal (redesign) and repeated exploitation even outside of the country of origin.

On the horizontal level of creativity the industry according to its type is created by music, fine art, theatre, typographical art including the publishing, film, audiovisual works, advertising, design, architecture, cultural heritage and memory institutions, arts market, broadcasting, software, hardware, internet, electronic services but also entertainment industry including computer and console games in the structure: design, production, distribution, redesign.[5] Among of all creative industries in the Slovak Republic it is important to mention the craftsmanship which has recently reached a significant development. The so-called hand-made of domestic production is blended together with traditional crafts. If craftsmen want to exceed the horizon of sales or more precisely from workshop, there is a problem of reaching the customers in this type of production. Therefore they need an individual form of sales and marketing. The aim of this article is to point out the significance of utilizing of online marketing tools and sales which will ensure an increased awareness of small craftsmen and their traditional products. A part of this paper deals with the analysis of the current state of the use of online marketing tools by small craftsmen in Slovakia. Even for this segment of the market offer it applies, that an appropriate implementation of marketing tools in digital world surrounding us today represents the strategic competitive advantage. Businessmen who want to be recognized and successful on the market have already understood that „the presence on the internet" should be the must.

„An existence on the web by itself" does not guarantee, that some form of business transaction by means of this existence will be reached . At that time e-marketing enters and it represents the connection of areas of marketing and information

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4    FLORIDA, R.: *The rise of the creative class*. New York : Basic Books, 2002, p. 404.
5    *Ministerstvo kultúry SR: Východiská koncepcie na podporu kultúrneho a kreatívneho priemyslu v Slovenskej republike 2011*. [online]. [2015-02-04]. Available at: <http://www.rokovania.sk/Rokovanie.aspx?BodRokovaniaDetail?idMaterial=23526>.

technologies or more precisely the information technologies and tools of communication in digital environment. It becomes an increasingly popular form of presenting of products and services and it substitutes the traditional forms of marketing communications and media through which the distributive and communication channels were implemented.

## 1 The current state of problems being solved – theoretical outcomes of problems being solved

E-marketing as a modern form of implementation of marketing activities. Marketing on the internet, often called as e-marketing represents the use of internet services for implementation and support of marketing activities of businesses. This type of marketing is considered as a very effective tool in the use of mass expansion of internet technologies towards the commercial applications. Electronic business means the use of the information and communication technologies to increase the effectiveness of relations between the businesses and customers, seeing that the internet nowadays is becoming an universally accepted medium. E-marketing has become the form of marketing that enables a fast approach to customers and better understanding of their preferences and requirements. The internet has become the first medium whose content can be created by anyone. Businessmen can use e-marketing in many ways, namely from supporting presentation to complex conception of business in online space with the support of online marketing tools. It gives the businessmen an option to penetrate into new markets, obtain and develop new markets as well as the support and development of product or diversification of portfolio.[6]

Frey (2008) desribes the online marketing as an irreplaceable part of the communication channel. There are options of new technologies and for some segments and target groups this form of medium is more suitable than the ordinary standard of use. This area is still dinamically developing. It is a commercial business service which can be ensured by businesses in form of outscoring or internally.[7] According to Foret (2006) the marketing communication on the internet brings the options, which reduce the costs to businesses for advertising and propagation. It improves the communication skills of organizations and leads to the formation of persisting relationships and bonds as well as to fulfillment of individual requests between vendors and consumers.[8] According to Smith and Chaffey (2005) e-marketing is an independent tool presenting the products and the possibility of buying them on internet. The main objectives are:

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6    CHAFFEY, D. et al.: *Internet Marketing. Strategy, Implementation and Practice.* Harlow : Pearson Education, 2009, p. 508.
7    FREY, P.: *Marketingová komunikace: to nejlepší z nových trendu*. Praha : Management Press, 2008, p. 195.
8    FORET, M.: *Marketingový prúzkum – poznávame svoje zákazníky.* Brno : Computer Press, 2008, p. 121.

the transformation of marketing strategy with the aim of creating higher added value and customer experience through more effective segmentation with the use of positioning strategy and diferentiation strategy; more effective planning and implementation of marketing concepts, more effective realisation of distribution, presentations and more effective pricing of services; creation of individualized transaction which fulfills the specific aims of consumer.[9] Stokes (2008) mentions that, „*the aims of e-marketing do not differ from the aims of classic marketing. They are only modified in the context of virtual environment and new technologies regarding an option of transaction values.*" [10]

E-marketing has severeal unique advantages and its impact is easily identifiable. The main advantages are: a reduction of costs, an increase in business effectiveness; more effective aiming at customer target group and a possibility of communication with clients in real time; an improvement of control system; an acquirement of modern and inovative image of company. On the contrary the disadvantages of e-marketing are: a distrust of customers towards the business communication and performing online transactions; a necessity of permanent monitoring of changes and reactions of competitive companies and following the timeliness and consistence of published information; higher security requirements for data transmission on the internet.[11]

**E-marketing tools**

E-marketing represents the set of specific tools whereby their structure and categorisation are different. There are several definitions of e-marketing tools from various authors whereby we introduce only some of them.
Janouch (2010) distinguishes the following tools of e-marketing and marketing communication in digital environment among which he includes for example:
• *web page* – the main space for gathering of relevant information about the company and products which the company offers within the frame of its product portfolio;
• *e-shops* – a place for performing a transaction;
• *blogs* – a place created in order to influence an opinion of customers by means of publication of relevant content what influences the position in web search engines;
• *discussion forums* – a place for sharing opinions (customer forums are frequent for exchanging of experience about certain product or company);
• *social networks* – the most utilized type of social media based on the feedback and active communication with a network of mutual virtual bonds and relations;
• *wikis* – a web space, where the content is only created by the internet users;

9     SMITH, P. R., CHAFFEY, D.: *E-marketing excellence.* Oxford : Elsevier Butterworth, 2005, p. 372.
10    STOKES, R.: *E-marketing: The Essential Guide to Digital Marketing,* 2008*.* [online]. [2015-10-01]. Available at: <http://t.co/B3FQ1sgD>.
11    *Marketing v prostredí internetu.* [online]. [2015-09-28].
      Available at: <http://www.marketingonline.sk/online-marketing/>.

• *virtual worlds* – a space with a possibilty to create the virtual parallel reality, where the users communicate through the personalized avatars and perform commercial transactions.

This author considers the following to be the tools of online marketing and marketing communication: *advertising* (pay-per-click, pay-per action, display advertising, catalogue entries); *sales support* (online competitions, discounts, vouchers, loyalty programs, partner programs); *events* (online events); *public relation* (news, articles, viral marketing, advergaming); *direct marketing* (e-mail marketing, web seminars, online chat).[12]

According to Novotný (2012) the most important tools of internet marketing are: *web presentation* (the most important element of internet presentation), *search engine optimization*, *SEO* (an effective method thanks to which the web pages can be moved forward to the top search engine positions, they are more visited and visible), *Link building* (a formation of the backward references which increase the visit rate of web pages as well as they improve the position in search engine), *PPC advertising*, *e-mail marketing* (a way of communication with customers which uses some forms of sending e-mails), *online games and applications* (flash technology is very popular nowadays), *microsite* (an individual web page which offers the specific product or informs user about a special action), *visitor analysis* (it allows to acquire the exact information about the web pages and their visitors.[13]

According to Blažková (2005) the elements of marketing communication in digital environment are *the advertising, public relations, sales support, direct marketing and viral marketing*.[14]

In relation to presented authors it is possible to agree with Přikrylová, Jahodová (2010) who suggest, that there are many ways through which the marketing communication can be implemented. However they differ in their use and suitability. According to it, a company can choose those communication tools of digital age that will be the most effective. One communication tool or a group of the tools naturally influence the second communication channel, whether it deals only with online or traditional tools of marketing communication. Therefore we can not rely on one or two of them but a good option is the combination of several targeted tools, for example even for the reason of a use of multitasking.[15]

12  JANOUCH, V.: *Internetový marketing – Posaďte se na webu a sociálních sítích.* Praha : Computer Press, 2010, p. 58.
13  NOVOTNÝ, P.: *Internetový marketing, studie a dokumenty.* [online]. [2015-10-10]. Available at: <http://www.web-consultants.cz/nastroje-internetoveho-marketingu/>.
14  BLAŽKOVÁ, M.: *Jak využít internet v marketingu.* Praha : Grada Publishing, 2005, p. 84.
15  PŘIKRYLOVÁ, J., JAHODOVÁ, H.: *Moderní marketingová komunikace.* Praha : Grada Publishing, 2010, p. 320.

## 2 Aims of the contribution, material and methodology

The aim of the contribution is to present the results of research activity which was implemented within the frame of a dissemination of the project APVV-0101-10 Creative Economy – National and Regional Conditions and Stimuli which was solved at the University of Žilina in 2011 – 2014.

The aim of the research activity which was the part of the solution of this project was to find out **what are the current conditions for the development of traditional and folk crafts in the region of Žilina.**

Before the elaboration of this paper we have studied a professional literature from selected area and we have become familiar with severeal views of authors on the creative branch of industrial production. In an effort to acquire the most actual data about the topic we have realized several dialogues with the craftsmen from the region of Žilina. On behalf of an achievement of specified aims the following scientific research methods were used: excerption and compilation methods, method of abstraction used for a reduction of the extent of theoretical problem to substantial facts and researching of specific region, method of analysis, comparison, induction and deduction. The use of a primary research was conditioned by elaborating of the research plan. (Table 1)

**Table 1: The plan of performed research**

| | |
|---|---|
| **Object of research** | creative individuals in area of traditional and folk crafts on the territory of Žilina region |
| **Type of research** | quantitative research |
| **Collecting of data** | electronic survey |
| **Basic calculation of sample size** | $n = \dfrac{Z^2 \, x \, p \, x \, (1-p)}{H^2}$ |
| **Modified calculation of sample size for small basic set** | $N = \dfrac{n}{1 + \dfrac{n-1}{ZS}}$ |
| | n – minimum sample size (minimum number of respondents), <br> $Z^2$ – required confidence interval, <br> H – maximum allowable margin of errors, <br> p – relative share of examined character, <br> N – minimum sample size for small basic set, <br> ZS – basic set. |
| **Calculated sample size** | 142 craftsmen operating on the territory of Žilina region |
| **Time schedule of data collection** | 1. 7.2015 – 1. 8. 2015 |

Source: DUDOVÁ, I.: *Determinanty podpory kreativity v regionálnom prostredí. Písomná práca k dizertačnej skúške.* Žilina : Fakulta prevádzky a ekonomiky dopravy a spojov, Žilinská univerzita v Žiline, 2015.

The basic set consisted of 255 craftsmen operating in Zilina region. The confidence interval was set to 95 %, with assigned table value of 1.96. We used

the standard value 0.5 and maximum allowable margin of error ± 5%. The survey eventually involved 82 respondents of various craftsmanship of Zilina region. After calculation we got the return rate of 57, 7% and the confidence interval of 75%.

## 3 The results of solution – analysis of current state of the use of e-marketing tools in implementation of craftsmanship in Slovakia

Folk production in Slovakia is a traditional national creative expression and it is an essential part of our culture. Among the creative industries in Slovakia we can include the following crafts: artistic crafts – individual producers, sole traders, family businesses, smaller limited liability companies; traditional and folk crafts – individual producers without a licence, sole traders, family businesses up to nine employees, non-profit organizations; production and sale ensured by ÚĽUV.

According to material and goods the crafts can be divided into following groups: wood (cooperage, wheelwrights, production of troughs, woodcarving, joinery, production of roof shingle, carpentry, woodturning, spoon carving, production by splitting of cooked wood); clay (pitcher pottery, pottery, stove production); toys (toys production, puppetry); musical instruments (violin making, whistle making, production of other musical instruments); metal (tinkery, smithery, cutlery, buckle production, bell-smithery, axe smithing); leather (bag making, shoemaking, boot-making, belt-making); glass (glasswork, glass painting); horn (knob making, comb making); meshes (husk making, basketry); textile (crochet, lace making, hatmaking, tailoring, weaving, knitting, drapery, blueprint, embroidery, carpet making); wool (slipper making); wax (candle making, wax making) and the others (honey-cake making, bakery, stationery, parchment making, dyeing, jewel-making, charcoal making, easter egg decorating etc.).

Within the frame of the technologies used the machine tools for hand processing of the wood are dominant – modern electric saws, turning machines, wood carving duplicator machines as well as semi-automatic weaver and embroidery machines. The use of the technological processes of woodworking is adequate, in textile production it is low connected with a prevalence of traditional handiwork.[16] From the economic point of view this segment is created by: occasional producers without a licence, sole traders – individuals, partners within the frame of family business.

Traditional and folk crafts in Slovakia represent a specialized nonfarm small scale production based on the handiwork of a producer with the use of his own tools,
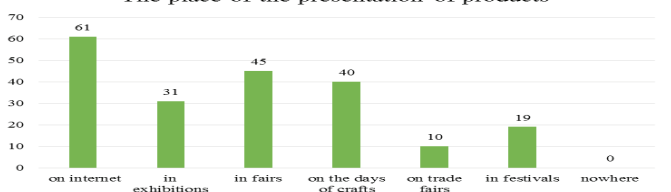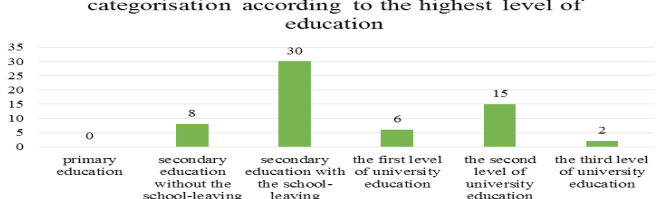
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16  Ministerstvo kultúry SR: *Možnosti rozvoja kreatívneho priemyslu na Slovensku.* [online]. [2015-10-12]. Available at: <https://www.siea.sk/materials/files/inovacie/ publikacie/publikacia_Moznosti_rozvoja_kreativneho_priemyslu_web_SIEA.pdf>.

which requires an adequate institutionally acquired professional qualification and a corporate social organization. Internal capacities of Slovakia point to the fact, that whole Slovakia represents strong cultural creative base even for the development of the crafts of traditional, folk and city culture. The growth in demand for unique and special products of craftsmanship and economic situation cause a distinctive development of individual production and sales of different types of products (small things for home, toys, jewellery, handicrafts and so on.).[17] For the craftsmen it is important to exceed a traditional „horizon of sales" and to choose such forms of sales and marketing activities that are typical for current digital world.

The primary research whose partial aim was also to map the current situation in the area of the use of modern digital communication in the environment of crafts production in Slovakia has referred to important facts related to the objective problems. (In Table 2 there are only selected aspects of problems being solved).

**Table 2: Selected aspects of the current state of existence of craftsmanship in digital world**

| Aim of the research 1 | *The place of the presentation of traditional craft products* |
|---|---|
| The results of research activity |  |

The place of the presentation of products

The number of craftsmen who use e-marketing – categorisation according to the highest level of education

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17    Ministerstvo kultúry SR: *Správa o stave a potenciáli kreatívneho priemyslu na Slovensku.* [online]. [2015-10-01]. Available at: <http://www.culture.gov.sk/aktuality-36.html?id=440>.

**Table 2: Selected aspects of the current state of existence of craftsmanship in digital world – extension of Table 2**

| | |
|---|---|
| |  The number of craftsmen who use e-marketing - categorization according to length of practice |
| **Aim of the research 2** | *The tools used in the presentation of creative activity and products* |
| The results of research activity |  E-marketing environment |
| **Aim of the research 3** | *The use of sales and information portals mutual for multiple producers of traditional craft products* |
| The results of research activity |  The use of sales portal |
| **Aim of the research 4** | *Identification of sales portals used by craftsmen for purpose of the presentation of their products* |
| The results of research activity |  The sales portals used by craftsmen |
| **Aim of the research 6** | *The rate of the use of communication and distribution tools of e-marketing for the presentation and sales of outputs of craftsmen creative production* |
| The results of research activity |  The tools used in e-marketing |

Source: DUDOVÁ, I.: *Determinanty podpory kreativity v regionálnom prostredí. Písomná práca k dizertačnej skúške.* Žilina : Fakulta prevádzky a ekonomiky dopravy a spojov, Žilinská univerzita v Žiline, 2015.

Even though that the results of the research in the area of the use of modern communication channels are quite optimistic, the complex results of the research have pointed to the fact that there is a non-functional and old-fashioned form of presentation of traditional culture in comparison with foreign countries. Modern presentation of traditional craft techniques and their connection with the current design and life is a basic economic potential of this area in many countries but in Slovakia only a few attempts have been implemented so far. The main potential of traditional crafts is their significance for the tourism, national identity and regional development. A connection between the traditional folk crafts and modern design can become an essential identification symbol of the country.

An outbound strategy of development of creative industries in Slovakia deals with the crafts and it is possible to find there a complex mapping of traditional crafts. It is a difficult research task which requires a detailed and continual research supported by strategic steps. It deals with the mapping of their state, participating subjects, internal connections as well as with the problems and barriers of development and possible solutions in realtion to the support of a potential in a given area. The changes of approach of craftsmen towards the use of the modern digital forms of marketing communication must become an inherent part of strategic ideas. A continuation of the mapping of industry is mentioned in the Report of the state and potential of creative industries in Slovakia. Besides the historical development and state of crafts it is possible to find there the most commonly used technologies and technologic procedures, a specification of the crafts according to the territorial concentration and the basic problems and barriers of operation and development. The policys, support measures and initiatives are designed for this industry in order to increase its growth potential. In the Integrated regional operational programme in priority axis no. 3 – Mobilization of creative potential in regions, the aim is to support the employment and creating workplaces also in creative industries through the creation of beneficial environment and to support the building of creative centers.[18]

The craftsmen create informal structures, e.g., Blacksmith guild, pottery guild and so on or civil societies which are based on the principle of regional membership or type of production. They have recently joined the regional centers and craft houses whereby they want to achieve better economic evaluation of their activity. However these groups generally do not have legal personality. Characteristic feature of these groups is the fact that their marketing communication towards external environment but also within the frame of internal environment is characterized by a higher level of the use of modern communication channels with digital content. ÚĽUV (The Centre for Folk Art Production) which covers folk art production is also helpful for the economic activities of industry so

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18   ČOREJOVÁ, T. et al.: *Dimenzie kreatívnych odvetví v žilinskom regióne*. Žilina : Žilinská univerzita v Žiline, 2015.

it performs the activities for the support of entrepreneurship, it organizes a number of courses, workshops for general public and it also educates the lecturers of education and effective presentation of traditional craft. It helps craftsmen to present the products on annual fairs, folk celebrations, crafts festivals and specialized markets but also through information communication technologies. An important role in the system of infrastructure builded for the support of crafts is created by a group called „Traditional folk art crafts" which ensures the international meetings of craftsmen, workshops and presentations of folk crafts including their digital form.[19]

## 4 Discussion

Certain paradoxes have emerged from the research activity to which it is possible to lead a professional discussion. The first paradox that we have supposed is that the least usage of e-marketing is connected with the craftsmen with elementary education. However we have not supposed that a low rate of using e-marketing is also connected with the craftsmen who gained the third level of university education. The authors of this paper presume that the craftsmen with the third level of university education have gained a selected narrow market segment and for that reason they do not need to use the tools of e-marketing.

The second paradox is that e-marketing is used the most by the craftsmen with a long term practice. The authors of the paper understand this fact in a way that the craftsmen who produce for a longer time need to keep the continually developing relationships with the customers. The paradox is also the fact that 14% of the craftsmen have not answered the question in which they have had to identify the individual tools of e-marketing that they use. Therefore we presume that the craftsmen do not have enough information about the tools of e-marketing.

Nowadays, the internet is a medium intensively used by the general public. The customers spend more and more time in a virtual space. Understanding of the crafts as something traditional does not mean that, they will remain loyal to the traditions even in a way of implementing the marketing communication and building of distribution channels. The craftsmen gradually pay attention to the marketing communication in the environment of digital world.

The companies dealing with a crafts production can gain a lot of advanatges with the use of online marketing: an increase in volume of products sales through the use of digital technologies; a possibilty to communicate with the customers 24 hours a day, 7 days a week and 365 days a year with a non-existence of space bariiers; getting the most actual information about the needs of customers,

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19   *Ústredie ľudovej umeleckej výroby*. [online]. [2015-05-05].
     Available at: <http://www.uluv.sk/sk/web/o-uluve/hlavne-cinnosti/>.

for example through the blogs and discussions. Thanks to the information technologies the craftsmen can achieve decrease in costs and save time on both sides of business transaction. Through the use of the digital technologies and achievements of current modern age, the craftsmen can increase awareness and influence the creating of a good name or brand and influence the way of its perception by customers. Thereby they acquire the skills in using the most modern methods and procedures of production and they are motivated to a higher performance of their creativity.

## Conclusion

The creative industres are very interesting for Slovakia because they represent an important contribution to a permanent and sustainable developmnet of the regions, cities and municipalities. Recently, a readiness of the passive and future active participants or authors of culture events has a decreasing tendency. The problem is a leaving of the creative authors, artists and theorists abroad, seeing that in domestic environment they do not find the motivation and appreciation of their work. Some art professions are threatened by the lower support and absence of some types of institutions, small share of home production and its weak representation on the market, insufficient space for criticism and reflection, low purchasing power of art products and insufficient legislative environment leading to the support of creative industries.

It is said that if people want to get to know culture of a different nation, they should start with its folk traditions and habits. Thanks to these attributes every nation is somehow unique and original. In today's technical age the crafts are pushing forward mainly through their originality. The economic growth in a scope of traditional folk production is currently slow and depends on the purchasing power of domestic market and interest of foreign visitors. Objective segment of crafts production is less differentiated comparing to foreign countries and there is a merger of valuable and cheap market production. Another problem is a disfunctional and out of date form of presentation of traditional culture in Slovakia and abroad. We have mentioned this in the presented results of our research.

In the use of e-marketing by craftsmen in Slovakia there are still reserves but from the results of the research we can state, that small craftsmen are aware of the significance of the use of e-marketing in their business activities. It is possible to presume that the rate of the use of digital technologies in the environment of crafts production will grow. The more tools of e-marketing can small craftsmen apply properly, the more benefits will be brought to them by e-marketing. All they need is a willingness to learn to work with digital technologies, patience and to be willing to spend several hours of their working time on it. This time will not be finally wasted for them. In the digital world they can be inspired by

the successes of other craftsmen, who have been successful in improvement of their production and have gained a profit from the knowledge of the use of the information communication technologies in modern marketing procedures and effective marketing strategies. Even after the first unsuccessful attempts, everyone will find out which tools of innovative marketing will be the best and the most effective.

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# THE EFFECT OF TRUST IN THE ONLINE COMPLETION OF INSURANCE PRODUCTS COMPARED WITH TRADITIONAL DISTRIBUTION CHANNELS IN GERMANY

*Heiko Seitz*

**Abstract**
The insurance distribution in Germany is unique, because in most countries insurance intermediaries do not have that much power. On the basis of the government influence and the progress of the digital market, customer behavior and the insurance sector in general are permanently changing. Because of that, some success factors are becoming more important than others. In the distribution of insurance products there are many different success factors. Trust is one of the most important success factors for customers in the business relationship and in purchasing insurance products. Is it possible that if customers are losing trust in insurance intermediaries in general, the online distribution increases? The analysis of the survey shows that customers who have bought an insurance product online before, generally do not as trust in insurance intermediaries as much as customers who have never bought an insurance product online. As this paper will show, well-known "research online, purchase offline"-effect was observed in customer behavior if they bought an insurance product. Many studies predicted that this customer behavior will change in the future, so that digital distribution will rise in some segments. In the life insurance segment this effect won't be as strong as in other segments, because the products are more difficult to understand for the layman.

**Key words:**
Digital distribution. Distribution channels. Intermediaries. Success factors. Trust.

## Introduction

During the last 20 years, the distribution of insurance products in Germany has changed significantly. Insurance companies have had to constantly rethink their sales strategy to efficiently meet the changing needs of the customer. The digital distribution is not new in Germany, but at the moment the share of this distribution channel is very low compared to those of other European countries. The question here is: what are the reasons for customers to buy insurance products online? There are many reasons for this phenomenon, e.g. it is more comfortable, it saves time, and the decision is made according to the customer`s own research, etc. But there is one factor that has been very important for distribution, especially for insurance intermediaries. Trust is not only a vague factor, it is a very important success factor for selling insurance products, because most insurance products are complex and difficult to understand. Customers used to be dependent on the assistance of insurance intermediaries, indicating trust between the customer and the intermediary. But what happens to the customer who loses trust in intermediaries?

# 1 Insurance industry in Germany

The insurance industry in Germany, particularly the distribution of insurance products, is very unique compared to the insurance industries in other European countries. Germany, with total gross written premiums of €187,309m, belongs in the top three countries in Europe in terms of total premium sales. Only France and the United Kingdom have more total gross written premiums. But the German insurance market is the only one which has increased constantly in the last 10 years.[1] With 560 insurance companies, Germany has the second highest number of insurance companies in Europe.[2] There are many channels through which to distribute the insurance products. The oldest and biggest distribution channel is the intermediary sale. The first insurance intermediaries were mentioned in documents from the 14th century in Italy.[3] In October 2015, 235,335 insurance intermediaries were registered with the DIHK.[4]

## 1.1 Success factors in insurance sales

In subject literature, many success factors for insurance distribution are mentioned. But first we have to define what success in the insurance sector means. Success in the insurance distribution can be measured by the number of products sold, the number of customers an intermediary has or how long a business relationship between a customer and an insurance intermediary lasts, for example. Many authors, who are writing about success in insurance distribution, will mention customer binding as a feature for success in this business. Meyer & Oevermann have divided the reasons for customer binding into five aspects: situative factors, legitimate factors, economic factors, technological factors, psychological factors.[5] In the business relationship between customers and insurance intermediaries, the psychological factors play an important role. According to Meyer & Oevermann, this factor is also called "emotional binding cause" and this includes customer satisfaction, complaint satisfaction, repurchase intention, additional purchase intention and recommendation

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1   *INSURANCE EUROPE: Statistics N°50 European Insurance in Figures December 2014*, p. 43. [online]. [2015-08-20]. Available at: <http://www.insuranceeurope.eu/ sites/default/files/attachments/Statistics%20no%2050%20-%20 European%20 Insurance%20in%20Figures.pdf >.

2   Ibidem, p. 62.

3   MEHREN, L.: Was die Geschichte für die Zukunft lehrt – Die Berufsgeschichte der Makler. In *AssCompact*, 2009, Vol. 5, p. 108-111.

4   DIHK | DEUTSCHER INDUSTRIE – UND HANDELSKAMMERTAG E. V.: *Registrierungen im Versicherungsvermittlerregister Stand: 01.10.2015*. [online]. [2015-10-13]. Available at: <http://www.dihk.de/themenfelder/recht-steuern/oeffentliches-wirtschaftsrecht/versicherungsvermittlung-anlageberatung/zahlen-und-fakten/ eingetragene-vermittler>.

5   MEYER, A., OEVERMANN, D.: Kundenbindung. In TIETZ, B., KÖHLER, R., ZENTES, J. (eds.): *Handwörterbuch des Marketing*. Stuttgart : Schäffer-Poeschel Verlag für Wirtschaft, Steuer, Recht GmbH, 1995, p. 1342.

intention.[6] Other authors like Homburg & Bruhner regard customer satisfaction, personal relationship, trust, commitment, customer proximity or habits of the customer as important psychological components.[7] Krafft & Götz define binding as potential determinants in their writings on customer satisfaction.[8] Satisfaction, trust, emotional commitment, cognitive commitment and customer proximity are important psychological factors for customer binding in Trumpfheller´s dissertation.[9] The success factor trust is an especially important component in insurance distribution, because it is very difficult for customers to understand the insurance market as it contains many different products. Basically, in general parlance, the term trust can be easily understood in the classical way. Nevertheless, many scientists are concerned with the construct "effect of trust". The reason for that is there is probably no other variable that has a comparatively strong impact on the inter-individual behavior.[10]

## 1.2 Trust in the business relationship between customers and insurance intermediaries

In specialized literature, there are many different definitions for trust. One of the famous and often used definitions was made by Deutsch in 1958: *"An individual may be said to have trust in the occurrence of an event if he expects its occurrence and his expectations lead to behavior which he perceives to have greater negative consequences if the expectation is not confirmed than positive motivational consequences if it is confirmed"[11]*

Another widely recognized definition is from Rousseau *et al.*, which is justified by the fact that this one unites the partial aspects "accept vulnerability" and "positive expectations": *"Trust is a psychological state compromising the intention to accept vulnerability based upon positive expectations of the intentions or behavior of another."*[12] Similar definitions came from other authors like Mayer *et*

6    Ibidem, p. 1343.
7    HOMBURG, C., BRUHN, M.: Kundenbindungsmanagement: Eine Einführung in die theoretischen und praktischen Problemstellungen. In HOMBURG, C., BRUHN, M.: *Handbuch Kundenmanagement*. Wiesbaden : Springer Gabler, 2013, p. 11.
8    KRAFFT, M., GÖTZ, O.: Der Zusammenhang zwischen Kundennähe, Kundenzufriedenheit und Kundenbindung sowie deren Erfolgswirkung. In WILDE, K., HIPPNER, H.: *Grundlagen des CRM: Konzepte und Gestaltung*. Wiesbaden : Betriebswirtschaftlicher Verlag Dr. Th. Gabler / GWC Fachverlag GmbH, 2007.
9    TRUMPFHELLER, J.: *Kundenbindung in der Versicherungswirtschaft – eine theoretische und empirische Analyse unter besonderer Berücksichtigung des Versicherungsvertriebs über Versicherungsintermediäre*. [Dissertation Thesis]. Hannover : Faculty of Economic Sciences, Leibniz University Hannover, 2004.
10   MOLDOVEANU, M., BAUM, J.: „I Think You Think I Think You´re Lying": The Interactive Epistemology of Trust in Social Networks. In *Management Science*, 2011, Vol. 57, No. 2, p. 394.
11   DEUTSCH, M.: Trust and suspicion. In *Journal of Conflict Resolution*, 1958, Vol. 2, No. 4, p. 266.
12   ROUSSEAU, D. et al.: Not so different after all: A cross-discipline view of trust. In *Academy of Management Review*, 1998, Vol. 23, No. 3, p. 395.

*al.[13]*, Bhattacharya *et al.[14]*, and Coleman[15]. A key element in all those definitions is vulnerability. However, the more perceived vulnerability, the more confidence in the relationship increases.[16] Especially in the insurance industry, trust in the insurance company or the intermediary plays a special role. That trust has decreased in the insurance industry, is beyond question.[17] Nevertheless, the study by MSR Consulting shows that trust in the intermediary is an important component in choosing an insurance product. With 43%, trust in the intermediary is in 4th position among reasons why the customer buys a product.[18] Although trust itself is often lacking in the insurance industry, for the customer, trust in intermediaries is an essential condition for a long-term relationship.[19]

## 1.3 Digital distribution

Although it is still holding a small share, digital distribution of insurance products is nevertheless an important channel. A study by McKinsey & Company shows that internet penetration has increased by 25% per year in the last five years.[20] In Western Europe the digital distribution has shares of approximately 15% in life insurance and approximately 30% in non-life insurance. The insurance distribution has changed a lot in recent years. In the past, insurance companies used a simple model of own sales force, but today there is a modern multi-channel model with many actors, like agents/brokers, retailers, bank and direct sales.[21] In this paper, digital distribution can be understood as sales both directly from insurance companies as well as online intermediaries, who are also called internet portals (e.g. Check24). This means that these companies only distribute

13    MAYER, R., DAVIS, J., SCHOORMAN, F.: An Integrative Model of Organizational Trust. In *Academy of Management Review*, 1995, Vol. 20, No. 3, p. 712.
14    Bhattacharya, R., DEVINNEY, T., PILLUTLA, M.: A Formal Model of Trust Based on Outcomes. In *Academy of Management Review*, 1998, Vol. 23, No. 3, p. 462.
15    COLEMAN, J.: *Foundations of Social Theory*. Cambridge : Harvard University University, 1990, p. 99.
16    GÖTZ, K.: Vertrauen als funktionale Systemeigenschaft. In GÖTZ, K.: *Vertrauen in Organisationen*. Munich, Mering : Rainer Hampp, 2006, p. 61.
17    GFK Verein: *Trust in Professions 2014*, p. 8. [online]. [2014-09-25]. Available at: <http://www. gfk.com/Documents/Press-Releases /2014/GfK_Trust%20in%20 Professions_e.pdf>.
18    WICHERT, B.: Die wichtigsten Gründe für die Versicherer-Auswahl. In *Versicherungsjournal*, 2013.
19    BRUNNER, W.: Vertrauen – die Bedeutung weicher Faktoren im Wirtschaftsleben. In BRUNNER, W., SEEGER, J., TURTURICA, W.: *Fremdfinanzierung von Gebrauchsgütern: Das alltägliche Risiko*. Wiesbaden : Gabler Verlag, 2010, p. 17.
20    MCKINSEY & COMPANY: *Internet Matters: Essays in Digital Transformation*. Released on March 2012. p. 38. [online]. [2015-10-02]. Available at: <https://www.mckinsey.com/~/media/McKinsey/dotcom/Insights%20and%20 pubs/MGI/Research/Technology%20and%20Innovation/Essays%20in%20digital%20transformation/MGI_Internet_matters_essays_in_digital_transformation.ashx>.
21    SWISS RE: Digital distribution in insurance: a quiet revolution. In *Sigma*, 2014, No. 2, p. 2-5. [online]. [2015-10-01]. Available at: <http://media.swissre.com/documents/sigma2_2014_en.pdf>.

the insurance products online, without any personal intermediaries. These companies are registered as normal insurance intermediaries (e.g. brokers). Most consumers use the internet for gathering information, here is an example came from the US insurance market: A study by McKinsey analyzed that 73% of customers who search for information about car insurance used a digital opportunity like the internet in 2012. In the year 2008, only 55% gathered information online.[22] Another study by Bain & company found that 60% of all German citizens see the internet as the most important distribution channel in the future.[23] An interesting channel for future digital distribution are Apps and Social Networks. At the moment, many consumers cannot imagine using at Apps and Social Networks for buying insurance products. Only the younger generation (21 to 29 years) are ready to buy insurance products through Apps or Social Media (approximately 16%).[24] Today, many insurance companies primarily use Apps to support the intermediaries or to support the customer in case of damage.[25] The Swiss Re report from the year 2012 shows that the internet is not only a comfortable option for researching for information or prices, the customer also sees the internet as a trusted source of advice. The report found that customers from Europe trust information gathered on the internet more than any other source of advice, such as the advice from insurance companies, friends/family or intermediaries. In the same report, it is also shown that young people would rather trust the advice of friends and family, while older people between 56 to 70 rather trust the advice of an intermediary. But regardless of age, all rely on the internet as an information source.[26]

## 1.4 Share of distribution channels

The insurance intermediary still plays an important role in the distribution of insurance products compared to online distribution; the face-to-face

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22   MCKINSEY & COMPANY: *Winning Share and Customer Loyalty in Auto Insurance*. Released on July 2013. p. 7. [online]. [2015-10-01]. Available at: <http://www. mckinsey.com/~/media/mckinsey/dotcom/client_service/financial% 20services/ latest%20thinking/insurance/winning_share_and_customer_loyalty_in_auto_ insurance.ashx>.

23   BAIN & COMPANY: *Versicherungen: Die digitale Herausforderung*. Released on 27. September 2013, p. 7. [online]. [2015-10-06]. Available at: <http://www.bain.de/ Images/BainBrief_Versicherungen_Die-digitale-Herausfor derung_FINAL.pdf>.

24   SWISS RE: European Insurance Report 2012: Customers for Life. In *Sigma*, 2012, No. 3, p. 19. [online]. [2015-10-04]. Available at: <http://media.swissre.com/ documents/European_Insurance_Report_2012_EN.pdf>.

25   BAIN & COMPANY: *Versicherungen: Die digitale Herausforderung*. Released on 27. September 2013, p. 10, 15-16. [online]. [2015-10-06]. Available at: <http://www. bain.de/Images/BainBrief_Versicherungen_Die-digitale-Herausfor derung_FINAL. pdf>.

26   SWISS RE: European Insurance Report 2012: Customers for Life. In *Sigma*, 2012, No. 3, p. 17. [online]. [2015-10-04]. Available at: <http://media.swissre.com/ documents/European_Insurance_Report_2012_EN.pdf>.

intermediary distribution has the greatest proportion in all types of insurance. But in recent years, direct sales[27] has increased more and more.[28]

The life insurance segment is the most important segment of the insurance sector in Germany. This segment takes up 90,829 billion euros earned through insurance premiums and nearly 48% of total revenues in Germany. In this segment the online distribution had a share of 4.1% in the year 2012. This is an increase of 1.6% compared to the year 2009.[29] Also, the forecast of the future looks good, because in 2014, 28% of insurance companies indicated that the importance of direct selling and online portals will increase in the future.[30] In 2013, the forecast for the future looked a little different. Only 18% of companies surveyed, spoke of an increase in direct sales.[31]

The health segment insurance notes 35.835 billion euros of contributions in the year 2012, about 19% of total revenue.[32] In this segment, full private health insurance is distinguished from supplementary health insurance. In 2012, direct selling had a 4.8% share of new business in the health segment. This is an increase of 0.8% compared to the year 2009. Especially in supplementary health insurance, the insurance companies see potential for direct sales and internet portals.[33]

Property and casualty insurance is valued at 60.556 Billion Euros and is the second largest insurance segment in Germany. In this segment, direct sales have

27  Digital distribution channels direct from an insurance company can be understood is a kind of direct selling.
28  GESAMTVERBAND DER DEUTSCHEN VERSICHERUNGSWIRTSCHAFT E. V.: *Statistisches Taschenbuch der Versicherungswirtschaft 2014*. Released on 8 September 2014. p. 24. [online]. [2015-09-04]. Available at: <http:// www.gdv.de/wp-content/ uploads/2014/09/Statistisches-Taschenbuch_2014_Versicherungswirtschaft.pdf>.
29  Ibidem, p. 24.
30  TOWERS WATSON: *Bankvertrieb wieder vorne, Makler im Stimmungstief: Lebensversicherer wollen Bank – und Direktvertrieb ausbauen*. Released on 25. November 2014. [online]. [2015-09-20]. Available at: <https://www.towers watson.com/de-DE/Press/2014/11/Bankvertrieb-wieder-vorne-Makler-im-Stimmungstief>.
31  TOWERS WATSON: *Vertriebswege-Survey zur Lebensversicherung: Versicherer sehen für Maklervertrieb weniger Wachstumspotenzial*. Released on 15. October 2013. [online]. [2015-09-20]. Available at: <https://www.towers watson.com/de-DE/ Press/2013/10/Vertriebswege-Survey-zur-Lebensversicherung>.
32  GESAMTVERBAND DER DEUTSCHEN VERSICHERUNGSWIRTSCHAFT E. V.: *Statistisches Taschenbuch der Versicherungswirtschaft 2014*. Released on 8 September 2014. p. 24. [online]. [2015-09-04]. Available at: <http:// www.gdv.de/wp-content/ uploads/2014/09/Statistisches-Taschenbuch_2014_Versicherungswirtschaft.pdf>.
33  TOWERS WATSON: *Vertriebswege-Survey zur Krankenversicherung: Rückgang im PKV-Neugeschäft fordert Branche heraus*. Released on 17. December 2014. [online]. [2015-09-21]. Available at: <https://www.towerswatson .com/de-DE/ Press/2014/12/Vertriebswege-Survey-zur-Krankenversicherung-Ruckgang-im-PKV-Neugeschaft-fordert-Branche-heraus>.

the biggest share compared to the other segments. In the year 2012, over 10% of all new business was concluded by direct selling. That was the first time that direct selling crossed the 10%-mark.[34] Forecasts also look good, because in the last two years, insurance companies have said that internet-portals and direct sales will have the most potential in the future.[35]

## 2 Objective and Methodology

The objective of this paper is to prove: *Customers who have bought an insurance product online before do not have as much general trust in insurance intermediaries as customers who have never bought an insurance product online.*

This paper will analyze whether the loss of trust in intermediaries is a reason for customers to purchase the insurance products online. Trust is an important success factor in the insurance distribution, and in the past, the insurance sector handled it carelessly. Insurance intermediaries are especially dependent on the trust of customers. In addition, further analysis will be on the use of sources by customers prior to concluding a contract. This will be done in order to determine what role the internet plays in this process.

The conducted survey contains a scientific primary data collection. Randomly selected people in Germany were asked about their experiences with and opinions on the intermediary distribution and online sales. Overall, 269 people participated in the survey in August 2015. The average age of respondents was 41.74 and gender distribution came to 51.7% men and 48.3% women.

The trust factor is a latent variable, which is not directly observable and measurable. Therefore, the variable must be conceptualized and operationalized. This was conceptualized before in this paper. The operationalization of these variables is achieved by allocating appropriate indicators.

Rosenberg, as a part of the "Faith in People Scale", has created an accepted item with which to measure general trust. Here it should be mentioned that Rosenberg created this item for the general interpersonal trust between people.[36] Within time, many scientists followed the approach to measure the trust not only on

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34  GESAMTVERBAND DER DEUTSCHEN VERSICHERUNGSWIRTSCHAFT E.V.: *Statistisches Taschenbuch der Versicherungswirtschaft 2014*. Released on 8 September 2014. p. 24. [online]. [2015-09-06]. Available at: <http:// www.gdv.de/wp-content/ uploads/2014/09/Statistisches-Taschenbuch_2014_Versicherungswirtschaft.pdf>,

35  TOWERS WATSON: *Schaden-/Unfallversicherer steigern 2013 ihren Absatz über Direktvertrieb*. Released on 23. October 2014. [online]. [2015-09-26]. Available at: <https://www.towerswatson.com/de-DE/Press/2014/10/Schaden-Unfallversicherer-steigern-2013-ihren-Absatz-uber-Direktvertrieb>.

36  ROSENBERG, M.: Misanthropy and Political Ideology. In *American Sociological Review*, 1956, Vol. 21, No. 6.

the basis of one item, but to use a multiple indicator model. Using the multiple indicator model increases reliability.[37] In this paper the items from Rosenberg need to be a little optimized, which means the items have been reformulated. The construct "general trust" in insurance intermediaries was operationalized by the following multiple indicator model:

• Generally speaking, do you think that insurance intermediaries mostly try to be helpful, or that insurance intermediaries are mostly concerned with their own advantage?
• Do you think you can trust the majority of insurance intermediaries, or that you cannot be too careful in dealing with insurance intermediaries?
• Do you think that most insurance intermediaries try to exploit the customers if they have the opportunity to do so, or do most insurance intermediaries try to be fair?

The reliability analysis showed a Cronbach's Alpha of .849, so that the multiple indicators-model could be used to measure the construct.


## 3 Results and Discussion

It can be seen above that trust is a very important success factor, especially for the insurance distribution. But what happens with the direct sales if customers lose trust in the intermediary? A confidence interval will be used to answer this question. The confidence interval for the mean percentage of each perception of concluding an insurance product online was calculated.

**Table 1: Confidence interval for the two groups of customers (with and without experience)**

Respondents who have NEVER bought an insurance product online:

| Mean | 95% Confidence interval for Mean | |
|---|---|---|
| | Lower Bound | Upper Bound |
| 2.392 | 2.246 | 2.539 |

Respondents who bought an insurance product online in the past:

| Mean | 95% Confidence interval for Mean | |
|---|---|---|
| | Lower Bound | Upper Bound |
| 2.012 | 1.821 | 2.203 |

Source: Own processing

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37 FRINGS, C.: *Soziales Vertrauen: Eine Integration der soziologischen und der ökonomischen Vertrauenstheorie*. Wiesbaden : VS Verlag für Sozialwissenschaften / Springer Fachmedien Wiesbaden GmbH, 2010, p. 236-237.
PAXTON, P.: Is Social Capital Declining in the United States? A Multiple Indicator Assessment. In *American Journal of Sociology*, 1999, Vol. 105, No. 1.
REESKENS, T., HOOGHE, M.: Cross-Cultural Measurement Equivalence of Generalized Trust: Evidence from the European Social Survey (2002 and 2004). In *Social Indicators Research*, 2008, Vol. 85, No. 3.
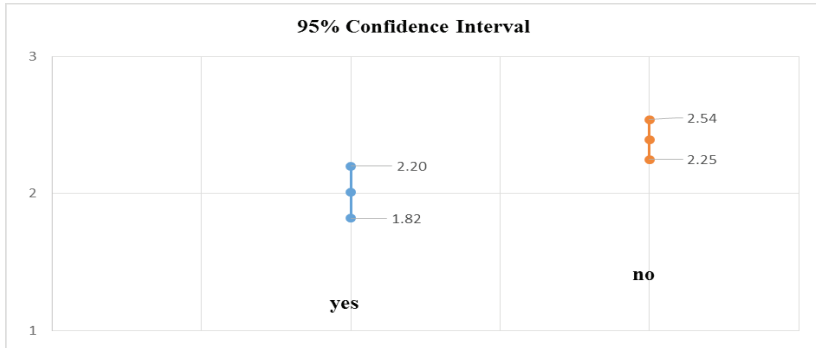
**Picture 1: 95% Confidence Interval**
Source: Own processing

Based on the calculation and the graphical representation, it can clearly be seen that the two confidence intervals do not overlap. Therefore, it can be said that the two groups are significantly different.[38] In addition, the analysis also illustrates that average value of customers who have never purchased insurance online is higher (MEAN = 2.392) compared to customers who were already actively buying online in the past (MEAN = 2.012). Since the lower boundary of the group without experience in buying insurance online is higher than the upper boundary of the group with online experience, the confidence interval confirms the research question.

Additionally, over 60% of all respondents also make use of other sources to inform themselves before the purchase of an insurance product. The source of information most preferred before a conclusion of the contract, is the internet. This phenomenon is known as the ROPO-effect. A study by the GfK Verein on behalf of AXA and GOOGLE shows that more than half the customers researched the product or company before buying an insurance product.[39] The highest potential for digital distribution channels are the two segments "health" and "property and casualty" insurance. The study by Ernst and Young shows the same results as the study by the GfK Verein: In the life insurance segment, most of the customers research online and purchase offline (ROPO-effect). The reason for this is that most of the products in this segment can be difficult to understand for a layman.[40]

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38  FIELD, A.: *Discovering Statistics Using*. Los Angeles, London, New Delhi, Singapore, Washington DC : SAGE Publications Ltd, 2014, p. 58-59.

39  GfK-Nürnberg e.V.: *Customer Journey*. Released on 15. October 2013. [online]. [2015-09-30]. Available at: <https://www.axa.de/site/axade/get/documents/axade/AXA.de_Dokumente_und_Bilder/Unternehmen/Presse/Pressemitteilungen/Dokumente/GfK-AXA-Customer-Journey-Ergebnisbericht.pdf>.

40  ERNST & YOUNG: *Global Consumer Insurance Survey 2012: Voice of the customer – Time for insurers to rethink their relationships*, p. 10. [online]. [2015-10-04]. Available at: <http://www.ey.com/Publication/vwLUAssets/Global_ Consumer_Insurance_Survey_2012_-_Europe/$FILE/0177_EY_GIR_EUROPE_SML.pdf>.

Either way, the digital distribution channel is gaining more and more shares in the new business of insurance. On one hand, this is because these customers, who have generally lower trust in insurance intermediaries, are using digital distribution channels to buy their insurance products. On the other hand, people will generally use the internet more in the future, regardless of whether it is for groceries, cars, medicine, insurance, etc. These two facts are responsible for more and more consumers informing themselves online through comparison- and review-portals and then conclude either directly from these portals or through the insurance companies´ homepages.[41]

Trust in insurance intermediaries will not increase so fast. This can be concluded from two facts:

1. Since the late 19th century, with the introduction of zillmerisation, the reputation of insurance intermediaries has rapidly decreased more and more.[42] To date, insurance intermediaries have been unable to regain the public's confidence.[43] In the past, there has been considerable effort on the part of insurance companies, intermediaries, and the state to improve this said reputation. But the general image of insurance intermediaries is still not one providing trust, viewed from the point of German citizens.

2. As described above (see chapter 2.3), consumers today already have more trust in the internet than in an insurance intermediary. The digital world is growing very fast, meaning that both insurance companies and online portals grow every day as well. The big advantage of digital distribution is that it can react more quickly to changes than the traditional intermediary distribution channel can. In the future, insurance sectors will also experience significant changes. A big topic here is the changes in the remuneration of intermediaries.

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41　TOWERS WATSON: *Vertriebswege-Survey zur Krankenversicherung: Rückgang im PKV-Neugeschäft fordert Branche heraus*. Released on 17. December 2014. [online]. [2015-09-21]. Available at: <https://www.towerswatson. com/de-DE/ Press/2014/12/Vertriebswege-Survey-zur-Krankenversicherung-Ruckgang-im-PKV-Neugeschaft-fordert-Branche-heraus>.

42　KOCH, P.: *Geschichte der Versicherungswirtschaft in Deutschland*. Karlsruhe Verlag Versicherungswirtschaft GmbH, 2012, p. 176.

43　GFK Verein: *Trust in Professions 2014*, p. 8. Released on 25. February 2014. [online]. [2014-09-25]. Available at: <http://www. gfk.com/Documents/Press-Releases /2014/GfK_Trust%20in%20Professions_e.pdf>.

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TOWERS WATSON: *Schaden-/Unfallversicherer steigern 2013 ihren Absatz über Direktvertrieb*. Released on 23. October 2014. [online]. [2015-09-26]. Available at: <https://www.towerswatson.com/de-DE/Press/2014/10/Schaden-Unfallversicherer-steigern-2013-ihren-Absatz-uber-Direktvertrieb>.

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# ONLINE REVIEWS AND FEEDBACK
# ON AGRICULTURAL INSURANCE IN GERMANY

*Matthias Seitz*

**Abstract**
The Internet has become an important source of information for customers before signing an insurance contract. The customer (farmer) is faced with a not insignificant amount of uncertainty when buying agricultural insurance products in particular. This information asymmetry causes information costs. The consumer tries to reduce the level of uncertainty through online research (screening), for example in forums, communities, social networks or review sites, where they take the opportunity to exchange information about products and services. A study was carried out of the importance of positive reviews and feedback and negative reviews and feedback on operational insurance for German farmers. The study was based on interviews with 205 farm managers in Germany. It was proven that negative online reviews and feedback are significantly more important to farm managers. Likewise, the need for a positive online reputation is discussed.

**Key words:**
Agricultural industry. Farmer. Operational insurance. Reputation.

## 1 Purchasing behaviour of German farmers and the use of the Internet

The number of online insurance contracts is steadily increasing and was at 14.8% in 2012; however, the much greater proportion of 42% of customers sought information on the Internet before signing an insurance contract.[1] There is a relationship between the complexity of a product and the related level of consultation and suitability for online sale.[2] More complex business insurance policies are therefore less suitable for online sale. The Internet and the transformation associated with it represent a considerable challenge for the insurance sector. Most insurance companies believe that digital transformation will fundamentally change the insurance industry and expect a sales increase of 5-7% in the coming years.[3] The repercussions of this changed environment are not entirely predictable. For the insurer, it is therefore of great importance to tackle the issue as soon as possible and develop an appropriate strategy.

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1    BOHN, V.: *Customer Journey Versicherungsprodukte, GfK study from AXA and Google* [online]. [2015-08-1]. Available at: <https://www.axa.de/presse/gfk-studie-axa-google>.
2    SWISS RE: *Sigma: e-Business on the Insurance Industry: Pressure to Adapt-Chance to Reinvent*. [online]. [2015-09-02]. Available at: <http://www.swissre.com/sigma/>.
3    ACCENTURE: *The Digital Insurer Accenture Digital Innovation Survey 2014: Seizing the opportunities of digital transformation, 14-5378/11-9103*, 2014. [online]. [2015-08-11]. Available at: <https://www.accenture.com/us-en/insight-insurers-seizing-opportunities-digital-transformation.aspx>.

The Internet plays a major role with German farmers, too. 87% of German farmers use the internet, 57% of them on a daily basis.[4] For business persons (including farmers), the Internet is the most widely used source when searching for information relating to business insurance, before the intermediary become involved.[5] But what advantages does the Internet have over other resources?

## 2 Information economy and reputation

There is no doubt that decision-making criteria are weighed differently by customers when choosing an insurance contract. The search for an insurance product can result in a not inconsiderable amount of uncertainty. Depending on product type, this can be greater or lesser in relation to complexity. The customer must therefore make decisions without having complete information about all decision parameters, whereby it is also assumed that information between the supplier and the customer are not always evenly distributed.[6] According to the information economy, information asymmetry incurs information costs for the consumer, the amount of which is determined by the search qualities, experience qualities and credence qualities.[7] Search qualities can be fully evaluated prior to purchase and therefore only generate low information costs for the searcher.[8] In relation to insurance products, these can be, for example, an easily comprehensible provider range or prices. Experience qualities with a range of services can be assessed only after the purchase or use of one's own or third-party insurance.[9] However, insurance events are not always happen, meaning that the customer is unable to evaluate the service.[10] Accordingly, information costs for searchers are lower if customers have already had good experiences when claiming on insurance. Online experience reports, e.g. on review sites and other virtual communities, can therefore reduce uncertainties.[11] Credence qualities in turn are qualities with particularly high information costs for consumers and cannot be fully assessed either before or after purchasing the (operational insurance) product.[12] Depending on the insurance product and company offering

4    HEINKELE, J.: *New Media Tracker: Wie nutzen Landwirte das Internet?* [online]. [2015-08-25]. Available at: <http://www.kleffmann.hu/de/media-center/ Pressemitteilungen/NewMediaTracker_ WieNutzenLandwirteDasInternet>.

5    KRAUSE, Ch.: *Firmenversicherungen: Verhalten bei Schadenregulierung entscheidend, from Generali.* [online]. [2015-08-26]. Available at: <http://maklernet.generali.de/ online/portal/genmakler/content/5908/1000812>.

6    HOMBURG, Ch.: *Marketing-Management: Strategie, Instrumente, Umsetzung, Unternehmensführung.* Wiesbaden : Sringer Gabler, 2015, p. 58.

7    Ibidem, p. 59.

8    Ibidem, p. 59.

9    Ibidem, p. 59.

10   WEIHS, A.: *Handbuch Versicherungsmarketing: Nachfrage von Versicherungsleistungen.* Berlin, Heidelberg : Springer, 2010, p. 34.

11   CLEMENT, R., SCHREIBER, D.: *Internet-Ökonomie: Grundlagen und Fallbeispiele der vernetzten Wirtschaft.* Berlin, Heidelberg : Springer Gabler, 2013, p. 234.

12   HOMBURG, Ch.: *Marketing-Management: Strategie, Instrumente, Umsetzung,*

it, one of these three qualities will dominate the decision-making process for the item being purchased. This provides a starting-point for marketing. The process of searching for information can be accelerated through certain strategies related to the above qualities (search, experience and credence). Here, a distinction is made between what is done by those who are better informed (signaling) and what is done by those who are less well informed (screening):[13]

Signaling measures by an (insurance) provider can build a good reputation, increasing trust. With screening, the consumer tries to overcome uncertainty through searching for information. The reduction of customer uncertainty is an important goal in marketing.[14] This is especially true for providers who do not sell physical products, as these are mainly determined by experience or credence qualities.[15] In the virtual world of Web 2.0, this information exchange takes place in forums, communities, social networks or review sites.[16] On review sites, users have the opportunity to exchange information about products that does not consist of expert opinions, but of experiences from 'everyday life'.[17]

Everyone designs the Internet with their own content and can therefore express their opinion, positive or negative. Review sites can play an important role in the insurance sector. Consumers can thus rely on the judgments of other customers.[18] Providers can set up their own platforms with the goal of gathering positive reviews from customers about products and services.[19] On the other hand, negative reports and reviews can also damage a business's online reputation and lead to loss of trust.[20] To sum it up, feedback, product reviews or statements on review sites are of great importance in the customer's online research process.[21] As far as insurance products, which are assumed to be complex insurance products[22], are concerned, and the particularly high levels of search, trust and credence qualities additionally required, there is a considerable need for communication and exchange.[23] Due to these high search, experience

*Unternehmensführung.* Wiesbaden : Sringer Gabler, 2015, p. 59.

13    Ibidem, p. 60.

14    Ibidem, p. 61.

15    Ibidem, p. 61.

16    CLEMENT, R., SCHREIBER, D.: *Internet-Ökonomie: Grundlagen und Fallbeispiele der vernetzten Wirtschaft.* Berlin, Heidelberg : Springer Gabler, 2013, p. 234.

17    HOMBURG, Ch.: *Marketing-Management: Strategie, Instrumente, Umsetzung, Unternehmensführung.* Wiesbaden : Sringer Gabler, 2015, p. 810.

18    CLEMENT, R., SCHREIBER, D.: *Internet-Ökonomie: Grundlagen und allbeispiele der vernetzten Wirtschaft.* Berlin, Heidelberg : Springer Gabler, 2013, p. 234.

19    Ibidem, p. 234.

20    Ibidem, p. 464.

21    Ibidem, p. 212.

22    SWISS RE: *Sigma: e-Business on the Insurance Industry: Pressure to Adapt-Chance to Reinvent*, 2000. [online]. [2015-09-02]. Available at: <http://www.swissre.com/sigma/>.

23    HOMBURG, Ch.: *Marketing-Management: Strategie, Instrumente, Umsetzung, Unternehmensführung.* Wiesbaden : Sringer Gabler, 2015, p. 61.

and credence qualities, it is expected that negative reviews and feedback, which could increase the uncertainty in the purchasing decision, are seen as more important for farm managers in Germany than positive reviews and feedback. Accordingly:

**Hypothesis:** As far as operational insurance is concerned a negative online review or feedback from other customers is taken more seriously by German farmers than a positive online review or feedback.

## 3 Methodology

The hypothesis was investigated by means of interviews with 205 farm managers in 2014. In 2013 there were 285,000 agricultural businesses, mainly sole proprietorships (individual enterprise), that is, the farmer ran the business alone or with their families.[24] In turn, the 285,000 operations represent the population. Interviews were conducted via telephone. Care was taken to ensure that the sample contained every type of agricultural business and farmers from different regions. The importance of positive and negative assessment on operational insurance was assessed using ranking scale questions (ordinal level of measurements) – with five level scales from 'not important' to 'very important'.

## 4 Findings and discussion

The responses given by farmers are shown in graph 1. The stacked bar diagram shows both questions with different answers. 'Negative reviews and feedback' are rated as 'somewhat important' or 'very important' by 39.71% of German farm managers, in contrast to 'positive reviews and feedback', where only 28.92% of managers answered 'somewhat important' or 'very important'. Similarly, it appears that the greater proportion of farmers (44.61%) rate 'positive reviews and feedback' as 'not important' and 'fairly important'. Only 36.77% stated that 'negative reviews and feedback' were 'not important' and 'fairly important'. German farm managers tended to see negative reviews and feedback as more important than positive reviews and feedback.

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24  *Statistisches Bundesamt / Federal Statistical Office in Germany: Landwirtschaftliche Betriebe.* [online]. [2015-09-11]. Available at: <https://www.destatis.de/DE/ZahlenFakten/Wirtschaftsbereiche/LandForstwirtschaftFischerei/LandForstwirtschaft.html>.
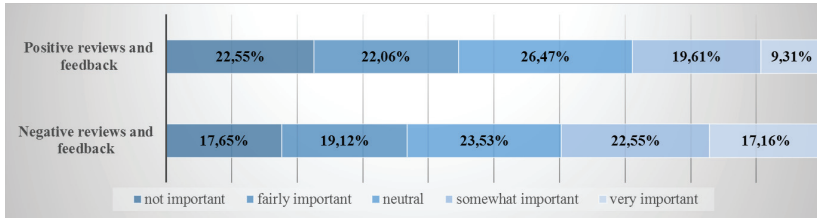
**Graph 1: Degree of importance of online reviews and feedback for agricultural insurance**
Source: Own processing

A comparison of the mean values also confirms the result. The average for positive reviews and feedback was 2.71 and the mean value for negative feedback was 3.02. The two-tailed Wilcoxon signed-rank test for paired samples is used for further analysis. The tested null hypothesis is: The median of differences between 'Importance of positive reviews and feedback' and 'importance of negative reviews' equals 0.

Graph 2 shows the number of positive ranks (farmers considering negative online reviews and feedback to be more important than positive ones; N = 72) and the number of negative ranks (farmers considering positive online reviews and feedback to be more important than negative ones; N = 34).[25] Whereby, the number of negative ranks are smaller than the number of positive ranks.
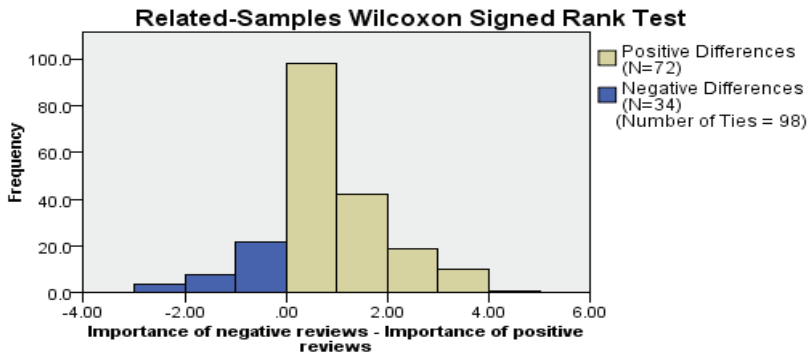


**Graph 2: Analyses of positive differences and negative differences and the number of ties**
Source: Own illustration, created with IBM Corp. Released 2013. *IBM SPSS Statistics for Windows, Version 22.0*. Armonk, New York : IBM Corp.

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25    Cf. FIELD, A.: *Discovering Statistics Using SPSS*. London : Sage Publications, 2009, p. 556.

The test statistic is: T = 3.94 ($z$ = -3.58), p < .001, r = -0,18. Hence, the test statistic is highly significant and the null hypothesis can be rejected. The number of positive ranks indicates that negative reviews and feedback on operational insurance are more important for German farmers than positive ones. What is noteworthy is the small effect size, meaning that both evaluations are important, not only negative reviews and feedback.

## Conclusion

A good reputation can be built through trust; while this does not eliminate the information asymmetry, however, it no longer appears negative.[26] On the one hand, a good reputation can be created through the communication of positive quality guarantees or reviews.[27] On the other hand, it is important to promote the indicated exchange of information through the customer (farmer) themselves, whereby this can be done in their own or external forums, communities, social networks or various review sites.[28] The goal should be to offer the customer a valuable information platform, in particular by gathering positive reviews of the (operational insurance) products and services offered by the insurers.[29] It is precisely when the insurance product has high experience and credence qualities that the farmer will try to protect themselves due to the high purchase risk. Such reduction of the purchase risk perceived by the customer can also be achieved through the inclusion of recommendations or reviews.[30] Furthermore, consideration should be given to strategies for responding to negative reviews and feedback. In the event of persistent negative feedback or reviews, also known as a 'shitstorm', the insurer should take targeted action to counteract these through crisis communication.[31]

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BOHN, V.: *Customer Journey Versicherungsprodukte, GfK study from AXA and Google.* [online]. [2015-08-1]. Available at: <https://www.axa.de/presse/gfk-studie-axa-google>.

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26   HOMBURG, Ch.: *Marketing-Management: Strategie, Instrumente, Umsetzung, Unternehmensführung*. Wiesbaden : Sringer Gabler, 2015, p. 60.

27   Ibidem, p. 60.

28   CLEMENT, R., SCHREIBER, D.: *Internet-Ökonomie: Grundlagen und Fallbeispiele der vernetzten Wirtschaft*. Berlin, Heidelberg : Springer Gabler, 2013, p. 234.

29   Ibidem, p. 234.

30   Ibidem, p. 234.

31   Ibidem, p. 446.

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*Statistisches Bundesamt / Federal Statistical Office in Germany: Landwirtschaftliche Betriebe*. [online]. [2015-09-11]. Available at: <https://www.destatis.de/DE/ZahlenFakten/Wirtschaftsbereiche/LandForstwirtschaftFischerei/LandForstwirtschaft.html>.

SWISS RE: *Sigma: e-Business on the Insurance Industry: Pressure to Adapt-Chance to Reinvent*, 2000. [online]. [2015-09-02]. Available at: <http://www.swissre.com/sigma/>.

WEIHS, A.: *Handbuch Versicherungsmarketing: Nachfrage von Versicherungsleistungen*. Berlin, Heidelberg : Springer, 2010.

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# TRENDS IN DIGITAL MARKETING IN TOURISM

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**Abstract**

The world of digital media is constantly changing and shifting. Evolving technologies and the way people use them is transformed not only to access information but also a way of processing information in a variety of interactive channels. Tourism is one of the most dynamic sectors and a way to connect these two worlds, entails a new form of communication with travelers – tourists.  Paper defines four types of digital marketing trends in tourism and describes their characteristics and impact on the segment through new technologies and their impact on tourism. consumers are much more independent; social networks are a key part of how we communicate and even influence how we attribute value to experiences. The nature of how services are offered and the decision as to which services should be offered are being influenced by all these consumer trends.

**Key words:**
Digital marketing trends. Tourism.

## 1 Digital marketing & tourism industry

Digital marketing, we know, in simplified form described as the possibility of spreading some parts of marketing products in digital form towards the recipient. It is now a standard element of a comprehensive marketing communication, which involves communication through digital technology, new media of the Internet, mobile and digital communications. Generally, we could ingest definition: *"Digital marketing is marketing using digital media to communicate with the recipient of advertising and information messages."*[1]

Tourism is at present one of the greatest phenomena of economic development and industry that is constantly changing and evolving. When applying marketing in tourism need to be inspired by the characteristics of tourism, its products and services. Knowledge and customer motivation is helpful, but even more useful is the knowledge of expected future developments.

At the moment, the industry focuses a lot on training and there is always the need for that. But there is also increasingly a need for advocacy, leadership, and for more creative and innovative approaches to supporting the sort of things that are discussed within this opinion piece. First of all, people need to think very differently to how people have thought in the past. We still need to train people how to work with social media and related tech, but there is a much bigger requirement to ensure that the industry is keeping up with digital trends.

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1   *Digitální marketing. 3DMEDIA.* [online]. [2015-11-05]. Available at: <http://3dmedia. cz/lexikon/digitalni-media-digitalni-marketing>.

That they are constantly aware of what others are doing.[2] That they are learning through benchmarking and through best-practices. And that they are closely observing what their competitors are doing, and what's happening in other countries and within other markets. And learning much more through leadership.

In January 2013, TripAdvisor conducted its biggest traveler survey ever, with over 35,000 participants from around the globe answering questions about how travelers plan upcoming trips, use social media or mobile devices prior to, during or after their travels. Here are some of the major findings from this survey, in this compelling infographic down below on Picture 1:
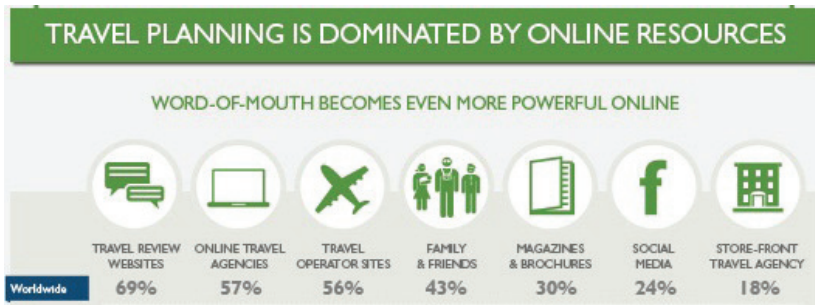


**Picture 1: Travel Planning**
Source: *Online Resources Key To Travel Decision-Making*. [online]. [2015-11-05]. Available at: <http://www.socialmediatoday.com/content/online-resources-key travel-decision-making>.

North America and the rest of the world seem to share similar patterns in seeking information online, yet it's clear travel agents remain a stronger reference in countries like Australia or European countries like Spain, Italy and, to a lesser extent, France, the UK and Germany. What comes out, loud and clear though: travel review sites, OTAs and travel operator sites have surpassed family and friends as main source of information, as word-of-mouth is transforming itself into world-of-mouth.

## 2 Mobile in tourism

Hoteliers continue to rationalize their digital marketing activities as the pressure to increase direct bookings, improve ROI, find new customers and balance media buys increases. Hotels believe that the most profitable and important transactions are those that happen directly – between hotel and guest without the middleman. That said, today's consumer shops easily across many channels, looking for the right experience at the right price.

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2    ČÁBYOVÁ, Ľ.: *Mediálny marketing.* Trnava : FMK UCM v Trnave, 2010, p. 126.

The most significant trend that is bigger than anything else in the travel industry is mobile. And in particular social media on mobile. The way in which people communicate today is dramatically different from the way that they communicated just five years ago. We have known for quite a while that social media is important for word of mouth online with regard to influence, reputation and decision-making.[3] But what is very significant is that this is now happening with relation to mobile devices, where we are seeing lots of innovation and new things developing as a result of mobile platforms alone. This is important because we used to look at mobile as something that was impacting people mostly during in-trip activities of the travel cycle. But as mobiles have developed and smartphones have become part of everyday life, mobile is now important not just in the destination but at the very beginning, when the tourists develop that initial interest and awareness. And this remains the case right through to the very end, where they share their experiences. Even mobile bookings have now experienced a surge in interest, and there have been great successes for mobile in booking hotels, to cite one example.

There's a growing subset of Connected Travelers, or travelers who have used their smartphone to plan or book travel. And reaching these Connected Travelers is a big opportunity for travel and hospitality businesses. Travelers booking via mobile apps has doubled since last year. In 2014, 4% of respondents booked an accommodation using a mobile app. This year, it's doubled to 8%. And for the Connected Traveler segment, that rises to 11%.

Another huge finding on Picture 2, confirming what many expected or what many won't acknowledge: free in-room wifi is now considered the most important amenity when booking a trip, according to U.S. travelers.

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3    SOLÍK, M.: Inovácie v oblasti mobilných technológií – riziká pre kognitívne procesy?. In *Zväčšenina: médiá ako komodita – Megatrendy a médiá 2013.* Trnava : FMK UCM v Trnave, 2013.
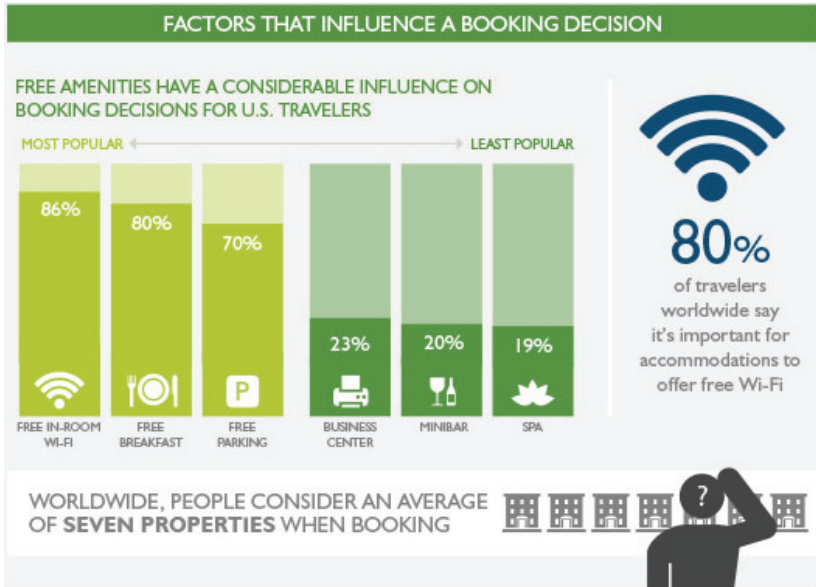
**Picture 2: Booking factors**
Source: *Online Resources Key To Travel Decision-Making* . [online]. [2015-11-05]. Available at: <http://www.socialmediatoday.com/content/online-resources-key-travel-decision-making>.

Booking lodging on mobile is becoming more habitual. One in four Connected Travelers who book their accommodation through a mobile app say they do so routinely. One in five say they booked through a mobile app because of the ease and speed. And three out of ten did so because they felt they got a better price.

Booking travel activities is especially popular on mobile. And it's not limited to last minute, what's nearby booking either. 45% of Connected Travelers use their smartphone to book travel activities pre-trip. Travelers are big into using their mobile during their trips. The lucrative Connected Travelers segment is especially engaged on mobile while on holiday, like we see on the table 1, which data based on results from online survey of 10,261 accommodations and 34,016 travelers by TripAdvisor and Ipsos, collected January-February 2015.

**Table 1: Connected Travelers and mobile phone during trips**

|                                | Connected Travelers | Global Travelers |
|--------------------------------|---------------------|------------------|
| Getting directions/using maps  | 81%                 | 67%              |
| Looking for restaurants        | 72%                 | 56%              |
| Looking for activities         | 67%                 | 51%              |
| Reading reviews                | 64%                 | 47%              |
| Looking for an accommodation   | 50%                 | 36%              |

Source: *Custom treatment. Are you reaching the lucrative Connected Traveler*? [online]. [2015-11-05]. Available at: <https://www.tripadvisor.com/TripAdvisorInsights/n2642/are-you-reaching-lucrative-connected-traveler>.

Accommodations are enabling convenient bookings. Accessibility is on the rise for travelers, thanks to a growing number of accommodations that accept digital bookings. 73% of accommodations worldwide accept online bookings, while 55% accept mobile bookings.

There's room for improvement with mobile check-in. 34% of the smartphone-loving Connected Travelers audience wants a mobile check-in option. Yet only 11% of lodgings offer this option that saves time for both guests and front desk staff.[4]

These stats are a great reminder that smartphones are much, much more than talking devices and that, in fact, there is more to mobile than just phones. We now carry tablets, laptops and other wireless devices that allow us to stay connected and share experiences with friends, parents and colleagues via our preferred social networks. As for social media, it may not play a conclusive role in the booking stage of the purchase funnel, but it certainly plays a key role during the experience, when we tend to share prominently, thus affecting our circle of friends, fans and followers. How we can see on Picture 3:

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4   *Are you reaching the lucrative Connected Traveler?* [online]. [2015-11-05]. Available at: <https://www.tripadvisor.com/TripAdvisorInsights/n2642/are-you-reaching-lucrative-connected-traveler>.
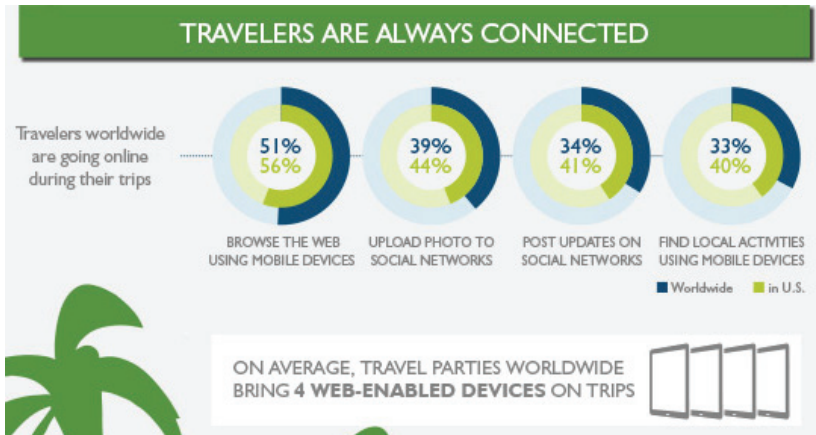
**Picture 3: Travelers Connection**
Source: *Online Resources Key To Travel Decision-Making*. [online]. [2015-11-05]. Available at: <http://www.socialmediatoday.com/content/online-resources-key-travel-decision-making>.

## 2.1 Self-service

Customers will gladly adopt new technologies and serve themselves if that means they can avoid waiting, so smart travel and hospitality companies are early adopters too. Innovations in technology create innovations in customer service and satisfaction by providing a seamless, convenient and connected experience. Self-service is big news for the aviation industry this year. Most consumers view airports as painful stepping stones, a necessary ordeal on the journey to their destination. To make airport experiences more meaningful, convenient and connected, airport operators are finding smarter ways to serve passengers.

Improved IT infrastructure and mobile technology provide the foundation for innovation. Aviation technology provider SITA's 2014 Airport IT Trends Survey reports that more than 80% of the world's airports are planning projects in the self-service and mobile areas over the next 3 years, and nearly three-quarters of airports expect most of their passengers will use self-service check-in by 2017. The increasing adoption of mobile has fundamentally changed consumer behaviour. It shapes people's expectation of interactions with brands, products and services. This trend presents an interesting scenario: if passengers begin to view airports as short-term destinations in their own right, the battle for bottoms will shift from the sky back into the airport lounge.

## 2.2 DIY travel

Do-It-Yourself travellers, also occasionally called 'silent travellers', are digitally confident, independent individuals who use a range of devices and tools to plan,

manage and book travel online. Their relationships with travel brands, hotels and booking agents are purely digital — because that's the way they like it. DIY travellers can interact with brands as much or as little as they want, which poses a huge challenge for an industry that typically emphasises the human service element.

Fulfilment and differentiation are the most critical parts of this challenge, as DIY travellers are the most likely to use social media to comment on, praise or criticise services. Digital-only startups like Airbnb, Roomarama and HomeAway tell compelling stories online to sell a travel experience without human contact, taking advantage of the increasing distance between digital-focused DIY-ers and traditional travel providers. CitizenM, a small, independent chain of international hotels, purposely caters for the preferences of the DIY traveller by weaving technology, independence and quality service into its brand story. These hotels offer a unique combination of services and facilities: airport-inspired self check-in, free Wi-Fi, and a tablet with which to control the blinds, lighting and free movie service in every guest room.

## 2.3 Mobile booking

The impact of mobile technology on consumer behaviour is undeniable and ever-present. Time is currency in this culture of immediacy. Google reports that travellers spend an average of 55 minutes to book a hotel and flights; they visit 17 websites and click four different search ads per travel search and 90% of these travellers use more than one device during the booking process.[5]

2014 saw the highest number of online travel bookings ever, reaching 148.3 million, with 65% of same day hotel reservations made via a smartphone.[6] This growth is enabled by confidence in mobile technology, mainstreaming high-spec devices and real time pricing capabilities.

## 2.4 Authentic experiences

The trend for authentic experiences has been growing for at least a year, together with other recent trends, such as the 'internet of me' and hyperlocality, that revolve around concepts of community and self. The authenticity trend has arguably been driven by the ubiquity of social networking. People now suffer from 'Facebook envy' and the 'Instagram effect': they're surrounded by filtered images of friends and strangers having the time of their lives. Digital is clearly the catalyst for this change, connecting people across the globe much more easily than before, leading to the creation of multiple services and product to

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5    *The 2014 Travelers´s Road to Decision.* [online]. [2015-11-05]. Available at: <https://think.storage.googleapis.com/docs/2014-travelers-road-to-decision_research_studies.pdf>.

6    *Mobile Commerce Roundup.* [online]. [2015-11-05]. Available at: <https://www.emarketer.com/public_media/docs/eMarketer_Mobile_Commerce_Roundup.pdf>.

cater for these needs. In the past, this side of the travel industry was cause for safety concerns with many horror stories reported by people using disreputable accommodation-finding websites. Today, the transparency and vigilance of market leaders like Airbnb sets higher expectations and gives consumers confidence. But accommodation isn't the only thing travellers want. Digital networks help travellers find authentic experiences with other humans, too. Vayable is a portal designed to match travellers with a network of local citizens and communities. It lets users book onto tours and experiences with local people, share their experiences with others and even buy experiences as gifts.

Big names in the travel industry recognise the need to cater to this mindset shift from tourist to traveller. In 2014, Marriott Hotels partnered with MIT's Mobile Experience to develop the prototype for Six Degrees, a business social networking platform. It featured an app, a hotel lobby display screen and an interactive table to connect guests via their social profiles, bringing them together by showing what they might have in common. The aim of the experiment was to turn Marriott's lobbies into proactive, social tech hubs for their guests. Marriott has also launched the Travel Brilliantly programme which actively explores co-creation opportunities with their patrons to keep the hotel experience authentic[7].


## Conclusion

It should be noted that brand experience does not imply nor equate to experientialtravel (experiencing a particular place by connecting with the local people and culture). Brand experience is much more than that – it's about the before, during and after. It's everything that occurs from the time a customer decides to search for flights on their mobile phone, to the emergency baby bottle they request during their hotel stay, to the follow-up comment they leave on TripAdvisor upon returning home. Services in the travel & tourism industry have traditionally been seen as in-person and on-site. And while that aspect is still very critical to making each consumer's experience a memorable one, digital services are fast becoming an area of focus too. As we mentioned previously, the average traveler has 2.9 devices; consumers are much more independent; social networks are a key part of how we communicate and even influence how we attribute value to experiences. Therefore, the nature of how services are offered and the decision as to which services should be offered are being influenced by all these consumer trends.

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7    *Digital trends for the travel industry in 2015 and beyond.* [online]. [2015-11-05]. Available at: <http://www.e3.co.uk/~/media/files/pdfs/travel_trends_whitepaper_2015.ashx>.

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# TOPIC MODELING IN SOCIAL NETWORKS
# AS DECISION SUPPORT SYSTEM

*Miroslav Smatana – Peter Butka*

**Abstract**
This paper describes the significance of text contribution analysis from the social networks for decision support and thus obtaining of competitive advantages for companies or organizations. One of the possible methods for contribution analysis is topic modeling. This method is able to provide new approaches for searching, retrieving and summarizing information in large data corpus. Topic modeling, in connection with social networks, can be useful for time-based analysis of crisis situations, elections, launching new product on the market etc. Our main aim in this paper is to describe the usage of topic modeling methods and visualization techniques suitable to support decision making processes in organizations. The whole process is described in the context of developed web application which analyzes data (contributions) streams from social network called Twitter[1]. This application is then compared to several worldwide solutions, deployment of the application is illustrated by the simple example.

**Key words:**
Competitive intelligence. Sentiment analysis. Social media. Topic modeling.

## Introduction

Marketing has been always dependent on the data. Proper understanding and using of information can bring the company a competitive advantage. Therefore it is necessary to give them enough attention, while ignoring of them may lead to loss of market position. In this context, data can be understood as information about customer, opinions of customers on products, opinions on company etc. In the past data were usually collected from questionnaires or interviews, which were then processed and some conclusions for effective management of the company were provided.

In recent years, social networks became one of the strongest communication tool and interesting data source due to large amount of contributions. These contributions usually reflect opinions and attitudes of users on worldwide events, products, or persons. The new data available through social networks opened new opportunities for analysis with several advantages in comparison to older data acquisition methods:
1. Interaction with users is no needed.
2. It is possible to extract much more data than using classical methods.
3. Data extracted via these methods are usually closer to reality than data extracted via questionnaires, where users sometimes give more biased answers.

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1    *Twitter*. [online]. [2015-10-14]. Available at: <https://twitter.com/>.

On the other hand, this type of data acquisition has also some disadvantages:
1. There is huge amount of data due to millions of published contributions per day, i.e., it is quite difficult and time-consuming to process raw data in order to find relevant information for a particular company.
2. The information in social networks is usually limited, e.g., in Twitter, called also microblogs, contributions have maximal length about 200 characters.
3. Many of published contributions in social networks contain only reference to web pages, videos, images, which also make their processing harder.

Data extracted from social networks can be used in several types of analysis like:
• Crisis analysis – for example at the time of war conflict it is possible to monitor how users perceive current situation and if it is necessary to take some appropriate action.
• Entering the market with new product – monitoring of users reactions on new product on market, e.g., if they like the product or if it has some defects.
• Targeted marketing – for example if we want to build a new store in town and we do not know in which part of town it should be build, then it is possible to monitor contributions from individual parts of town and make decisions based on such information.
• Protection of reputation – continuous monitoring of social networks in order to catch contributions with negative opinions on company, organization or person, which are then alerted and are able to respond to it soon.
• Media – searching for interesting news, user reactions on current world events etc.

As you can see, applying automatic analysis of the contributions of the social networks has great significance in marketing, so we decided to present one from these methods known as topic modeling. This method has enormous potential, particularly in the analysis of data streams such as social networks and microblogs. In addition to the application providing this method we will also focus on the visualization of topic modeling results. With suitable visualization and interpretation of results one can infer and apply the appropriate decisions in time.

The rest of the paper is organized as follows. In next section we provide some basic information on topic modeling methods and basic information on our proposal. Section 3 describes related work from the application point of view, followed by the section discussing the visualization of topic modeling results and section describing proposed web application with our method for topic modeling.

## 1 Topic modeling

Topic modeling is important step in the processing of textual data. Methods of topic modeling are algorithms that uncover the hidden thematic structures in

document collections and create word groups which co-occurred frequently. Increasing number of digital documents caused that topic modeling found its successful application in searching, browsing and summarization of document collections.

A lot of research is currently focused on topic modeling area and several methods have been proposed, we will mention some the mostly used. Latent dirichlet allocation (LDA)[2] belongs to the most common methods used in real application. Other known methods are LDA extension by Petterson et al.[3], online version of LDA[4], hierarchical dirichlet processes (HDP)[5], moving average stochastic variation inference (MASVI)[6], or stochastic variational inference[7]. However these methods aim to topic modeling from long texts like books or articles. On the other side, currently there is growing interest in the processing of short messages as posts in social networks, e.g., messages from microbologs with short text length (about 200 characters in case of Twitter). Standard methods do not achieve satisfactory results on such texts. Therefore it is necessary to develop topic modeling methods that are able to deal with problems of short texts processing. In this subarea researchers provided several specific approaches like method of conventional topic model based on large-scale external data[8], usage of gaussian mixture models[9], biterm topic model (BTM)[10], or method based on heuristic aggregation[11].

In this paper we present web application which implements new approach to topic modeling based on the division of topic modeling problem in two subproblems:

1. clustering[12] – task in which connection between objects based on their similar attributes is identified and subsequently objects are grouped to clusters.

2    BLEI, D.: Probabilistic Topic Models. In *Communications of the ACM*, 2012, Vol. 55, No. 4, p. 77-84.
3    PETTERSON, J. et al.: Word Features for Latent Dirichlet Allocation. In *Advances in Neural Information Processing Systems,* 2010, Vol. 23.
4    ZHAI, K., BOYD-GRABER, J.: Online Latent Dirichlet Allocation with Infine Vocabulary. In *JMLR*, 2013, Vol. 28, No. 1, p. 561-569.
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9    SRIDHAR, V. K. R.: Unsupervised Topic Modeling for Short Texts Using Distributed Representations of Words. In *NAACL-HLT*, Colorado, 2015, p. 192-200.
10   CHENG, S. et al.: BTM: Topic Modeling over Short Texts. In *IEEE Transactions on Knowledge and Data Engineering*, 2014, Vol. 26, No. 12, p. 2928-2941.
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2. words selection from clusters[13] which are then used for topic modeling.

## 2 Related work

The main reason for deployment of topic modeling applications is their practical usage. In this section we aim on existing applications, which are trying to analyze topic models over time from social networks and visualize them.

Topsy[14] is web application, which in its basic version offers tracking of topic over time based on input keyword. It allows tracking three topics at one time, where it also visualize most informative contribution for every topic at every time step. Contributions are extracted from Twitter. Example of Topsy application interface is shown in Figure 1.

Another application is iTrended[15] which offers more detailed analysis than Topsy. Based on the input keyword (or hashtag) and time sequence it generates detailed report, which consists of areas where has been contributions published, topic analysis over time and many others. iTrended also aims on contributions from Twitter, example of iTrended is show in Figure 2.

Trendsmap[16] offers a wide range of options for topic modeling in context of Twitter. In Figure 3 is shown example result of Trendsmap application in its basic version, which visualize most discussed topic over the world. In advanced version it offers many options of analysis (shown the most informative contributions, the most frequent words, hashtags, heat maps of activities, topic analysis over time, many statistics etc.), sending alerts (about interesting topics, summarization of tracked topics, tracking catastrophic words etc.), visualization (possibility of creating specific visualization as needed).

13   OELZE, I.: *Automatic Keyword Extraction for Database Search*. [Dissertation Thesis]. 2009.
14   *Topsy*. [online]. [2015-10-14]. Available at: <http://topsy.com/analytics>.
15   *iTrended*. [online]. [2015-10-14]. Available at: <https://itrended.com/>.
16   *Trendsmap*. [online]. [2015-10-14]. Available at: <http://trendsmap.com/>.
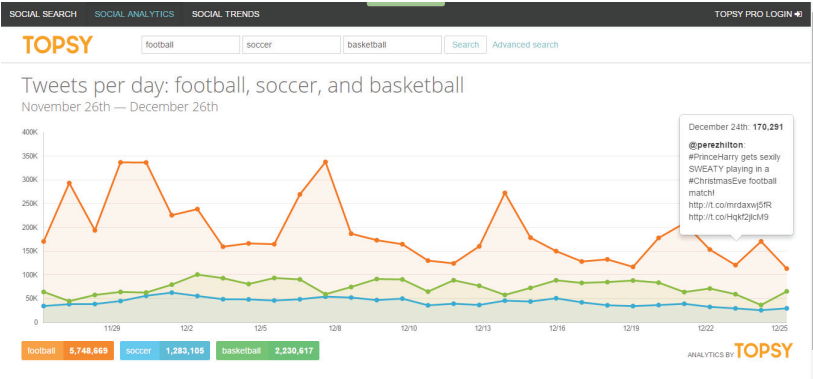
**Figure 1: Example of Topsy application**
Source: www.topsy.com
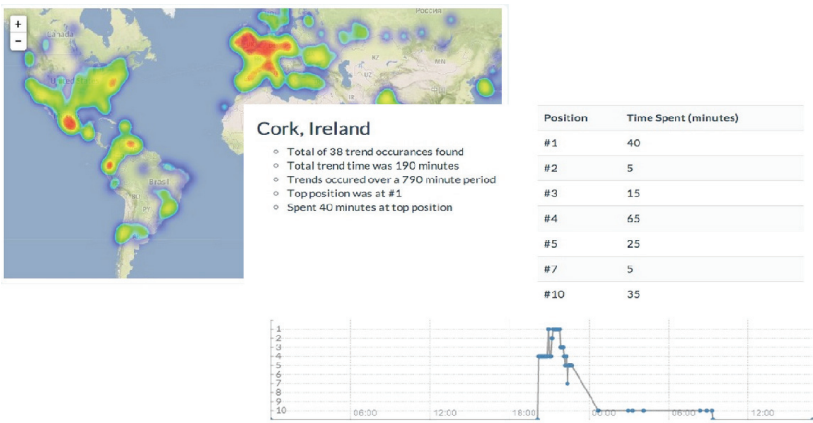


**Figure 2: Example of iTrended application**
Source: www.itrended.com

**Figure 3: Example of Trendsmap application**
Source: www.trendsmap.com

## 3 Visualization

The important issue in textual documents analysis and so-called visual analytics approaches[17]. As we live in digital age it is obviously that large amount of digital documents is available. The acquisition of information from them has three main problems:

1. A huge amount of information to be processed.
2. Different people are looking for different information and extracted data may not be useful for everyone.
3. There are many people who do not know what they are looking for until they see it.

First problem can be solved by data analysis methods like topic modeling. Other two problems can be solved using visualization techniques, which help users to understand extracted information. The extracted information can be often confusing and even experts have problem with their interpretation. Here visualization allows to understand problem and proposed solution easier.

In social media context are commonly used three types of visualization:
1. dynamic word clouds
2. topic models over time
3. networks

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17    SHIXIA, L.: *Interactive Visual Text Analytics from Decision Making*. [Electronic document]. VINCI 2011.

Dynamic word clouds represent effective method for fast and simple understanding of main content of document or contribution. However basic method which visualize words randomly or alphabetically sorted are not suitable if we want to compare more documents at same time. Better solution is to use word clouds which visualize words based on their relation to topic. Example of such word cloud is shown in Figure 4, where words about same topic are separated by color.[18]
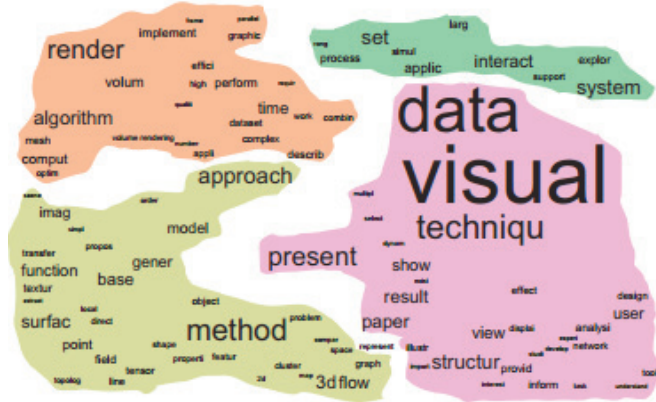


**Figure 4: Example of word cloud**
Source: WU, Y. et al.: Semantic-Preserving Word Clouds by Seam Carving. In *IEEE Symposium on Visualization*, 2011, Vol. 30, No. 3, p. 748.

For visualization of topics evolution over time is usually used method, where first are extracted topics and keywords in every time step and then this data are displayed as it is shown in Figure 5, i.e., topics are color-coded and value of y axis represents strength of topics, also keywords in every time step are displayed.[19]

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18    WU, Y. et al.: Semantic-Preserving Word Clouds by Seam Carving. In *IEEE Symposium on Visualization*, 2011, Vol. 30, No. 3, p. 741-750.
19    SHIXIA, L. et al.*: Interactive, Topic-based Visual Text Summarization and Analysis*. In *CIKM*, 2009, p. 543-552.
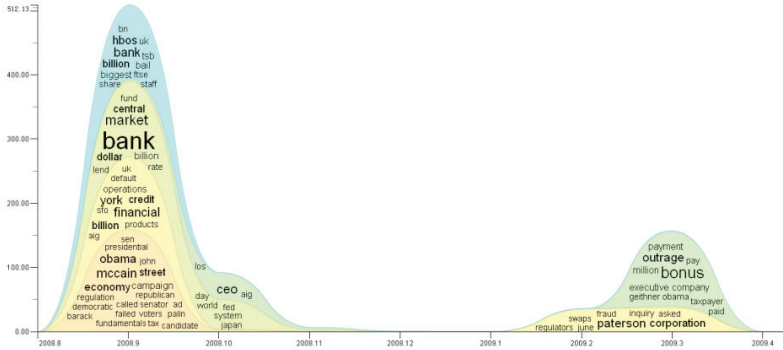
**Figure 5: Visualization of topic evolution in time**
Source: SHIXIA, L. et al*.: Interactive, Topic-based Visual Text Summarization and Analysis. In *CIKM*, 2009, p. 545.

Networks represent set of nodes among which are one or more types of relationships. They can be used for visualization of social networks, bibliographic networks, relationships between topics etc.[20]

## 4 Proposed web application

The proposed web application is used for contributions analysis and visualization. Contributions are extracted from Twitter, their analysis includes topics extraction, tracking of topic evolution in time, keywords extraction, key hashtags extraction, as well as the extraction of most informative contributions and sentiment analysis (if user has positive or negative attitude to current contribution). Using an appropriate visualization of acquired data we try to provide the tool that could be use by companies for decision making support.

The advantage of proposed system is fully automatic contributions analysis. User only set areas of interest, from which contributions are extracted and processed. Other advantages are language independence (system is able to process contributions in different languages like English, Spanish, Dutch, French etc.) and more detailed analysis in comparison to others similar tools.

The process of analysis in proposed tool can be divided into four steps:
1. Acquire contributions from Twitter – gather data from Twitter using library Twitter4J[21]. This library allows us setting time step and gathered areas easily.

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20   TUTOKY, G.: *Objavovanie a využívanie znalostí v sociálnych sieťach*. [Electronic document]. Košice : Technical University of Košice, 2013.
21   *Twitter4j*. [online]. [2015-10-14]. Available at: <http://twitter4j.org/en/index.html>.

2. Data preprocessing – input contributions are modified to form understandable to our tool (language of contributions is extracted, words are stemmed, emoticons are identified etc.).
3. Contributions analysis – includes topic modeling, topic evolution over a time, keywords extraction, keyhashtags extraction, extraction of the most informative contributions and sentiment analysis
4. Visualization of extracted knowledge from analysis

### 4.1 Visualization of extracted data

For each user may be appropriate to use different data visualization, so we decided to implement different visualization methods, which can be divided into three main groups:
1. areas of tracking contributions
2. topics statistics
3. areas statistics

#### 4.1.1 Areas of tracking contributions

In this chapter is presented visualization of areas from which contributions were extracted. In Figure 6 is shown example of this visualization where tracked areas are labeled by red color.
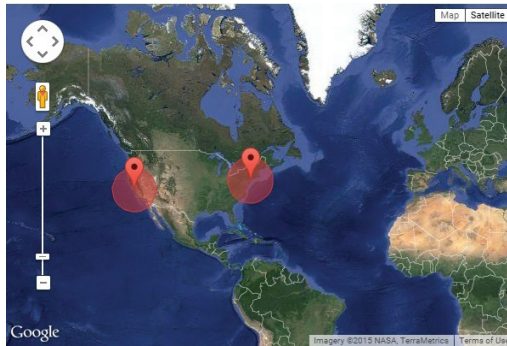


**Figure 6: Tracked areas**
Source: Own processing

#### 4.1.2 Areas statistics

In this visualization group, users have several options to monitor the results obtained for defined area. It is possible to follow the evolution of topics over time, sentiment of contributions word clouds and similarity between areas.

Figure 7 shown example of visualization of evolution of topics over time for defined areas. It show evolution for last 20 minutes. It can be seen that people were talking about 4 topics and all 4 topics have the same intensity of discussion.
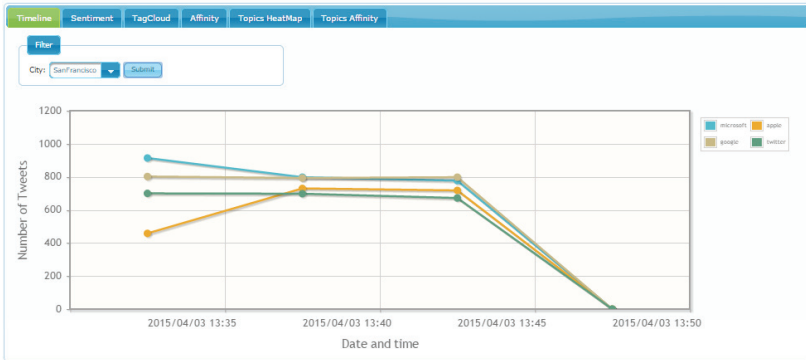


**Figure 7: Evolution of topics over time**
Source: Own processing

In Figure 8 is presented example of words cloud for one of the defined areas. This cloud combines the most important words and hashtags for that area. It offers us quick preview of the topics in current area.
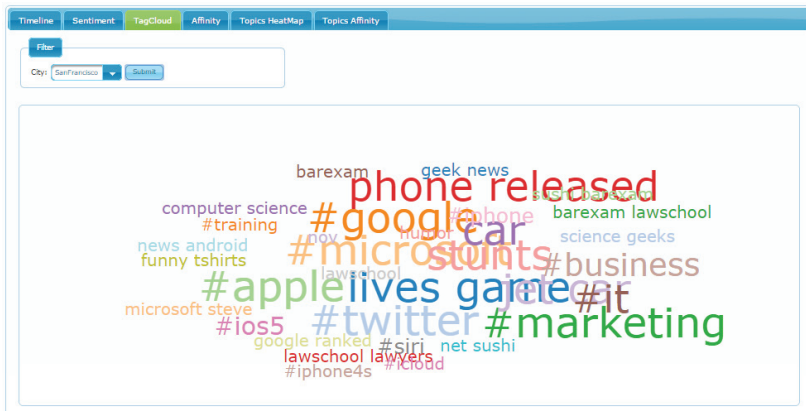


**Figure 8: Example of words cloud**
Source: Own processing

Another option is to display similarities and linkages between areas as it is displayed in Figure 9, where dark blue color represents defined areas and light blue color represents explored topics. This visualization can be useful at war conflicts, finding areas with similar mentality or people with similar opinions.
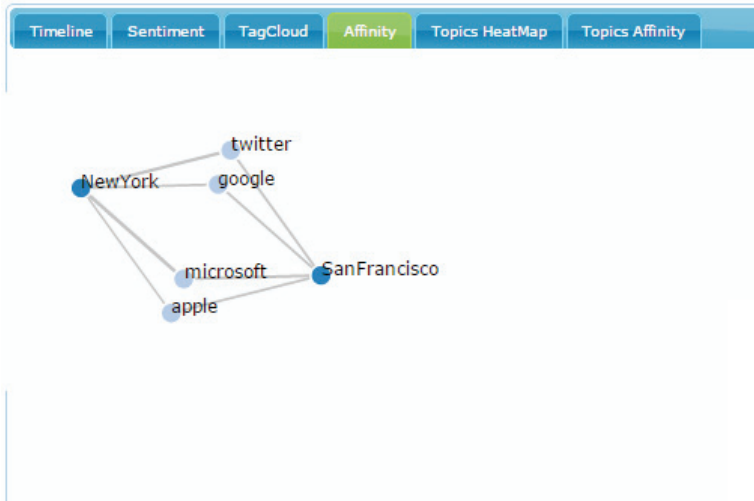
**Figure 9: Network of area similarity**
Source: Own processing

*4.1.3 Topic statistics*

This group offers some basic visualization of explored topics like evolution of sentiment over time, contributions summarization and similarity between topics.

Evolution of sentiment over time can be useful mainly in the time of marketing campaign, (launching of a new product on the market). In this case it is possible to track efficiency of campaign or track popularity of product over time. Example of this evolution is shown in Figure 10.
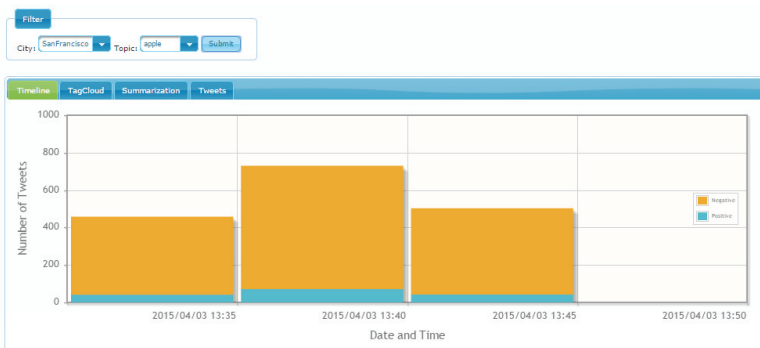


**Figure 10: Sentiment evolution over time**
Source: Own processing

Word clouds and contributions summarization offer a quick preview of explored topics.

In Figure 11 is shown example of topic similarity visualization, where we provide heat map (left: darker color represents higher similarity of topics) and network graph (where nodes represent topics and edges represent similarity between nodes).
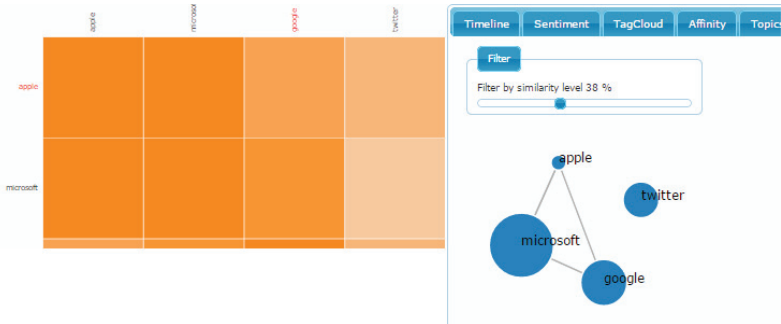


**Figure 11: Example of topic similarity visualization**
Source: Own processing

## Conclusion

The provided paper focused on the importance of analysis of the contributions from the social networks for the needs of competitive advantage in the market. It presents how topic modeling can be used for analysis of data from such networks and how appropriate visualization can be useful for better understanding of data and therefore support decision making processes.

Also proposed and implemented web application is presented in the paper. This application process data streams from Twitter and subsequently analyzes and visualizes them. The main advantages of the proposed application are more detailed analysis of contributions and support for different languages.

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# USING ONLINE ACTIVISM AND DIGITAL MEDIA TO CHANGE LOCAL POLITICAL ENVIRONMENT: A CASE STUDY OF ŽÍT BRNO

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**Abstract**
This case study explores the new form of online activism on the example of situation analysis of „Žít Brno", a local political-advocacy group in the Czech Republic. It discusses the impact of online activities to the offline world based on Deuze's[1] definition of digital culture and Bakardijeva's[2] concept of subactivism. On the example of Žít Brno we discuss that the online clicktivism or slacktivism, which contribute to the feel-good satisfaction of digital natives but stay within the online world and have no impact into the offline activities or policies, are not sufficient explanation of the online activist and political behavior.

**Key words:**
Digital culture. Digital media. Online activism. Political activism. Subactivism.

## Introduction

A rising role of stakeholders and advocacy groups[3], promoting specific ideas or policies, be it on the global or local level, has emerged with the development of digital communication and online social platforms. Hejlová[4] defines advocacy as "*promoting of own topics and representation of own interests of organization towards the publics*", and advocacy groups have often their own goal which they push through the legislation or policy-making process. Non-governmental organizations, such as global Greenpeace or local Hnutí Duha have adopted marketing principles decades ago, and they have set and achieved their goals on the similar basis as corporations set and accomplish their key-performance indicators (KPI's). With the rise of digital culture and social networks, local issues became more visible and enabled various stakeholders to organize and get together on separate issues. Public perception of critical issues is crucial for both politicians and companies[5]. For example, activist groups fighting for restoration of historical buildings are now one of the most important stakeholders for construction and development companies.

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1    DEUZE, M.: Participation, Remediation, Bricolage: Considering Principal Components of a Digital Culture. In *The Information Society*, 2006, Vol. 22, No. 2, p. 63-75.
2    BAKARDJIEVA, M.: Subactivism: Lifeworld and Politics in the Age of the Internet. In *The Information Society*, 2009, Vol. 25, No. 2, p. 91-104.
3    HEJLOVA, D.: *Public Relations*. Grada, 2015, p. 189.
4    Ibidem, p. 182.
5    HEJLOVA, D.: Public perception of Climate Change Issues: Detecting Potential Reputational Risk. In *Czech Journal of Social Sciences, Business and Economics*, 2014, Vol. 3, No. 2, p. 6-14.

However, a large number of social scientists have interpreted online activism as merely a symbolic act, which leads to no real action or impact within the offline world – often labeled as "*clicktivism*" or "*slacktivism*", where participants simply declare their position by pushing "like" or sharing content that expresses their personal opinions. Scammell has analyzed rising political consumerism, stating that the new citizen consumes political content as every other form of information (be it entertainment or private news)[6]. Yet in this study we'd like to explore another, possibly more advanced form of online activism, which aim is to change real political environment.

This case study analyses a specific example of new media cultures in the Czech Republic called "Žít Brno" (*i.e. to live Brno-style or to live in Brno*). The text is focused on its years of constitution as a local informal group of people subverting the official communication of the city of Brno. Nevertheless, during the past several years, key people of Žít Brno have come up with such activities and events that showed interlinkage of the local and the national and led to their transformation to local political power, which, however, is not a focus of this text. For the reason that most of the activities of Žít Brno have transcended the original boundaries of local issues inside the city of Brno, this text aims to focus on specific cases, their particular purposes, aims and theoretical anchorage, and how this all influenced the group activities and characteristic. As to the initial observation, people of Žít Brno have constituted a specific online community surrounding their activities, not only connected with local issues of the city of Brno, but also having an impact on the Czech Internet *per se* and creating further communities of other people at social media sites. Therefore, social networks and the Internet are being used as a research environment so that the purpose of Žít Brno could be more deeply understood.

Firstly, the text comprises the situation analysis of the background and history of Žít Brno. Secondly, theoretical references to the activities of Žít Brno will be critically compared from diverse points of view. Thirdly, several empirical research methods such as social network analysis, content analysis and semiotic analysis of visual and textual content of social media sites such as Facebook, Twitter, YouTube, Tumblr, and Stream.cz and webpage of Žít Brno will be used for analysing distinctions, similarities, interconnections and context of Žít Brno activities – primarily the main project of ZitBrno.cz and, secondarily, two niche subprojects – Macho Parking and Slušný Čech (*i.e. a nice Czech man*) – which are being developed by Žít Brno and which show both its local and national character – are being presented.

Overall, this case study aims to offer an original perspective on political and social activism, especially on online activism, links between urban life and online public

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6    SCAMMELL, M.: The Internet and Civic Engagement: The Age of the Citizen-consumer. In *Political Communication,* 2000, Vol. 17, No. 4, p. 351-355.

sphere, and place and space within the regional area of the Czech Republic, and, more specifically, the city of Brno.

## 1 Žít Brno – situation analysis

The roots of Žít Brno date back to 2010 when the city of Brno asked an agency to create the new communication strategy and visual city identity for the city. Most of the parts of a unified communication strategy have never been fully delivered by the agency. The only exception was the slogan which was worded "Žít Brno"[7]. However, the city of Brno had not secured the registration of the web domain "zitbrno.cz" before having released an official proposal to media which was exploited by a famous Brno journalist Michal Kašpárek who pointed out this fact and registered it first[8].

According to Kašpárek[9], "*the slogan had not been used by anybody for a year*," thus he invited a few friends from various professional fields with a linking parameter of being profoundly dissatisfied with spending habits, corruption and communal politics of Brno governing body to create their own, parody version of the website zitbrno.cz. The aim has not only been to subvertize the official city communication, but also to refer to the issues with which Brno has coped without a particular attention of the mayor of Brno[10]. Therefore, the group took over the originally official slogan to realize activist projects and protest events.
Since 2011 the protest group Žít Brno has made more subprojects linking the online and the offline, usually having a basis on a social network such as Facebook or Stream.cz and taking advantage of programming and graphic background of several group members – i.e. "*innovators*" – to create distinct microsites on .cz domain level[11]. These projects cover a wide spectre from urban sustainable lifestyle, ethnical minorities, city geo-locative mapping and alternative journalism to political activism. The initial unified goal of all activities has been to uplift the life in Brno using state-of-the-art internet and mobile technologies. This fact is still valid, though the current form of Žít Brno differs from its activist roots and became a political party.

One thing that could be analysed on original Žít Brno is the structure and mutual entanglement of Facebook groups due to the fact that Žít Brno resembles more a community than any formalized group. Therefore, distinct characteristic of

7    MACKOVÁ, A.: *Nová média a občanská společnost – případová studie protestní skupiny Žít Brno.* [M.A. Thesis]. Brno : Masaryk University in Brno, 2013.

8    KOZLANSKÁ, P.: *Žít Brno? Dvě slova, 600 tisíc a vlna kritiky.* Released on 30 July 2010. [online]. [2014-01-02]. Available at: <http://brno.idnes.cz/zit-brno-dve-slova-600-tisic-a-vlna-kritiky-fpz-/brno-zpravy.aspx?c=A100729_194238_brno-zpravy_trr>.

9    MACKOVÁ, A.: *Nová média a občanská společnost – případová studie protestní skupiny Žít Brno.* [M.A. Thesis]. Brno : Masaryk University in Brno, 2013, p. 32.

10   Ibidem.

11   Ibidem, p. 40.

fan communities around Žít Brno group's social network profiles, accounts and user-generated discussions which also adopted the satirical tone and style of Žít Brno to share the topics so that they might live on their own on the Internet are being analysed in the empirical part. However, before analysing the group more thoroughly, theoretical references are critically compared in the following section.

## 2 Literature review

Overall, the activity of Žít Brno group and further communication on social networks and microsites has contributed to the public sphere in micro perspective. Bakardjieva[12] comes up with the term "*subactivism*" which means the "*kind of politics that unfolds at the level of subjective experience and is submerged in the flow of everyday life*." In other words, it is not just a constitutionally embedded structure of governing bodies what shapes the nature of politics. According to Bakardjieva[13], the feature of subactivism is its coverage of "*small world*" network or local entity in bigger societal environment. It also presupposes the presence of "*apolitical*" persons in sub-activist networks.
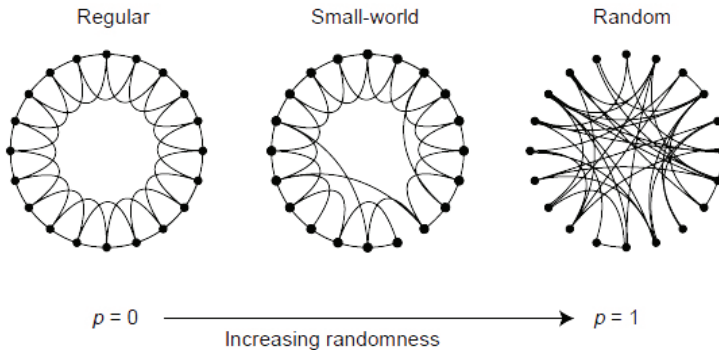


Image 1: Small-world network
Source: WATTS, D. J., STROGATZ, S. H.: Collective dynamics of 'small-world' networks. In *Nature*, 1998, Vol. 393, No. 6684, p. 441.

The term "*small world network*" refers not only to sociology and political science, but also to network science. Characteristic features of a small-world network are the presence of several "*high degree*" nodes, i.e. in this case – key connected persons of a network, "*high clustering coefficient*", i.e. the presence of distinctly observable communities, and "*short path length*" which also denotes to the fact

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12  BAKARDJIEVA, M.: Subactivism: Lifeworld and Politics in the Age of the Internet. In *The Information Society,* 2009, Vol. 25, No. 2, p. 92.

13  Ibidem, p. 96.

that the distance between well-connected nodes is not long[14]. Moreover, Lampe *et al.*[15] suggest that "*majority of contributions are often made by a minority of users*" and connects this argument with power-law distribution which refers to small-world networks[16].

Žít Brno has used political satire and humour to subvert official politics and communication on the Internet – the activity which made them famous and which they have not given up since politicizing themselves. Deuze distinguishes three basic components of digital cultures – "*participation, remediation and bricolage.*"[17] The third unit – bricolage – seems the most appropriate for this case study, because Deuze explains it as "*remixing, reconstructing, and reusing of separate artefacts, actions, ideas, signs, symbols, and styles in order to create new insights or meanings.*"[18] In other words, the availability of data and Internet architecture enable to create and share any ideas, images or videos. Likewise, Kahn and Kellner note the influence of Situationist movement on Internet activism, especially in terms of "*construction of situations, use of technology, media of communication and cultural forms to promote a revolution of everyday life.*"[19] Any official communication might thus be under serious attack from the power of users and speed of sharing the information which is being reconstructed by Internet activists in relation to the particular situation.

Theoretical concepts similar to the idea of bricolage and expanding the initial thoughts of subvertising, reconstruction and activism are political jamming[20], cyber-urban activism[21] and also infrapolitics[22]. Culture jamming denotes to reversing the sense communication message which might have several reasons, from alerting people to what a company or institution latently do. As Cammaerts mentions, culture jamming has tended to be focused mainly on "*attacking and mocking the capitalist corporate brand culture and not that much on the realm of*

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14   WATTS, D. J., STROGATZ, S. H.: Collective dynamics of 'small-world' networks.
     In *Nature*, 1998, Vol. 393, No. 6684, p. 442.
15   LAMPE, C., WASH, R., VELASQUEZ, A., OZKAYA, E.: Motivations to participate
     in online communities. In *Proceedings of the SIGCHI Conference on Human Factors
     in Computing Systems.* Association for Computing Machinery, 2010, p. 1927.
16   WATTS, D. J., STROGATZ, S. H.: Collective dynamics of 'small-world' networks.
     In *Nature*, 1998, Vol. 393, No. 6684, p. 441.
17   DEUZE, M.: Participation, Remediation, Bricolage: Considering Principal Components
     of a Digital Culture. In *The Information Society*, 2006, Vol. 22, No. 2, p. 67.
18   Ibidem, p. 70.
19   KAHN, R., KELLNER, D.: New media and internet activism: From the 'Battle of Seattle'
     to blogging. In *New Media & Society*, 2004, Vol. 6, No. 1, p. 93.
20   CAMMAERTS, B.: Jamming the political: Beyond counter-hegemonic practices.
     In *Continuum*, 2007, Vol. 21, No. 1, p. 71-90.
21   LIM, M.: Cyber-urban activism and the political change in Indonesia. In *Eastbound*,
     2006, Vol. 1, No. 1, p. 1-19.
22   KJØLSRØD, L.: Mediated Activism: Contingent Democracy in Leisure Worlds.
     In *Sociology*, 2013, Vol. 47, No. 6, p. 1207-1223.

*politics*."[23] Furthermore, he provides several examples of political jamming and the use of the Internet which has become a strong tool of political marketing specialists and activists networks. Political jamming, notwithstanding the importance of the Internet, refers to interlinking physical and virtual place and space. Lim develops the idea of cyber-urban activism and suggests that "*manipulation of space is central to the exercise and contestation of power (politics)*."[24] In other words, linking the argument to Bakardjieva[25], politics both on macro and micro level, and activism, including subactivism, relates crucially to the notion of place and space which might explain the link between urban activism and cyberspace, as it might be observed on the case of Žít Brno. Likewise, Goodsell deals with the idea of space and place claiming that public space is "*not just unitary physical space but also sets of dispersed electronic connections, made possible by information technology*."[26] Social networks might arguably help in developing such a public space in terms of interconnecting people and issues. Besides mere possibilities of interlinking two or more computers, it may be claimed that mobile technologies constitute one of the key tools to raise connective action even though the effects seem to be erratic and inconclusive.[27]

Last but not least, ubiquitous means of connecting people, places and media content transform both our ability to act and think beyond the common time, space and place boundaries. Media geography and tools of geo-localisation become more relevant than before and activist groups take an advantage from it by giving political dimension to the entanglement of the offline and online[28]. Linking this argument to the theories of political jamming, cyber-urban activism or bricolage, it might seem appropriate to include the concept of infrapolitics which has recently been rethought from the original meaning of oppressive environment to the contemporary situation of semi-political sphere, "*leisure world*" and social protest by Kjølsrød[29]. Žít Brno has used online environment to alert people with a peculiar sense of humour which they use both in Internet communication and in public spaces originally not designed for political discussion. Therefore, it might be argued that the entanglement of political and non-political, online and offline, and serious and non-serious, though abstract, has been the determining

23   CAMMAERTS, B.: Jamming the political: Beyond counter-hegemonic practices. In *Continuum*, 2007, Vol. 21, No. 1, p. 74.

24   LIM, M.: Cyber-urban activism and the political change in Indonesia. In *Eastbound*, 2006, Vol. 1, No. 1, p. 3.

25   BAKARDJIEVA, M.: Subactivism: Lifeworld and Politics in the Age of the Internet. In *The Information Society*, 2009, Vol. 25, No. 2, p. 96.

26   GOODSELL, C. T.: The concept of public space and its democratic manifestations. In *The American Review of Public Administration*, 2003, Vol. 33, No. 4, p. 381.

27   BENNETT, W. L., SEGERBERG, A.: The logic of connective action: Digital media and the personalization of contentious politics. In *Information, Communication & Society*, 2012, Vol. 15, No. 5, p. 739-768.

28   THIELMANN, T.: Locative Media and Mediated Localities: An Introduction to Media Geography. In Aehter: *The Journal of Media Geography*, 2010, Vol. 1, No. 17, p. 1-17.

29   KJØLSRØD, L.: Mediated Activism: Contingent Democracy in Leisure Worlds. In *Sociology*, 2013, Vol. 47, No. 6, p. 1220.

element of the group characteristic. We can assume that at least some part of online supporters and activists supported this political movement on the basis of personal liking or entertainment. Therefore, the concept of clicktivism does not have to be defined only in opposition of real political action, but on the contrary, as an important or inherent part of the online political activism.

## 3 Empirical part

In this section, some of the theoretical points of view will be verified on the example of social network analysis and content analysis of both visual and textual social media content, microblogging systems and other relevant webpages that show Žít Brno and its political and social context. Žít Brno has originally been the overarching label for the activist group; hence this analysis focuses on its main social networks profiles and webpages. However, as noted in the Introduction, two niche subprojects will be included in the case study, i.e. "*Machoparking*" and "*Slušný Čech*", primarily to show the interlinking of the local and the national and some difference in community structure between these two projects and Žít Brno.

First, social network analysis might be used to explore the parameters, the nature and mutual dependencies of nodes and edges in any network. In this case, social network analytical tool Netvizz is used, because it can extract data from Facebook. According to its creator, Bernhard Rieder, "*networks, groups and pages can thus be analysed quantitatively and qualitatively with regards to demographical, post-demographical, and relational characteristics.*"[30] Subsequently, it is possible to analyse the extracted data file in the Gephi software with which it is possible to visualise networks and complex systems[31]. According to Rieder[32], while analysing a page administrated by someone else than a researcher, the most active users, posts with high engagement rate and several other metric with which one is able to verify whether the network is small-world, or not, could be analysed. Nevertheless, because of Facebook ethics, data is extracted anonymously only with user IDs and thus it is impossible to track the whole network unless one has got administrator rights to access the page. Despite this fact, mutual dependencies and characteristic of the network could still be to some extent examined. Using Gephi statistical tools, network centrality, degree differences and links between edges showing the page engagement might be observed. Furthermore, visual and textual examples of Žít Brno, Machoparking and Slušný Čech will be analysed and compared.

30  RIEDER, B.: Studying Facebook via data extraction: the Netvizz application. In *WebSci '13* Proceedings of the 5th Annual ACM Web Science Conference. New York : Association for Computing Machinery. 2013, p. 346.
31  GEPHI.ORG. *The Open Graph Viz Platform*. [online]. [2014-01-08]. Available at: <https://gephi.org>.
32  RIEDER, B.: Studying Facebook via data extraction: the Netvizz application. In *WebSci '13* Proceedings of the 5th Annual ACM Web Science Conference. New York : Association for Computing Machinery. 2013, p. 346.

## 3.1 Žít Brno

As noted in the situation analysis section, Žít Brno in its roots has been more an informal group of activists who gather around the main project of Žít Brno and realise numerous niche subprojects. It might be observed that the core online presentation of Žít Brno is its website ZitBrno.cz[33] which used to serve as a satirical, against official city communication tool before the activist group transformed itself to a political party.



**Image 2: The website ZitBrno.cz**
Source: *Žít Brno.* [online]. [2014-01-09]. Available at: <http://www.zitbrno.cz>.

The first denotation which may be analysed is the logotype in the left top area of the website. It clearly refers to the official logotype of the city of Brno. Next to the logotype a photo of the current mayor of Brno named Roman Onderka is included with a bottle of champagne as a symbol of his achievements and success, i.e. what the activist group oppose and criticise. The rest of the website consists of funny or mystified stories from the daily life of Brno which could be theoretically assigned to bricolage[34] and political jamming[35]. The whole page is written in the distinct language slang, used in Brno and surrounding area, called "*hantec*" which had originally been the language of lower class influenced by Austrians and Jews living in Brno in the 19th and 20th century[36]

Žít Brno primarily uses two social network sites – Facebook and Twitter – to both linking from the website. As to Facebook page, on January 8th 2014, it had

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33   *Žít Brno.* [online]. [2014-01-09]. Available at: <http://www.zitbrno.cz>.

34   DEUZE, M. Participation, Remediation, Bricolage: Considering Principal Components of a Digital Culture. In *The Information Society,* 2006, Vol. 22, No. 2, p. 63-75.

35   CAMMAERTS, B.: Jamming the political: Beyond counter-hegemonic practices. In *Continuum*, 2007, Vol. 21, No. 1, p. 71-90.

36   *Hantec, Brno's secret language.* [online]. [2014-01-09]. Available at: <http://www.studyczech.cz/hantec>.

15.730 likes and 1.094 people talking about, i.e. engaging in likes, comments and shares with the page, which is relatively high to the Czech context. Similar to the website, Žít Brno uses mystification information on the Facebook page, e.g. fake geo-location with Stuttgart instead of Brno. Partly, it refers to the usual hantec-style communication with many links to German language. Furthermore, there was a note "*Live Chicago*" on the Facebook page which might refer to the historical image of Chicago as a city of crime and corruption known for instance because of Al Capone and violent lower classes[37].
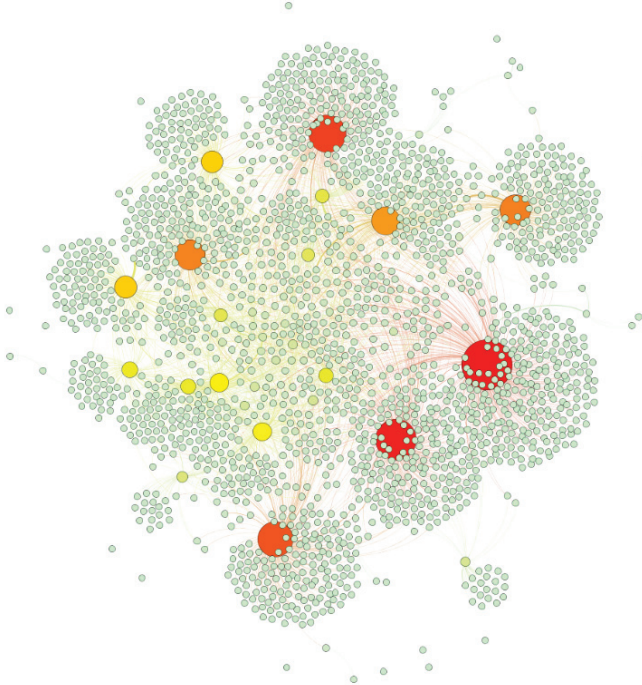


**Image 3:** Žít Brno Facebook page engagement visualisation
Source: Own processing

As to the network point of view, the image [3] shows the visualisation of both user and page activity and engagement at Žít Brno Facebook page. Using Netvizz and Gephi, the analysed sample is 50 last submitted posts of textual or audio-visual content both by users (n=2066) and the page administrator. The whole number of engagement inputs is 3199. While analysing the data file in Gephi, it might be claimed that communities engaging with particular posts are more or less homogenous with repeating users engaging with multiple content. The four

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37   *Crime and Chicago's Image.* [online]. [2014-01-09].
     Available at: <http://www.encyclopedia.chicagohistory.org/pages/352.html>.

biggest red nodes are the posts with the highest engagement rate, all submitted by the page, and the smaller clusters mainly represent the user activity *per se*.

Interestingly, the most discussed post refers to one of the Brno's ghettos called "*Cejl*", with the status interlinking street identity, children safety and excluded localities[38]. Several comments might be denoted as "*trolling*"[39], but the majority of people really seem to discuss problems with suggesting ideas and possible solutions. This is further supported by the slogan used on the webpage and Twitter account, i.e. "Úzká – Vlhká – Trnitá" ("*The Narrow*", "*The Wet*" and "*The Thorny*") which refer to Brno streets, but might evoke further meanings. This proves that the activist group aims to interlink social networks, urban life and real issues by avoiding the trap of being just deconstructive and not being taken seriously. The language and specific humour has however been a means of brand building and long-term public relations tool of the group.

### 3.2 Machoparking

On the case of the first analysed subproject, it might be claimed that Žít Brno uses other online tools than just Facebook and Twitter. Machoparking.cz[40] is based on Tumblr microblogging service with distinct social network extensions[41].



**Image 4: Machoparking logotype**
Source: *Machoparking*. [online]. [2014-01-09]. Available at: <http://machoparking.cz>.

The purpose of the project is to point out on malpractices of car-parking at unsuitable places. People from Žít Brno group go through streets and take photos of such examples, stick the Machoparking sticker on the car and then share it via Tumblr. As we may observe on Machoparking.cz, the most of the content has been taken in the streets of Brno with some exceptions with Prague, i.e. the capital of the Czech Republic and the major rival of Brno, and other places. The whole concept of Machoparking might seem controversial, mainly due to explicit visuals with clear meaning not only to the car owners, but also to everybody else who sees the car and the sticker.

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38  *Žít Brno*. Released on 09 December 2013. [online]. [2014-01-09]. Available at: <https://www.facebook.com/204498349599026/posts/593838300665027>.
39  *Definition of troll in English.* [online]. [2014-01-09].
    Available at: <http://www.oxforddictionaries.com/definition/english/troll-2>.
40  *Machoparking*. [online]. [2014-01-09]. Available at: <http://machoparking.cz>.
41  *Follow the World's creators.* [online]. [2014-01-09]. Available at: <http://www.tumblr.com/about>.

**Image 5: Machoparking: the example of unsuitable car parking**
Source: *Machoparking*. [online]. [2014-01-09]. Available at: <http://machoparking.cz>.

Theoretically, Machoparking might be seen as an example of cyber-urban activism[42] with some links to Goodsell's[43] idea of interconnecting physical and virtual place and space and Kjølsrød's[44] idea of leisure world social activism. Sometimes, the inputs both on Tumblr site and Facebook page consist of exact addresses which could indicate the view of geo-locative place making[45]. Žít Brno does not dim the cars' licence plates, so it might also be taken as a latent political activism in case they take a photo of a local politician or owner of companies which do not enhance the group's sustainable development and anti-corruption efforts in Brno.

42  LIM, M.: Cyber-urban activism and the political change in Indonesia. In *Eastbound*, 2006, Vol. 1, No. 1, p. 1-19.
43  GOODSELL, C. T.: The concept of public space and its democratic manifestations. In *The American Review of Public Administration,* 2003, Vol. 33, No. 4, p. 361-383.
44  KJØLSRØD, L.: Mediated Activism: Contingent Democracy in Leisure Worlds. In *Sociology*, 2013, Vol. 47, No. 6, p. 1220.
45  THIELMANN, T.: Locative Media and Mediated Localities: An Introduction to Media Geography. In *Aehter*: *The Journal of Media Geography*, 2010, Vol. 1, No. 17, p. 1-17.
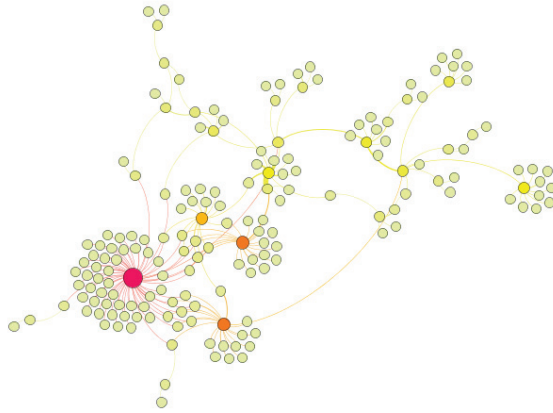
**Image 6: Machoparking: Facebook page engagement visualisation**
Source: Own processing

Machoparking Facebook page is smaller than Žít Brno's one with 5.223 likes on January 9th 2014. The analysed sample is again 50 last submitted posts of textual or audio-visual content both by users (n=159) and the page administrator. As the image [6] shows, the engagement rate is also lower than in the previous case (250 individual hits), though there are some distinct links between users which suggest some extent of community within the page. Last but not least, the slogan of Machoparking is "*Kočárky na chodník nepatří*! " ("*Baby-carriages do not belong to pavements*!"), which could be interpreted in different ways, e.g. by arrogance of the car owners parking cars and disabling common people to go through pavements.

## 3.3 Slušný Čech ("A nice Czech man")

Another Žít Brno group activity has been the "*Slušný Čech*". Primarily, it consists of audio-visual activity on three social network sites, i.e. YouTube playlist of Jan Jablunka[46], Stream.cz[47] and Facebook[48]. One of the key people of Žít Brno, Jan Jablunka, has been shooting short videos since October 2013. In these clips, he piles into discussions under the Czech online news portals, selects those having the most thumbs ups and creates original stories which in his opinion reflect the nature and common mood of Czechs.

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46  JABLUNKA, J.: *Slušný Čech.* [online]. [2014-01-09]. Available at: <http://www.youtube.com/playlist?list=PLK4F6kA8TrKoZieCHhQGy3BI5ZXMNR46->.
47  *Slušný Čech.* [online]. [2014-01-09].
    Available at: <http://www.stream.cz/porady/slusny-cech>.
48  *Slušný* Čech. [online]. [2014-01-09].
    Available at: <https://www.facebook.com/slusnycech>.

The main social network tools used by Jan Jablunka in this project were YouTube and Stream.cz which is a famous Czech video podcasting service. Facebook, having 2.848 likes on January 9th 2014, serves only as a promotion tool for building a Facebook community which would secure viral sharing of videos. Meanwhile, YouTube playlist[49], with which Jablunka had begun before changing the tool to Stream.cz, has had over 10.000 views. In January 2014, Jablunka uses Stream.cz where the audience reaches up to 90.000 views which cannot clearly consist only of Brno citizens[50]. Therefore, in this case, the geographical scope of the activity transcends Brno and embodies the whole Czech language online sphere.

The third data visualisation indicates that in case of the Facebook page of Slušný Čech[51], even denser community structure could be seen with shorter average path and edges entangled together more than in Žít Brno and Machoparking cases. The analysed sample is again 50 last submitted posts of textual or audio-visual content both by users (n=739) and the page administrator. However, the number of posts submitted only by the page is 40. Therefore, the reason of clearer community structure might be the relatively short time in which mainly people of the initiative and their major fan base have gathered on the Facebook page.



**Image 7: Slušný Čech: Facebook page engagement visualisation**
Source: Own processing

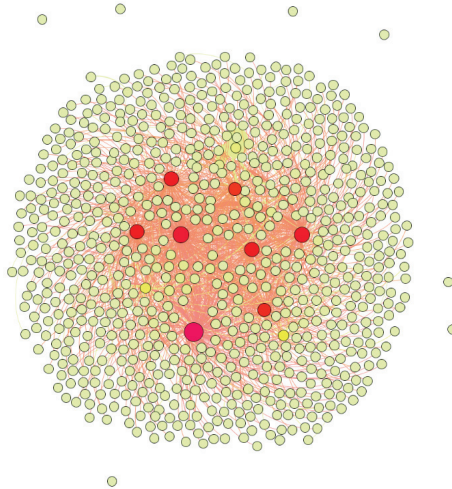49   JABLUNKA, J.: *Slušný Čech*. Playlist. [online]. [2014-01-09]. Available at: <http://www.youtube.com/playlist?list=PLK4F6kA8TrKoZieCHhQGy3BI5ZXMNR46->.
50   *Slušný Čech.* [online]. [2014-01-09].
     Available at: <http://www.stream.cz/porady/slusny-cech>.
51   *Slušný Čech.* [online]. [2014-01-09].
     Available at: <https://www.facebook.com/slusnycech>.

In terms of theoretical viewpoints, the communication of Slušný Čech followed the Žít Brno satirical and controversial tone with distinct parody, reconstruction of situation[52] and subvertising as it might be observed on the case of images [8] and [9][53].



**Image 8: Czech Republic: the official tourist logotype**
Source: *Welcome to the land of stories*. [online]. [2014-01-09].
Available at: <http://www.czechtourism.com/n/czech-republic-land-of-stories>.



**Image 9: Slušný Čech: using subvertized logotype of the Czech Republic**
Source: *Slušný Čech*. [online]. [2014-01-09]. Available at: <https://www.facebook.com/slusnycech>.

While comparing the two logotypes, i.e. the official and subvertized one, the similarity might be seen in design, i.e. used font, colours and style, and also text. "*Příběh země*" means "*The story of the land*", thus both design and textual part have been reconstructed and given different meaning. This might imply another political meaning which refers to national communication strategy and thus national politics. Moreover, as Jablunka picks up the comments of common people, the infrapolitics[54] view could be included in an analysis, because an ostensibly leisure world of online discussions might become politicised as newly reconstructed story with originally different meanings is being exploited by activists.

## Conclusion

This case study has analysed one of the former Czech activist groups called Žít Brno, its main online activity and two subprojects, Machoparking and Slušný

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52 KAHN, R., KELLNER, D.: New media and internet activism: From the 'Battle of Seattle' to blogging. In *New Media & Society*, 2004, Vol. 6, No. 1, p. 87-95.
DEUZE, M.: Participation, Remediation, Bricolage: Considering Principal Components of a Digital Culture. In *The Information Society*, 2006, Vol. 22, No. 2, p. 63-75.
53 CAMMAERTS, B.: Jamming the political: Beyond counter-hegemonic practices. In *Continuum*, 2007, Vol. 21, No. 1, p. 71-90.
54 KJØLSRØD, L.: Mediated Activism: Contingent Democracy in Leisure Worlds. In *Sociology*, 2013, Vol. 47, No. 6, p. 1207-1223.

Čech, in theoretical, comparative perspective. Theoretical viewpoints used to explore online activism from different points of view have been subactivism, small-world network, bricolage, construction of situations, political jamming, cyber-urban activism, infrapolitics, public space, connective action and geo-locative place making.

In the empirical part, the theories, own primary extracted data and audio-visual content from secondary sources have been put together and on the case of each project (Žít Brno, Machoparking and Slušný Čech) it has been shown whether and how the theories apply or not apply to the particular project or activity. All three analysed networks show signs of small-world network as it might be observed on three included visualisations. The similar conclusion we can make with bricolage, political jamming and cyber-urban activism. Žít Brno and its activities are both played out online and offline and the connective action interlinks public spaces, geo-locations and online social networks.

To conclude, it might be claimed that political and social activism in the Czech Republic has found the way how to use social networks to connect offline and online spaces. Until now, the majority of protests have not been pointing up to national issues, but more to the local ones. Žít Brno changed this paradigm and transcended their activist boundaries and the formerly activist group transformed in a political party in 2014, building its campaign on all the above-mentioned principles and finally taking 3rd place in the City elections and 1st place in the Brno-stred electoral district[55]. This proves that activism, notwithstanding in online space, can lead to a real political power and have a serious impact on public sphere.

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DEUZE, M.: Participation, Remediation, Bricolage: Considering Principal Components of a Digital Culture. In *The Information Society*, 2006, Vol. 22, No. 2, p. 63-75.

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55   *Žít Brno.* [online]. [2015-10-06]. Available at: <http://www.zitbrno.cz>.

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*Žít Brno*. [online]. [2014-10-06]. Available at: <http://www.zitbrno.cz>.
*Žít Brno*. [online]. [2014-01-09]. Available at: <http://www.zitbrno.cz>.
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# DIGITAL NATIVES, IMMIGRANTS AND LITERACY. AGE AND GENDER DIFFERENCES IN SLOVAKIA

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**Abstract**
Advent of personal computers which has been shortly followed by the Internet and information boom in the 90`, raised the questions concerned the digital literacy. Conference paper presents results of research aimed on differences between digital immigrants and natives in the context of their digital literacy in Slovakia. Part of the research was also aimed on possible gender differences. A stratified sample of respondents split by age and gender (n=892) was addressed by a set of questions focused on above mentioned topics. Results confirmed that digital natives have higher level of IT skills, experience, use, access and positive attitude to digital technology which results in many differences in digital and learning behavior in comparison to the digital immigrants. Some small differences in digital literacy have been also found between men and women.

**Key words:**
Computer performance. Computer self-efficacy. Computer use. Digital immigrants. Digital literacy. Digital literacy in Slovakia. Digital natives. Gender. Technological gender gap.

## Introduction

The huge development of digital technologies causes that most of the people in their everyday life use computers, tablets and smart phones etc., which requires specific knowledge and skill. The rudiment of presented research framework is concept of digital literacy. This concept refers to a set of literacies associated with the use of new digital technologies. By digital technologies, which actually include both hardware and software, is meant a set of electronic technologies used by individuals (users) both for social or educational resp. entertainment purpose. Digital technologies include PC`s, smart phones, tablets, game consoles, laptops etc. and necessary knowledge and skills required to manage all web 2.0 technologies (communication, use of information and multimedia resources, Skype, blogging, YouTube and many others. In literature we can come across with the terms like ICT literacy, net, online, multimedia or just new literacy. Digital literacy presents broader term which embraces technical, cognitive and social-emotional perspective build on achieved skills and knowledge.[1] The term digital literacy was first used by Paul Gilster[2]. He defined digital literacy as *"the ability to access networked computer resources and used them – in such a concept.".* David Bawden described four generally agreed components of digital literacy as underpinnings (literacy per se, computer / ICT literacy), background

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1    WAN, NG.: Can we teach digital natives digital literacy. In *Computer&Education*, 2012, Vol. 59, p. 1066.

2    GILSTER, P.: *Digital Literacy.* United States of America : John Wiley & Sons, Inc., 1997, p. 1-25.

knowledge (the world of information, nature of information resources), central competencies (reading and understanding digital and non-digital formats, creating and communicating digital information, evaluation of information, knowledge assembly, information literacy, media literacy) and attitudes and perspectives (independent learning, moral / social literacy)[3]. Measurement of information and communication technology skills, experience and attitudes in Slovakia is mainly based on regular evaluation which is accomplished every two years (since 2005). These evaluations present some indicators of digital literacy which include for example mastering both hardware and software skills, operate with information and ability to communicate on-line effectively[4].

Wan Ng developed digital literacy model which consists of three intersecting dimensions. These are the technical, cognitive and social-emotional dimensions of digital literacy. The technical dimension means possessing the technical and operational skills to use ICT in everyday activities, for example, being able to connect and use input and peripheral devices. A digital literate person is able to operate the mentioned technologies through understanding file structure, managing data transfer, use interface elements, downloading and installing apps, knowledge of file size and necessary space required for storage, use of Bluetooth, using actively communication and social networking tools and many other skills and knowledge. Ng`s cognitive dimension is associated with the ability of critical thinking in case of searching, evaluating, creating and handling digital information and knowledge of ethical, moral and legal issues associated with online activities (trading, blogging, writing reviews and comments, content reproduction etc.), with multiliteracies skills (lingvistic, visual, audio etc.) and abilities to navigate through hypermedia environments. Social-emotional dimension involve the ability to use Internet in its full range. Central to all three above mentioned dimensions is critical literacy, which actually means that full digitally literate person knows that people who write some information and messages on Internet have their own motivations and are able critically evaluate these messages and understand whose voice is being heard and who could be behind the curtain[5]. All three dimensions can be seen as a part of Digital literacy model in Fig. 1.

3    BAWDEN, D. et al.: *Origins and Concepts of Digial Literacy.* Arizona : Shear&Knobel. ilndd, 2008, p. 17-33.
4    VELŠIC, M.: Digitálna gramotnosť na Slovensku 2013. Správa z výskumu. In *ivo.sk,* 2013. [online]. [2015-09-27]. Available at: <http://lnk.sk/3VK>.
5    WAN, NG.: Can we teach digital natives digital literacy. In *Computer&Education*, 2012, Vol. 59, p. 1067-1068.
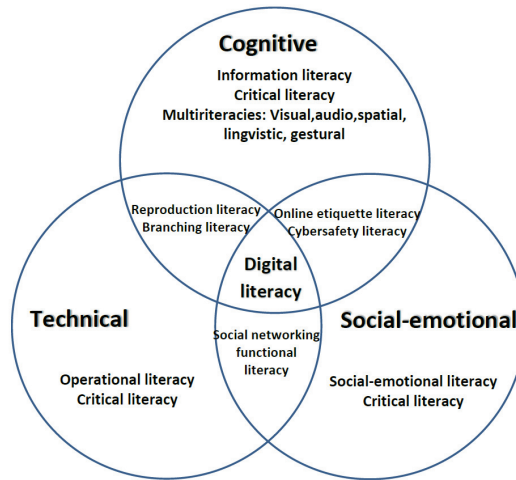
**Figure 1: Digital literacy model**
Source: WAN, NG.: Can we teach digital natives digital literacy. In *Computer&Education, 2012,* Vol. 59, p. 1067.

It should be noticed, that above mentioned concepts might include some weaknesses. First, there are not many empirical evidence and validations. Ann Wilkinson, Julia Roberts and Alison E. While constructed an instrument to measure information and communication technology skills, experience and attitudes. They proclaimed that, when used with a larger, more diverse population, the psychometric properties would be more credible[6]. Second, there are not known many empirical studies which would define and compare differences between digital immigrants to digital natives and which would also include gender differences.

The concept of digital immigrants and natives was first proposed by Marc Prensky in 2001. He defined digital natives as *"native speakers of the digital language of computers, video games and the Internet"* and digital immigrants as those, who *"adapt to their environment, they always retain to some degree, their accent, that is, their foot in the past."*.[7] He described digital natives as people born in or after 1980, who mostly live deeply immersed in digital technologies and in the sense of this part of social reality, they think and act differently than previous generations. They have a culture of connectivity, online creating, sharing, they live on-line which comes to the light in the form of socializing, blogging, shopping, playing online games, downloading films and music, etc. On

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6 WILKINSON, A. et al.: Construction of an instrument to measure student information and communication technology skills, experience and attitudes to e-learning. In *Computers in Human Behavior*, 2010, Vol. 26, p. 1369-1376.

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

the other site, Ian Rowlands in his study presents, that much of the impact of ICTs on young has been overestimated. The study claims that although young people demonstrate an apparent familiarity with computers and mastering all the necessary skills, they rely heavily on search engines, view rather than read and they do not possess the critical and analytical skills to objectively assess the information that they found on the web[8]. Manfred Spitzer in part of his book *Digital dementia* criticizes term digital natives and immigrants and their and he claimed that *"there is no generation of miraculous children"[9].*

The term *"technological gender gap"* refers to the idea that males and females have different technology-related attitudes, behaviors and skills. Katherine Canada and Frank Brusca brought to consideration the evidence documenting the existence of a gender gap[10]. Even in Whitley`s study from 1997 which concerned gender differences in computer-related attitudes and behaviors was declared that men and boys exhibited greater sex-role stereotyping in computers use, higher computer self-efficacy, and more positive affect about computers than was in case of women and girls[11]. Results of another study also showed that the gender gap is closing as far as computer access and self-efficacy are concerned. Female and male students also reported comparable amounts of computer usage in case of their learning. User behavior documented gender differences as males spent more time at the computer for personal purposes[12].

Presented paper reports results of research aimed on differences between digital immigrants and digital natives and gender differences in information and communication technology skills, experience and attitudes in the Slovak republic.

## 1 Study aim

The proposed research model is based on the theoretical framework discussed above. First, the model explores the relationships between digital immigrants and digital natives in the context of information and communication technology skills, experience and attitudes. Second, the model explores the relationships between genders in the context of information and communication technology

8   ROWLANDS, I. et al.: The Google generation: the information behavioru of the researcher of the future. In *Aslib Proceedings: New Information Perspectives*, 2008, Vol. 60, No. 4, p. 290-310.

9   SPITZER, M.: *Digitálni demence.* Brno : Host – vydavatelství, s.r.o, 2012, p. 185-200.

10  CANADA, K., BRUSCA, F.: The technological gender gap: Evidence and recommendations for educators and computer-based instruction designers. In *Educational Technology Research and Development,* 1991, Vol. 39, No. 2, p. 43-51.

11  WHITLEY, B. E.: Gender Differences in Computer-Related Attitudes and Behavior: A Meta-Analysis. In *Computers in Human Behavior,* 1997, Vol. 13, No. 1, p. 1-22.

12  IMHOF, M. et al.: Computer use and gender gap: The issue of access, use, motivation, and performance. In *Computers in Human Behavior,* 2007, Vol. 23, No. 6, p. 2823-2837.

skills, experience and attitudes. We sought answers to the following research questions: Are there any differences between digital immigrants and digital natives in the context of information and communication technology skills, experience and attitudes? Are there any gender differences in the context of information and communication technology skills, experience and attitudes?

## 1.1 Hypotheses

The used research model was based on the published professional article and research papers aimed on the topic of digital literacy. The methodological approach used in the study of Ann Wilkinson, Julia Roberts and Alison E. While was used for the purpose of our research[13]. We defined digital literacy in sub-scales of IT skills, IT experience, IT use, IT access and attitudes to computer. In each sub-scale was set of statements, which were verified by test-retest stability and the sub-scales and proved acceptable internal consistency.

Age limit between digital immigrants and digital natives set by Prensky (1980) was not used, as this age limit can be hardly the same defined for particular countries. The reason is, that the use of desktop computers was very limited Slovakia in eighties and at the beginning of nineties[14]. The use of Internet by public was also limited in nineties[15]. For the purpose of this study, we defined digital natives as people born in and after 1985 and digital immigrants as people born before this date. We set ten hypothesis as a base for our research which concerned digital immigrants and digital natives:
• Hypothesis 1 (IT skills and age category): Digital natives have higher level of IT skills than digital immigrants.
• Hypothesis 2 (IT experience and age category): Digital natives have higher level of IT experience than digital immigrants.
• Hypothesis 3 (IT use and age category): Digital natives have higher level of IT use than digital immigrants.
• Hypothesis 4 (IT access and age category): Digital natives have higher level of IT use than digital immigrants.
• Hypothesis 5 (attitudes to computer): Digital natives have higher level of attitudes to computer than digital immigrants.

Following set of the hypothesis examined gender differences:
• Hypothesis 6 (IT skills according to gender): Men have higher level of IT skills than women.

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13 WILKINSON, A. et al.: Construction of an instrument to measure student information and communication technology skills, experience and attitudes to e-learning. In *Computers in Human Behavior*, 2010, Vol. 26, p. 1369-1376.
14 MACKO, O.: Vývoj počítačov na Slovensku. In *itnews.sk,* 2012. [online]. [2015-09-27]. Available at: <http://lnk.sk/3VM>.
15 ULEJ, T.: Internet sa na Slovensku používa už 13 rokov. In *tech.sme.sk,* 2005. [online]. [2015-09-27]. Available at: <http://lnk.sk/3VN>.

- Hypothesis 7 (IT experience according to gender): Men have higher level of IT experience than women.
- Hypothesis 8 (IT use according to gender): Men have higher level of IT use than women.
- Hypothesis 9 (IT access according to gender): Men have higher level of IT use than women.
- Hypothesis 10 (attitude according to gender): Men have higher level of positive attitude to use computers than women.

## 2 Analysis and results

Methodically we used the items listed in appendix A of study Ann Wilkinson, Julia Roberts and Alison E. While[16]. Data were collected from students, their friends, acquaintance and family members through quota sampling so that the sample would correspond with statistical composition of Slovak population (STATdat.[17] November 2014 (Table 1).

**Table 1: Descriptive Statistics**

|  | N | Minimum | Maximum | Mean | Std. Deviation |
|---|---|---|---|---|---|
| Gender | 892 | 0 | 1 | ,51 | ,500 |
| Family status | 892 | 0 | 2 | ,56 | ,650 |
| Education | 892 | 0 | 8 | 2,63 | 2,514 |
| Size of municipality | 892 | 0 | 4 | 1,61 | 1,355 |
| Current economic position | 892 | 0 | 4 | 1,22 | 1,327 |
| Age | 892 | 5 | 95 | 35,45 | 19,218 |
| Valid N (listwise) | 892 |  |  |  |  |

Source: Own processing

### 2.1 Data analysis

Statistical analysis was conducted using SPSS for Windows. Cronbach´s alpha coefficients for each sub-scale are presented in Table 2. The alpha coefficients for each sub-scale was higher than .70 could be considered as adequate[18]. Sub-scale Attitudes to computer was lower than .70 which was caused by low number of items but was acceptable.

16    WILKINSON, A. et al.: Construction of an instrument to measure student information and communication technology skills, experience and attitudes to e-learning. In *Computers in Human Behavior*, 2010, Vol. 26, p. 1369-1376.
17    STATdat: Obyvateľstvo a migrácia. In *slovak.statistics.sk,* 2014. [online]. [2015-11-01]. Available at: <http://lnk.sk/3Yu>.
18    RIMARČÍK, M.: Analýza spoľahlivosti. In *rimarcik.com,* 2015. [online]. [2015-09-27]. Available at: <http://lnk.sk/3VS>.

**Table 2: Reliability**

|  | Cronbach's Alpha | N of Items |
|---|---|---|
| IT skills | ,888 | 11 |
| IT experience | ,757 | 7 |
| IT use | ,774 | 2 |
| IT access | ,834 | 5 |
| Attitudes to computer | ,604 | 4 |

Source: Own processing

## 2.2 Results

To compare two groups of items in our research we used T-test[19]. Obtained results of T-test are presented in Table 3.

**Table 3: Independent Samples Test for digital immigrants and digital natives**

| | | Levene's Test for Equality of Variances | | t-test for Equality of Means | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | | F | Sig. | t | df | Sig. (2-tailed) | Mean Difference | Std. Error Difference | 95% Confidence Interval of the Difference | |
| | | | | | | | | | Lower | Upper |
| IT skills | Equal variances assumed | 154,124 | ,000 | 12,813 | 890 | ,000 | 9,14321 | ,71360 | 7,74268 | 10,54374 |
| | Equal variances not assumed | | | 12,773 | 726,399 | ,000 | 9,14321 | ,71582 | 7,73788 | 10,54854 |
| IT expe-rience | Equal variances assumed | 140,598 | ,000 | 10,824 | 890 | ,000 | 4,65481 | ,43006 | 3,81075 | 5,49886 |
| | Equal variances not assumed | | | 10,791 | 736,118 | ,000 | 4,65481 | ,43135 | 3,80798 | 5,50164 |
| IT use | Equal variances assumed | 127,879 | ,000 | 15,027 | 890 | ,000 | 3,57318 | ,23778 | 3,10651 | 4,03985 |
| | Equal variances not assumed | | | 14,985 | 747,290 | ,000 | 3,57318 | ,23846 | 3,10505 | 4,04130 |

19   RIMARČÍK, M.: Studentov dvojvzorkový t-test. In *rimarcik.com*, 2015. [online]. [2015-09-27]. Available at: <http://lnk.sk/3Yw>.

| | | F | Sig. | t | df | Sig. | Mean Diff. | Std. Error | Lower | Upper |
|---|---|---|---|---|---|---|---|---|---|---|
| IT access | Equal variances assumed | 291,070 | ,000 | 14,015 | 890 | ,000 | 4,54366 | ,32419 | 3,90739 | 5,17993 |
| | Equal variances not assumed | | | 13,958 | 641,237 | ,000 | 4,54366 | ,32553 | 3,90442 | 5,18289 |
| Attitudes to computer | Equal variances assumed | 187,025 | ,000 | 14,996 | 890 | ,000 | 3,46502 | ,23106 | 3,01153 | 3,91850 |
| | Equal variances not assumed | | | 14,946 | 706,203 | ,000 | 3,46502 | ,23184 | 3,00985 | 3,92019 |

Source: Own processing

Results for Levene´s Test for Equality of Variances confirmed that there is no evidence to suggest that variances are not equal for each set of items. Results for Pooled T test are t = 12,813, p value = ,000 < ,05, that is why we rejected $H_0$. There was an evidence that digital natives (mean = 7,7595) have higher level of IT skills than digital immigrants (mean = -1,3837). Results for Pooled T test are t = 10,824, p value = ,000 < ,05, that`s why $H_0$ was rejected. There is an evidence that digital natives (mean = 24,9866) have higher level of IT experience than digital immigrants (mean = 20,3318). Results for Pooled T test are t = 15,027, p value = ,000 < ,05, that`s why $H_0$ was rejected. There is an evidence that digital natives (mean = 11,1804) have higher level of IT use than digital immigrants (mean = 7,6072). Results for Pooled T test are t = 14,015, p value = ,000 < ,05, that`s why $H_0$ was rejected. There is an evidence that digital natives (mean = 21,0267) have higher level of IT access than digital immigrants (mean = 16,4831). Results for Pooled T test are t = 14,996, p value = ,000 < ,05, that is why $H_0$ was rejected. There is an evidence that digital natives (mean = 9,8330) have higher level of positive attitudes to computer than digital immigrants (mean = 6,3679). Next differences between digital immigrant and digital natives were in spending their time with computers. Average time of use internet per day for digital immigrants (mean = 5:12:27) is lower than average of digital natives (mean = 9:42:13). Average time of computer and internet use for education purposes for digital immigrants (mean = 2:17:46) was lower than average of digital natives (mean = 5:51:10). Average time of computer and internet use for leisure time for digital immigrants (mean = 5:32:11) was lower than average of digital natives (mean = 12:41:48). It was the same for using computer for communication, collecting information, surfing the web and other activities. Difference was found in using e-mail and in case of profession purposes. Average time of computer and internet use for e-mailing for digital immigrants (mean = 2:52:03) was higher than average of digital natives (mean = 2:15:37). Average time of computer and internet use for profession purposes for digital immigrants (mean = 6:09:23) was higher than average of digital natives (mean = 4:22:17).

**Table 4: Independent Samples Test for gender**

| | | Levene's Test for Equality of Variances | | t-test for Equality of Means | | | | | | |
| | | F | Sig. | t | df | Sig. (2-tailed) | Mean Difference | Std. Error Difference | 95% Confidence Interval of the Difference | |
| | | | | | | | | | Lower | Upper |
|---|---|---|---|---|---|---|---|---|---|---|
| IT skills | Equal variances assumed | 1,727 | ,189 | ,171 | 890 | ,864 | ,13272 | ,77665 | -1,39155 | 1,65700 |
| | Equal variances not assumed | | | ,171 | 885,303 | ,864 | ,13272 | ,77709 | -1,39243 | 1,65787 |
| IT experience | Equal variances assumed | ,848 | ,358 | -2,060 | 890 | ,040 | -,94014 | ,45642 | -1,83594 | -,04435 |
| | Equal variances not assumed | | | -2,061 | 889,588 | ,040 | -,94014 | ,45620 | -1,83549 | -,04479 |
| IT use | Equal variances assumed | 8,647 | ,003 | 1,105 | 890 | ,270 | ,29389 | ,26607 | -,22830 | ,81608 |
| | Equal variances not assumed | | | 1,103 | 877,607 | ,270 | ,29389 | ,26636 | -,22888 | ,81666 |
| IT access | Equal variances assumed | ,035 | ,852 | -,133 | 890 | ,894 | -,04776 | ,35820 | -,75077 | ,65525 |
| | Equal variances not assumed | | | -,133 | 889,916 | ,894 | -,04776 | ,35814 | -,75067 | ,65515 |
| Attitudes to computer | Equal variances assumed | ,020 | ,888 | ,062 | 890 | ,951 | ,01597 | ,25862 | -,49161 | ,52354 |
| | Equal variances not assumed | | | ,062 | 889,977 | ,951 | ,01597 | ,25857 | -,49151 | ,52344 |

Source: Own processing

Results for Levene´s Test for Equality of Variances show that there was no evidence to suggest that variances are not equal for each set of items. Results for Pooled T test are t = ,171, p value = ,864 > ,05, so $H_0$ was accepted because there were no differences between women and men in IT skills. Results for Pooled T test are t = -2,060, p value =,040 < ,05, that is why $H_0$ was rejected. There is evidence that women (mean = 3,1530) have lower level of IT experience than

men (mean = 3,2857). Results for Pooled T test are t = 1,105, p value =,270 > ,05, so $H_0$ was accepted. There were no differences between women and men in IT use. Results for Pooled T test are t = -,133, p value =,894 > ,05, so $H_0$ was accepted. There were no differences between women and men in IT access. Results for Pooled T test are t = ,062, p value =,951 > ,05, so $H_0$ was accepted. There are no differences between women and men in positive attitudes to computer. There are no considerable differences between women and men in spending their time with computers as showed Table 5. The average use of internet per week by women was higher (mean = 7:01:19) than by men (6:51:20)

**Table 5: Time spent with computers by gender**

| In the last week how many hours per week have you have you used computers and the web for | Gender | N | Mean | Std. Deviation | Std. Error Mean |
|---|---|---|---|---|---|
| Education | Man | 441 | 3:46:43 | 6:21:24 | 0:18:09 |
| | Woman | 451 | 4:23:15 | 7:09:03 | 0:20:12 |
| Leisure | Man | 441 | 9:35:16 | 12:50:15 | 0:36:40 |
| | Woman | 451 | 8:42:12 | 12:15:32 | 0:34:38 |
| Work / business | Man | 441 | 5:37:38 | 11:01:49 | 0:31:30 |
| | Woman | 451 | 4:53:49 | 10:02:16 | 0:28:21 |
| E-mail | Man | 441 | 2:47:42 | 5:31:12 | 0:15:46 |
| | Woman | 451 | 2:20:01 | 4:03:11 | 0:11:27 |
| Other form of communication | Man | 441 | 7:01:37 | 10:02:53 | 0:28:42 |
| | Woman | 451 | 8:26:48 | 13:14:25 | 0:37:24 |
| Gathering information for personal needs | Man | 441 | 4:40:55 | 7:34:38 | 0:21:38 |
| | Woman | 451 | 4:30:47 | 7:36:54 | 0:21:30 |
| Surfing the web | Man | 441 | 6:55:41 | 10:16:46 | 0:29:22 |
| | Woman | 451 | 7:31:26 | 12:14:06 | 0:34:34 |
| Other activity | Man | 441 | 4:29:32 | 9:02:30 | 0:25:50 |
| | Woman | 451 | 4:02:03 | 8:39:27 | 0:24:27 |

Source: Own processing

## Conclusion and implication

This research sought to investigate differences between digital natives and immigrants in the sphere of digital literacy in Slovakia. Research confirmed that that there were differences in all monitored areas. Particularly, the research documented that digital natives have higher level of IT skills, experiences and use than digital immigrants. As expected, there was also confirmed that digital natives have more positive attitude to IT than immigrants, spend more time with computer and other tools of digital technology and use it in higher scale in leisure time and for entertainment. Hypothesis, that men have higher level of IT skills, experience and have higher positive attitude to digital technology have not been confirmed. According to gender difference, research found, that women have lower level of IT experience than men. At the first sight might be surprising, that women have shown that they spend at the computer more time than men. Further research might focus on the answer to the question why this is so. It

should be noted that this research can be described as the first step in research in this field. As Prensky noted in his above mentioned study, people's behavior is influenced by brain constantly reorganization process, this phenomenon is technically known as neuroplasticity. There is evidence from neuroscience research that young people grow up in different (digital) environment than their predecessors. Our brain perceives these new conditions and adapts to them. Digital natives have not only higher level of IT skills, spend their more time at the computer, tablets or smart phones and demonstrate higher level of positive behavior to the digital technology and finally higher level of digital literacy. The changes in their brain result in changes in their mental skills, attitudes, behavior etc. All this is of great importance in many areas of our social reality. For example in education, where students and pupils are not only highly adaptable to new teaching tools, but at the same time the process of learning requires new approaches in terms of acquiring new knowledge and skills. Similarly, the digital natives receive and accept advertising messages differently than their parents. Print or TV advertising loses its influence, it had in the case of elder people. Young people are strongly addressed by advertising in digital media and by new forms. Also, their attitude and approach to advertising is quite different which results in different understanding the functioning of advertising and marketing communications. The impact of all the attributes on which focused this research exists, however, in other areas of our lives. It is of deep interest to psychologists, sociologists, educators, political scientists and others. Everybody's looking for answers to questions arising from existing changes in society due to the substantial technological changes that we currently face.

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# PR AND MARKETING
# OF SOCIAL POLICY INSTITUTIONS IN POLAND

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**Abstract**
The paper presents the problems of presence of social policy institutions in media messages (Internet, television, radio, press) as well as the use of media and new media (including electronic communication) in order to support activities in this area. Communication deficits and barriers occurring in modern Polish public institutions are discussed and compared with the possibilities of applying marketing and PR tools. The text also presents the concept of holistic joining of the activities in the social space with those in the media space, the latter including marketing and PR, in order to support and reinforce the functioning of social policy institutions.

**Key words:**
Media communication in social policy. Public relations of social policy. Social integration. Welfare institutions in media.

## Introduction

For the last few years the interest in problems of public relations of social policy institutions has been growing among their managerial staff, as well as among researchers.[1] This way, attention is drawn to the issue of difficult presence of social policy institutions in the mass media and in social perception. The analysis of the reports on the functioning of the 1st sector institutions, published in audio-visual media (also in the new media) easily leads to a conclusion that – in the aspect of media communication – social policy is in a very difficult situation.[2] This problem is widely conditional. It is influenced by: stereotypes of social policy, historical and social conditions of institutions' image, low level of media attractiveness of the typical activities resulting in the lack of social interest, low prestige of welfare-related professions and – what I would like to particularly emphasize – the lack of proper marketing and PR in this industry.

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1    KUCHARSKA, B.: Wstęp. In KUCHARSKA, B. (ed.): *Rola mediów w aktywnej integracji.* Warszawa : Mazowieckie Centrum Polityki Społecznej, 2013, p. 7-8.
2    For more information, see: SZYSZKA, M.: *Kształtowanie wizerunku instytucji pomocy społecznej w mediach.* Warszawa : Instytut Rozwoju Służb Społecznych, 2013, p. 17; DUDKIEWICZ, M.: Jak nas widzą, tak nas piszą – wizerunek publiczny pracowników socjalnych. In RYMSZA, M. (ed.): *Pracownicy socjalni i praca socjalna w Polsce. Między służbą społeczną a urzędem.* Warszawa : Instytut Spraw Publicznych, 2012, p. 122; REK-WOŹNIAK, M.: Dobroczyńcy, biurokraci, kozły ofiarne? O społecznym konstruowaniu wizerunku pracowników socjalnych w Polsce. In *Kultura i Społeczeństwo*, 2012, No 1, p. 102.

## 1 The presence of social policy institutions in media messages

Opinion polls indicate that the society lacks knowledge and specific conception regarding the activities carried out in the area of social policy (e.g. by social workers) or active integration instruments.[3] This characteristic applies not only to public opinion but often also to journalists and media workers. The biggest number of mistakes in presenting the issues covered by social welfare and integration can be found in the messages published in electronic media.

In contemporary media messages, despite the dynamic transformations in the discussed matters, the functioning of public institutions is rarely presented in a positive light, and the vast majority of reports is of interventional character. Not many public institutions can declare a good cooperation with mass media, neither they use media and new media in work. Employees of welfare institutions are rarely prepared to contact journalists, build relations or to manage certain press services – e.g. as spokespersons or in communication departments.[4] It should not surprise then, that we can observe numerous antagonisms and misunderstandings between journalists and welfare institutions employees.[5]

Currently, in the age of mediatization of social actions, media image, and as a result, social reception of welfare institutions are composed not only of pragmatics of their functioning – very often efficient, based on some standards, possibilities, local resources and infrastructure. More often the problem is a luggage of negative stereotypes among which the rank of symbol was given to the term "social welfare",[6] and functioning of welfare and integration institutions is often determined in mass media merely as 'service'. In media message social policy institutions and social workers are most often presented as distributors of various social services[7] and the ones that "take care" of the dependent people who are deprived of help of family.

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3    For more information, see: RUDOLF, A., PRZYBYŁ, C.: *Ocena oddziaływania emisji drugiego sezonu serialu „Głęboka woda" na promocję działań finansowanych z Europejskiego Funduszu Społecznego. Raport końcowy.* Warszawa : Agrotec, 2013. [online]. [2015-12-01]. Available at: <http://www.kapitalludzki.gov.pl/download/ gfx/kapitalludzki/pl/defaultmultilistaplikow/173/14/1/rk_gleboka_woda. pdf>; *Komu i jak pomagać? pomoc społeczna w opinii polaków komunikat z badań BS/140/2008.* [online]. [2015-12-01]. Available at: <http://www.cbos.pl/SPISKOM. POL/2008/K_140_08>).

4    Information based on the author's own nation-wide questionnaire research study conducted among social welfare and social integration employees. (Remark by M. S.).

5    WALOTEK-ŚCIAŃSKA, K. et al.: *New media in the social spaces. Strategies of influence.* Praha : Verbum, 2014, p. 45.

6    The current legal system in Poland does not recognize such institutions as social welfare; the regulation identifies the care system as one of the institutions which realize social policy of the government. (Remark by M. S.).

7    In media messages the activities of social workers are most frequently presented as distribution of social benefits and "taking care" for the dependent. (Remark by M. S.).

Most representative examples of presenting the false image of social workers and welfare institutions are provided by tabloid media,[8] especially their Internet editions. Social welfare institutions are most often presented in the perspective of scandal exposure (e.g. reports from integration trips or trainings for institution staff, costs of which are compared to the number of free meals and social benefits distributed by those institutions) or looking for sensation e.g. showing real or false negligence of the staff, inability or inefficiency of the social security system etc.[9]

In the context of mediatization we need to point out to the great power of negative impact the stereotypes have in media and social space. The image of passive and ineffective social policy, especially the one created in electronic and social media, is without any doubts a cognitive simplification. However, one should not forget about the great power of stereotypes in public image space – as simplified cognitive structures they often become a part of public attitudes. A good example may be the image of a social workers sitting behind their desks. It is a very harmful and – to some extent – false stereotype, indicating the official character of social policy. Nevertheless, this is the image of welfare institutions employees that is the most frequently presented in media message: in pictures, television materials, on the Internet and in interviews. The images of "clerks sitting behind their desk" are very often an element of visual auto-presentation of the institution: they are present on institutions websites, in information materials, interviews and videos uploaded on YouTube.[10] Creations of this kind, which function in electronic media, clearly reinforce the impression that workers operate mainly within the walls of institution facilities (offices), not in local environments, or that they treat their work as an official, administration procedure. Social work, instead of being field-work, is perceived as clerical duties, handling the documents (which may be indicated by the pictures of documents piling up on the desks.

## 2 Deficits in the area of PR, marketing and information policy

Despite various and wide conditions impacting the image of social policy institutions, there is one other significant reason for the current state of things, which should be considered. It is the failure to take advantage of the presence in media and electronic media as well as inefficient use of public relation tools. This refers especially to wide opportunities of promotion and support of actions, which are provided by access to public and media space, including new

8    In Poland e.g. "Fakt", "Super Ekspress". (Remark by M. S.).
9    However, the nature of this type of press releases should be indicated. Tabloids are not opinion-forming media, they rather reflect the opinions and views of their readers. (Remark by M. S.).
10   *Praca w MOPS*. [online]. [2015-12-01]. Available at: <http://www.youtube.com/user/kpssbielsko>; <http://www.mops-zywiec.pl>; <http://www.przywidz.pl>; <http://www.mops.zgorzelec.eu; <http://www.dpsplock.pl; http://www.socmag.net>.

media. Using these opportunities should be easy due to the public character of institutions and their functioning within the matter of so called public good.

The limited presence in media and new media results in failure to use the wide ranges of possible operations coming from a variety of functions of media and journalism.[11] In practice, the most typical functions are: information and opinion-forming, criticism and control, and also the one dominating in tabloid press and electronic media – entertaining function. However, one must remember that the spectrum of possibilities, and also the range of roles fulfilled by media, including electronic media, is much wider and involves also education and integration. In the context of functioning of social policy organizations, it is one of more important perspectives of media and journalism, allowing reinforcement of actions promoting open, tolerant and social integration attitudes and for the benefit of local, national, ethnic societies, religious minorities, people with disabilities, marginalized and disfavored environments.

The presence of institutions (and promotion of their activities) in media allows not only to build the positive image of the former, but may also support social integration processes or actions aiming at inclusion and mutual help. Integrative function of media is often set with the postulate of creating social ties and wide possibilities are created by social media. This perspective – in the area of social integration and assistance – is intensively and widely applied by non-government organizations. The majority of recognized NGOs, as well as commercial institutions that provide social services, carry out effective marketing and PR activities. This results, at least, in coherent visual communication, clear and visitor-friendly Internet websites, activity in social networks as well as press service that deals with information release and cooperation with media.[12] In this context public institutions present themselves – by means of contrast – rather poorly.

Two important – from the perspective of actions of social assistance and integration – functions of electronic media should be mentioned, namely information and promotion. Media channels may be used both to inform about actions and programs carried out, as well as possibilities of cooperation and participation; such informing provides opportunities to reach the beneficiaries of these activities.[13] The second perspective is connected with the possibility to promote institutions and their activities: media presentation, gaining public support, creating a positive image. This perspective is connected with the chance

11  CHYLIŃSKI, M., RUSS-MOHL, S.: *Dziennikarstwo.* Warszawa : Polskapresse, 2008, p. 18.
12  GRZYBEK, M.: Odpowiedzialny marketing w organizacjach pozarządowych. In ĆWIK, N. (ed.): *Wspólna odpowiedzialność. Rola marketingu*. Warszawa : Forum Odpowiedzialnego Biznesu, 2012, p. 154.
13  *Na czym polega wzajemne informowanie się i konsultacje między urzędem i organizacjami?* [online]. [2015-12-01]. Available at: <http://poradnik.ngo.pl/x/525339>.

to gain additional resources (i.a. financial, material, volunteers, cooperation etc.) allowing to implement such activities. Information and promotion actions are often hard to distinguish; they are realized concurrently, by means of identical channels and media on the web; similar mechanism applies to social marketing which connects information, promotion and persuasive activities.

When referring to the issues of application of PR and online PR tools, the presence in electronic media and – wider – in the media space, we need to assume definitely that public institutions experience deficits in this area and that they face the specific challenges. Research and author's own studies indicate that these deficits involve, on one hand, such basic matters as electronic communication (e.g. coherent website),[14] visual communication (e.g. using company colors and proper graphics, proper quality of graphic content in institution's self-presentation), the use of classic PR tools: developing cooperation with social and institutional environment as well as media relations including active presence in the new media space.[15] The research and experiences during contacts with the representatives of social policy units indicate that, on one hand, the role of marketing and public relations tools as well as the necessity to apply them while building positive image and support network are underestimated. On the other hand, institutions' managers do not always have adequate tools at their disposal (the base of good practices, access to trainings, guides). Another reason is the lack of resources (human, material, poor infrastructure) to conduct certain activities. The barrier arising from political conditions of social policy institution management also plays a very significant role. This refers especially to the social welfare institutions the specifics of which is sometimes perceived by local authorities as "inconvenient".[16] There is also – justified to some extent – the fear of the unknown, that is, aversion to media and online activities accompanied by the lack of adequate competencies. Employees of social policy institutions traditionally associate the efforts towards creating the positive media and social image with commercial institutions, including NGOs, e.g. the ones that operate in the area of social services in the conditions of free market competition.

The example which depicts the indicated tendency may be a comparison of institutions' websites. For organizations from the non-public sector, the basic platform for information exchange is website ngo.pl which is multi-surface site connecting functions of message box, data base, forum, a source of many useful

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14  MIŚ, L., SZEPSKI, M.: Pomoc społeczna w Internecie. Wykorzystanie nowoczesnej technologii przez pracowników małopolskich ośrodków pomocy społecznej. In *Problemy polityki społecznej*, 2012, Vol. 3, No. 19, p. 110.

15  Own questionnaire study. (For more information, see: GIEDROJĆ, K.: *Public relations w administracji.* Ostrołęka : Wydawnictwa Profesjonalne AlphaPro, 2004, p. 31).

16  RUDOLF, A., PRZYBYŁ, C.: *Ocena oddziaływania emisji drugiego sezonu serialu „Głęboka woda" na promocję działań finansowanych z Europejskiego Funduszu Społecznego. Raport końcowy.* Warszawa : Agrotec, 2013. [online]. [2015-12-01]. Available at: <http://www.kapitalludzki.gov.pl/download/gfx/kapitalludzki/pl/defaultmultilistaplikow/173/14/1/rk_gleboka_woda.pdf>.

information, legal documents, guides; it is also a regular, multi-topic Internet newspaper. Functioning of the website requires material and intellectual resources, huge amount of organization effort; yet the results are impressive – the website successfully fulfills its role and is a main Internet medium of the 3rd sector organizations: materials and data bases are constantly used by visitors and a number of newsletter subscribers amounts up to over 100.000. What is important, this website has taken over a function of information portal created for public institutions *Pierwszy Polski Portal Pomocy Społecznej (First Polish Portal of Social Assistance).*[17] The comparison of the quality of the website, information structure, number of resources and users is a definite advantage of this 3rd sector portal.

## 3 The perspectives of enhancing communication in social policy institutions

Returning to the main issue, the role of communication tools – in such a specific category as social policy institutions – should be properly understood and further determined. The point is not to create a definition but to identify the place, the role and the useful tools. Discussing the issue of social marketing and public relations, and their role in supporting welfare, integration, educational activities or widely understood safety and prevention, one needs to begin with the general idea of social policy. The latter becomes each time the framework which outlines the scope of functioning of certain institutions, implied activities and programs. The directions of adopted policy, based on the factual diagnosis both institutional and social deficits and resources, should concentrate around the important issues (areas and demands) and allow the functioning of various subjects (also between the sectors). This should be done in a coherent and complementary manner that would allow to implement the adopted strategies, and enable different mechanisms and solutions to complement one another. It is not without reason that we, at present, talk about multi-sector social policy: in Europe we can observe the growing tendencies to assume subsidiary attitude toward the realization of public tasks, including social services.[18] Legal and institutional solutions as well as financing mechanisms more and more frequently fit into the pluralistic concept of thinking about social policy as the activities carried out not only by public subjects on the central and local level, but also by non-public subjects: non-governmental and private organizations that provide widely understood social services. Pluralism in the social policy – based on identification and strategic planning – allows the implementation of programs that involve partnership and participation of various subjects, in broad

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17  *Pierwszy Portal Pomocy Społeczne.* [online]. [2015-12-01]. Available at: <http://www.ops.pl>.

18  GREWIŃSKI, M.: Od systemu opieki przez politykę pomocy do aktywizacji i integracji społecznej w Polsce. In GREWIŃSKI, M., KRZYSZKOWSKI, J. (eds.): *Współczesne tendencje w pomocy społecznej.* Warszawa : MCPS, 2011, p. 9-10.

areas and within various target groups. This should translate into the cohesion and complementarity of the undertaken actions. In order to remain effective, efforts initiated by social policy institutions should complement one another, overlap in mutual correlations, "surround" beneficiaries. They should be carried out in a scheduled, systematic and diversified manner.

Goals and assumptions of marketing and public relations fit into such concept. The above mentioned complementarity requires activity not only in the area of traditional approach to social policy but also complementary actions – innovations – in the area of information policy, promotion and encouraging activities, attitudes, behaviors, values, building social trust, support and cooperation. Social policy involves certain steps undertaken by institutions on various levels, especially in such areas as shaping population's living and working conditions, creating social order: health care, protection of employment, social insurance and social security, education etc.[19] These steps however, due to the demand of effectiveness which in each case entails an important condition of social participation, must be complemented by information and persuasive activities: information, educational and promotion programs and campaigns carried out in open spaces (among local communities, in institutions, in media etc.). In this context, social marketing is a very important tool. It involves the range of instruments and possibilities to inform, to shape social images, behaviors and attitudes of individuals, groups and institutions. It also provides the perspective for applying innovative, non-standard, even experimental solutions in order to win the public opinion, its support and involvement.[20] To be effective such activities must be conducted in a systemic manner – in heterogeneous environments and by various institutions, for larger groups of beneficiaries, for people with disabilities, their environments and entrepreneurs as potential employers,[21] while information and promotion programs should accompany the certain legislative and organizational solutions and facilities. Thus, the effectiveness and building social trust requires not only creation and development of the infrastructure, applying favorable legal and organizational solutions as well as widely understood media and social activities (including social marketing and wise PR).

Cooperation development and creation of positive image of social policy institutions is a great and serious challenge. Due to its scale and current deficits this work should be carried out on regular basis and with an increased intensivity, not as an activity in itself but as the element of systemic actions of institutions on all levels. In this context, it is worth to emphasize the necessity to prepare and conduct the activities oriented on developing relations with

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19  AULEYTNER, J.: *Polityka społeczna w Polsce i na świecie.* Warszawa : Dom Wydawniczy Elipsa, 2011, p. 124.

20  ĆWIK, N. (ed.): *Wspólna odpowiedzialność. Rola marketingu*. Warszawa : Forum Odpowiedzialnego Biznesu, 2012, p. 6-7.

21  DYCZEWSKI, B.: Kampanie społeczne jako szansa w przeciwdziałaniu społecznej defaworyzacji. In HIRSZEL, K., SZCZEPANIK, R. (eds.): *Psychospołeczne uwarunkowania defaworyzacji dzieci i młodzieży.* Warszawa : Difin, 2010, p. 143-153.

media and local communities, building reputation, transparency and providing complex information to the public – all this according to the idea of rational public relations[22] and adequate to the place, tasks and roles of public institutions. Many initiatives in this area have been already launched: we can point out to the activities of the Ministry of Labour and Social Policy financing image development projects or the controversial television series about social workers *The Deep End* directed by Magdalena Łazarkiewicz.[23] An important role belongs to actions and campaigns initiated e.g. by regional social welfare centers;[24] however, social policy institutions functioning on local and regional levels play a special role here. The tendency to take initiative in organizing social campaigns and social, information and media activities by the social policy units, regardless of their size and resources available, is undoubtedly worth supporting. Effective communication activities undertaken on this level strengthen social policy and may translate into the effectiveness of operations. Simultaneously, they contribute to the increase of citizenship awareness, enhance social activity and relations between institutions and communities, which in turn is in accordance with the principle of subsidiarity and the ideals of civil society. To summarize, professionalization of activities should be accompanied by broad implementation of PR activities: building image and developing public relations and harmonious cooperation with the environment. This is especially due to the fact that – within the scope of operations of social policy institutions – these activities do not require extra resources and the effectiveness of media-related activities that complement actions undertaken in the social space is significant.

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22 KNECHT, Z.: *Racjonalne public relations. Budowa działu, instrumenty, studia przypadków.* Warszawa : C. H. Beck, 2005.
23 *Głęboka Woda.* [online]. [2015-12-01]. Available at: <http://www.tvp.pl/seriale/obyczajowe/gleboka-woda>.
24 For example, media campaigns promoting the image of social welfare conducted by the Mazovian Social Welfare Center in Warsaw or information and promotion campaigns by the Center of Social Policy in Łódź. (Remark by M. S.).

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# DIGITAL MARKETING IN THE CONDITIONS OF A PUBLIC EDUCATIONAL INSTITUTION

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**Abstract**
The paper describes the previous experience with using digital marketing in the conditions of a public university. The introduction of digital marketing had been prompted by the demographic fall in the number of students interested in the studies, limited financial means to carry out active marketing and the identification of social media as the preferred channel of communication by the target group, i.e. secondary school students as future university students. This resulted in the exploitation of selected online tools, namely social media, for the marketing influence on the selected target groups. A case study is included herein to present the use of digital marketing.

**Key words:**
Digital marketing. Facebook. Marketing research. Online interviewing. Social media. Student. Video.

## Introduction

According to the data by the Ministry of Education, Youth and Sports of the Czech Republic, there were 72 institutions of higher education in 2015 in the Czech Republic (CR). Students could have applied to be enrolled into two state institutions, 26 public institutions and 44 private institutions of higher education.[1] Recently there has been a decrease in the number of applications for tertiary education, which is, apart others, the result of an unfavourable demographic development in the CR. According to the data by the Czech Statistical Office, the total fertility rate between 1990 and 1999 dropped from 1.89 to 1.13.[2] A considerably high number of higher education institutions along with the unfavourable demographic development in the CR pose a great risk for the institutions in question. Taking the existing system of financing into the account, the falling number of students may have a negative impact on the higher education institutions' economics.

Although the current situation often gets the higher education institutions' management to face some difficult decision-making processes, it is ironically favourable for the use of marketing activities. This way, marketing becomes a common activity, to which the higher education institution's management must pay continuous attention. Similarly to business, in the current conditions of the institutions of higher education it is often marketing, as an inseparable

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1    *Přehled vysokých škol v ČR.* [online]. [2015-10-13]. Available at: <http://www.msmt.cz/vzdelavani/vysoke-skolstvi/prehled-vysokych-skol-v-cr-3>.
2    *Obyvatelstvo – roční časové řady.* [online]. [2015-10-13]. Available at: <https://www.czso.cz/csu/czso/obyvatelstvo_hu>.

part of the institution's management, which preconditions the future success in attracting applicants for tertiary education. As the target group, i.e. secondary school leavers mostly in their teens, is 'grown together' with social media and the Internet in general, it shows that digital marketing may be decisive in the overall marketing activities. The authors work at the Institute of Economics and Control Systems at the Faculty of Mining and Geology (HGF) of VŠB – Technical University of Ostrava. The management of the Institute fully realizes the necessity of marketing activities in the highly competitive environment. The authors believe that digital marketing may be especially suitable for lower management as the activities do not require high costs when compared to conventional marketing.

The management of the Institute has initiated a number of system changes. One of them is the inclusion of marketing into the Institute's management. A post of the secretary for public relations was created, who is, inter alia, responsible for the marketing activities. Moreover, the management of the Institute started a work group, whose task is to bring new incentives and suggestions to enrich the Institute's marketing activities. The members of the group are also the authors of this contribution.

The Institute has set up the following major goals of the marketing strategy:
• to positively interplay with the existing students as persons of reference for future potential students.
• to actively communicate with the applicants for the studies.
• to actively communicate with the other target groups.

In the context of this paper, especially the first two goals are important. We needed to mobilize the current students and identify a method how to inform the potential future students, hold their interest and persuade them successfully. In principle, the marketing team's work had two directions. The first direction was marketing research as the Institute management had lacked basic relevant information which may result in the innovation of the study programmes and of the different courses so that the students' education corresponded to the requirements of business and, at the same time, so that the branches of study were attractive for the applicants as well as for the current students. The competitive advantage thus becomes an imperative that enables the branches of study to succeed in the current market environment.

The implemented marketing research thus focused on four target groups, namely potential future students, current students, graduates of our study branches, potential and current employers of our graduates. The promotion of the study branches instructed at HGF has been predominantly implemented at the faculty level. So far, the so-called 'Open Day' activities have been used most frequently. Occasionally, leaflets or billboards have been used. Lower management levels (different institutes at HGF) may also promote the disciplines they guarantee, for which they may select a suitable form. To date, the authors believe that the Institute of Economics and Control System has not paid due attention to the

promotion of the workplace, or there has been no system to it. Only the website was used for promotion. The method and form of the previous promotional activities to advertise the study branches guaranteed by the Institute of Economics and Control Systems may be regarded as conventional and passive. Understandably, such promotion methods may be questioned at least. For this reason, the members of the work group were charged to change the status quo. Considering the limited financial means and the target groups' preferred communication means based on the so-called new media, i.e. such that are based on digital technology, digital marketing appears to be a suitable means to fulfil the marketing team's goals. The authors believe that the selected procedures and suggestions may be interesting also for the wider academic community. The aim of the paper is to share the experience with using digital marketing in the conditions of a public university. Another goal is to suggest options of its further exploitation for the benefits of the authors' workplace.

## 1 Theoretical points of departure

Digital marketing is a term roofing three basic areas, i.e. on-line marketing, mobile marketing and social media.[3] In reality, it concerns a wide range of tools that are developing very dynamically. For example, there is promotion banners, microsites, viral campaigns, on-line public relations, community formation, loyalty programmes, SEM (Search Engine Marketing), affiliate marketing, and e-mail campaigns.[4] The origin of social media differs to that of other successful products that have been developed for the military or company purposes, and only later were supposed to be used by common consumers. Facebook, as the globally most prominent representative of social media, was born among students in the university conditions. It is the young generation that uses the new media most frequently. The marketing team expects to use only certain tools, and thus the attention herein is paid to such tools or approaches that are relevant from the point of view of the marketing team's work. During their work, the marketing team built on the following findings:[5] [6]
• in 2013 the time spent in the digital environment exceeded the time people spend watching television (the last similar case was the 1960s, when the television superseded the radio),

3    FREY, P.: *Marketingová komunikace : Nové trendy 3.0.* Praha : Management press, 2011, p. 53.
4    Ibidem, p. 56.
5    HORT, J.: *Trend využívání nativních videí před sdílením těch z You Tube dostihl i Twitter.* [online]. [2015-10-13]. Available at: <http://www.m-journal.cz/cs/aktuality/trend-vyuzivani-nativnich-videi-pred-sdilenim-tech-z-youtube-dostihl-i-twitter s288x11588.html>.
6    VONDRÁKOVÁ, T.: *Facebook ukrojí další peníze TV reklamě, zadavatele láká na nativní videa.* [online]. [2015-10-13]. Available at: <http://mam.ihned.cz/c1-62454980-facebook-ukroji-dalsi-penize-tv-reklame-zadavatele-laka-na-nativni-videa>.

- by the end of 2014 more videos were for the time uploaded directly to Facebook (the so-called native videos) than shared by means of a link to YouTube,
- in 2015 online marketing has been the major trend how to approach customers.
- The target group of young people (most frequent users of social media) is identical with the Institute's marketing communication target group. As appears from the questionnaire survey carried out at the Institute:[4,5]
- the young most often download media contents on the Internet and are present on the social networks,
- Facebook is the most used application on the Internet (also beating the most favourite search engine Google),
- the young most often chat on the social networks, where they look at videos and photos.

The first interesting area for the marketing team was the online marketing research. It was organised and implemented in line with standard methodology[7], which breaks the overall process into nine stages. The first four stages (definition of the problem, aim and hypotheses; preliminary analysis of the situation and pilot study; plan of the research project; and preliminary research) represent the preparatory phase. The remaining five stages (data collection; data processing; data analysis; output visualisation and their interpretation; presentation of recommendations) belong into the implementation phase. The implementation phase of the research was based on using the tools of digital marketing, namely online interviewing. During the so-called Computer Assisted Web Interviewing (CAWI) it is possible to obtain information from respondents by means of questionnaires in emails or more frequently on websites. Online interviewing is used for its many advantages[8], such as lower demands in finances and time than in case of other types of interviewing. The overall interviewing process is extremely fast and the processing of answers is easy.

Another advantage lies in the targeting as specific website is usually visited by users who are interested in the specific area. Online interviewing may be conveniently complemented by graphic aids (figures/ images, 3D models, video clips), which facilitate respondent's familiarisation with the issue in question. A lay researcher has a number of specific tools for their disposal (the most commonly exploited are Google forms and Vyplnto.cz). Many are available for free or sometimes only higher standard functions are charged for. Professional agencies have developed own software that makes active work with the established online panels of respondents possible. Market Research Online Communities (MROC) represent a modern and progressive approach to market research. The research communities exploit the advantages of the panel and technological progress. The major benefit is the long-term involvement of the community members and their active participation in the discussed topics. In

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7    KOZEL, R. et al.: *Moderní marketingový výzkum.* Praha : Grada publishing, 2006, p. 73.
8    KOZEL, R., MYNÁŘOVÁ, L., SVOBODOVÁ, H.: *Moderní metody a techniky marketingového výzkumu.* Praha : Grada publishing, 2011, p. 177.

some respect, the online communities resemble social networks. Still, opposed to the social networks, they are more anonymous and partially topic-based, and moderated in line with the clients' orders. Another area of interest the authors pay attention to here in the paper is the promotion of the branches of study. Based on the feedback from the online interviewing the marketing team decided to use viral marketing to promote the study branches as well as to involve the current students.

Viral marketing is one the cheapest promotion methods. It is based on unobtrusive distribution and sharing of funny pictures or amusing videos by social media users who do it voluntarily.[9] The use of social networks for promotion also affects the workplace image. Frey[10] states that positive relationships with the social media users improve the company image as direct communication makes them feel involved in a group and gives them the added value of updated information and access to the news. The effect of online communication and use of a controlled experiment in the environment of social media have already been researched by members of another faculty of VŠB-TUO[11,12], where the mutual interaction of the target groups helped to improve the marketing communication.

## 2 Case study

As the focus is to describe the digital marketing tools to be used in marketing research, the paper does not deal with the results of the research undertaken. Considering the financial means of the marketing team, we used the free application FORMs by Google for the marketing research. Clicking on http:// www.google.cz/intl/cs/about/products/ the home page suggests the work procedure and the options of the application. Apart from making a form for a questionnaire survey, during which it is possible to work in the shared regime, the application also offers an analysis of the obtained data, see Picture 1.

9 FREY, P.: *Marketingová komunikace : Nové trendy 3.0.* Praha : Management press, 2011, p. 67.

10 Ibidem, p. 67.

11 KAŠPAR, P., KOZEL, R., NESPĚŠNÝ, D.: Current Issues of Social Networking site Facebook from the Perspective of Active Users. In DOUCEK, P., CHROUST, G. (eds.): *IDIMT-2011: Interdisciplinarity in Complex Systems: 19th Interdisciplinary Information Management Talks.* Linz : Trauner Verlag universitat, 2011, p. 289-297.

12 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.* Linz : Universitatsverlag Rudolf Trauner, 2012, p. 277-285.
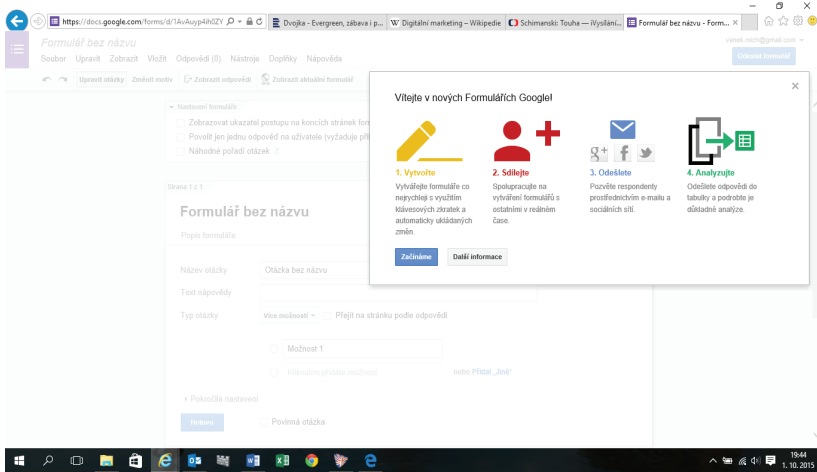
**Picture 1: The home page of the FORMS application**
Source: *The home page of the FORMS application.* [online]. [2015-10-13]. Available at:
<https://docs.google.com/forms/>.
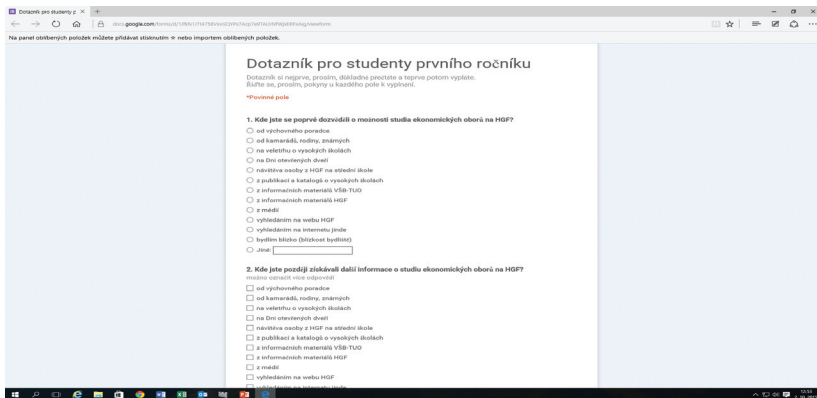


**Picture 2: A questionnaire specimen**
Source: *Dotazník pro absolventy (The questionnaire specimen for graduates).* [online].
[2015-10-13]. Available at: <https://docs.google.com/forms/d/1JfkN1JTt4758VxvGQYPx
7Acp7e9TAUrNfWjxERFxAig/viewform>.

The marketing team have had high expectations related to digital marketing
tools, especially viral marketing, when promoting study branches. For the
methodology reasons, a controlled experiment was used in the first phase. During
the experiment the information is not drawn from the phenomena or processes
that continuously or objectively exist, but from such reality that is organised
for the purposes of the research. In the course of the experiment, in the set of

given conditions making up the environment for the experiment, a certain tested element is brought up (an independent variable) and the result of its action is observed and measured on another element (dependent variable).

Apart from the official promotion implemented by the Institute or the Faculty, the marketing team members recommended informal promotion too. Therefore, we planned a controlled experiment. The proposed methodology for the controlled experiment, the aim of which is to choose and carry out the right marketing communication towards the selected target group, comprises of the phases below:

• Assignment setting – the current students of the economic branches at HGF were set an assignment to make a lay promotion video,
• Making creative videos by the university students,
• Uploading the videos on the Faculty Facebook,
• Asking selected secondary schools to share the link to the videos with their students,
• Competition for the best video – evaluated by the university students,
• Essay competition dealing with the subject matter – participants are the secondary school students,
• Questionnaire dealing with their choice of a university – rewards for completion offered.

As our workplace guarantees 4 study branches, the marketing team members decided to pilot test the methodology on the branch Economics and Management in Raw Materials.

Viral marketing is only one way how to approach the target group. In fact, the above mentioned steps could be successful only if the university students themselves join in the promotion at the secondary schools. It is vital to create an attractive content of the message itself. Naturally, there was a question who should be the author of the promotion videos. During their discussions the marketing team members agreed that the most suitable video authors should be the university students themselves. The students both have information about the branches they study and they are able to express themselves in a way that is the closest to the university applicants in their teens. To motivate the students to make videos, we did the activities within regular lessons. In the course of the summer semester of the academic year 2014/2015 the plan of the marketing team was tested within the seminar Organisation and Management in Raw Materials. Students were divided into five-member teams. The different teams were given two tasks: (1) Organise filming of a non-professional video promoting the study branch Economics and Management in Raw Materials; (2) Film the video and its presentation. The completion of the tasks was assessed by the teacher who, based on the resulting quality (the video itself and number of "likes" for the video), granted points to be able to get credits for the subject.

To upload the videos onto the net we chose Facebook mainly for two reasons. Although abroad the preferences for the social media are getting more balanced, in the CR Facebook is absolutely dominant. Moreover, as mentioned above, videos on Facebook have much higher viewer ratings when compared to videos on YouTube. The videos may be seen at https://www.facebook.com/hgfvsbtuo (Picture 3).
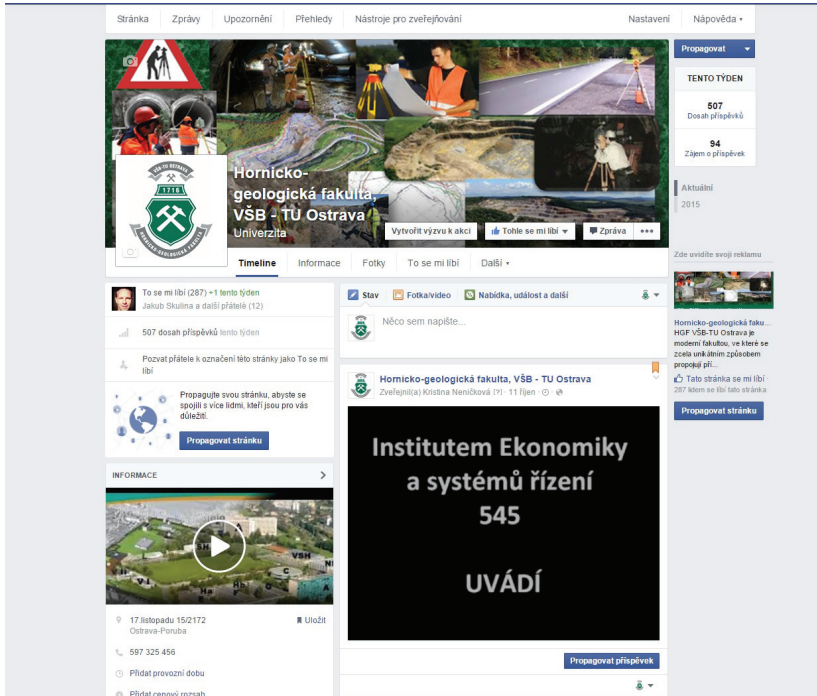


**Picture 3: Facebook of the Faculty of Mining and Geology VŠB – TU Ostrava**
Source: *Facebook of the Faculty of Mining and Geology VŠB – TU Ostrava.* [online]. [2015-10-13]. Available at: <https://www.facebook.com/hgfvsbtuo>.

The chance to obtain points towards credits motivated the university students not only to make a good video, but also to actively address potential applicants for the studies, which gradually started the very viral effect. At the time of writing this paper, other phases of the study branch promotion concept are being prepared to be implemented between October 2015 and January 2016. The authors hope to present further partial results during the conference presentation. We realize that online interviewing is not an innovative approach in marketing research. The question is how online interviewing is used in practice. The authors do not have any "hard data" to answer this question but they are persuaded that in academia online interviewing is mainly used on the part of students and by

academics specialising in marketing. Therefore, we expect that standard research tools prevail among academics. Still, we believe that with respect to zero costs, relatively fast collection of data and their processing, online interviewing should receive more attention. In a way, the paper is trying to contribute to promoting it.

To be able to objectively evaluate the online interviewing method, it must be pointed out that online interviewing also brings certain complications. There are some general limitations to online interviewing, such as lower access to the Internet, especially in the older generation, and low credibility of the answers. There are still many people who do not trust new technologies or are afraid the electronic answers may be misused in some way. To boost the return rates of the completed questionnaires, **motivation means** are used during online interviewing in the form of prize draws or getting points (credits) for which users may buy products with discount, get free capacity in their email box, get a direct financial reward, etc. The plan of the marketing team to involve the university students in order to promote the study branches at the secondary schools was fulfilled as students made original and creative videos building on humour and imagination. We believe and students' reactions confirm that the attractive contents of the course reflected in better perception of the educational process on the students' part. This way, students were also able to practise and enjoy their theoretical knowledge and skills in the real conditions.

## Conclusion

The idea of digital marketing is not as new as the use of different information technologies in marketing. The application of digital marketing at the research team's workplace brings a synergetic effect as it gives space to educate students learning about marketing tools so that they use them in a practical manner and at the same time to actively participate in sharing the workplace visions. The student assignment gradually became a challenge of self-presentation and presentation of the study branch in general. The results of the primary investigation clearly show high viewing rates and prominent use of social media by the target group of secondary school students, who when involved into the two-way communication became parts of the viral distribution of positive information about the Institute and the studies. The presented outputs of the research team make part of a complex solution of the given marketing issue, which the team members deal with at the workplace and will expand in the form of future outputs.

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# DIGITAL MARKETING AND IT´S IMPACT ON TARGET GROUPS BY SECTORS OF ECONOMIC ENVIRONMENT

*Peter Vaško – Ľuboslav Blišák*

**Abstract**
Nowadays, customers come into contact with organizations and businesses in various ways, through various communication channels and devices. Organizations and companies are aware, that it is necessary to know customers in detail views, opinions and preferences. It is also necessary to know, how the customers behave, what web portals are they watching, what application actually using and based on that identify them. The most comprehensive accessing insights and opinions represents data, which carry useful information and therefore represent a starting basis for marketing and for further planning and activities. Also in today's digital age, customers expect that their suppliers on the basis of information can easily recognize, identify and access to them individually on the basis of individual ever increasing demands.

**Key words:**
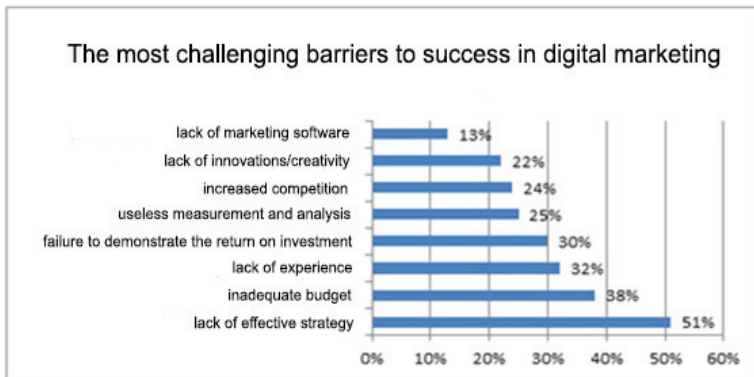Content marketing. Digital marketing. Inbound Marketing. Outbound marketing. Search engine optimization.

## Introduction

Companies and organizations are trying to be in constant contact with customers. Companies are trying to establish these contacts as soon as possible, sooner than competition. One of the option to get these contacts represents digital technologies. Nowadays, digital technology represents an opportunity for companies to comfy life of the target group. The indisputable advantages of using digital marketing is that it can cause a fast stir among customers. Digital technologies allow marketers to listen the opinions of millions people, and thus have the opportunity to watch in real time what people are searching, what is their buying behavior and what information governing their attitudes. Ultimately, these options allow them to better adjust marketing tools in order to best reflect the needs and wishes of final consumers. Currently, more and more companies figuring out that the digital access is just one of the ways to increase sales, but it is mainly a tool through which they can obtain more with less costs.

## 1 Definition of digital marketing

The best way to understand "digital" is to compare it with opposite, which is in this case analog. *„Analog can be described as a device or system that represents a continuously changing values of physical quantities. Digital, on the other hand, is discontinuous and finite. It uses data points that are either on or off, one or zero. For many years the discipline of computer science is largely focused on the*

*combination of these data points."[1]* As the author Kaufman says, digital marketing represent: *„An integrated strategy and tactics with values based on the latest digital tactics on the basis of which it can prepare individuals or organizations to achieve growth through relevant digital integration."[2]* The very concept of digital integration can be understood as specific data on the electronic device that can read or control other electronic devices. In today's technological society are data very difficult to collect, analyze and visualize by using standard software. For that reason arose concept called, "Big Data". Recent studies indicate that unstructured data represent even 80% of global data. Therefore, so-called "Big Data", pose for entrepreneurs and marketers collecting, gathering, analyzing and sorting information's from a seemingly endless stream of other information's. In 2010, the exponential growth of data summarized in its statement Eric Schmidt: *„Between the period of creation the World and 2003 it was created five exabytes. Nowadays is created five exabytes every two days. That is the reason, why is difficult to operate with market information."[3]* Exabyte is a unit of data that equals one billion megabytes and internet currently handles one exabyte of data every hour. According to a recent study (February 2015), the company Smart Insights and company TFM & A on a sample of 765 respondents from around the world points out, that the marketing staff about 60% of their working time spends by digital marketing activities. Today is digital marketing strategy to achieve or sustain the growth essential. Creating a successful digital marketing strategy is not easy. This is evidenced by the results of research "Ascend 2" which consisted of 333 marketing and business professionals from around the world. The biggest barrier in developing effective and successful digital marketing was selected a lack of effective strategy.



**The most challenging barriers to success in digital marketing**

| Barrier | Percentage |
|---|---|
| lack of marketing software | 13% |
| lack of innovations/creativity | 22% |
| increased competition | 24% |
| useless measurement and analysis | 25% |
| failure to demonstrate the return on investment | 30% |
| lack of experience | 32% |
| inadequate budget | 38% |
| lack of effective strategy | 51% |

**Picture 1: The most difficult barriers to success in digital marketing**
Source: *Barries in Digital Marketing.* [online]. [2015-10-28]. Available at: <http://ascend2. com/home/wp-content/uploads/Digital-Marketing-Strategy-Summary-Report.pdf>.

1    KAUFMAN, I., HORTON, CH.: *Digital marketing, integrating strategy and tactics with values.* New York : Taylor and Francis, 2015, p. 33.
2    Ibidem, p. 7.
3    Ibidem, p. 58.

## 2 Digital integration

One of the basic principles of effective branding and thus the marketing in the digital environment is: „*Finding relevantly different way to facilitate consumer life. Succeed only companies that recognize how can internet or various digital conveniences simplify the operations. Thereto contributes digital integration, which enables interconnection of company management, employees, strategies, classical marketing with digital media environment and thus providing new business areas.*"[4] Of course, the most advanced digital marketing still has rules of type, five times as many people read the headline as the text itself. (classical marketing rule)
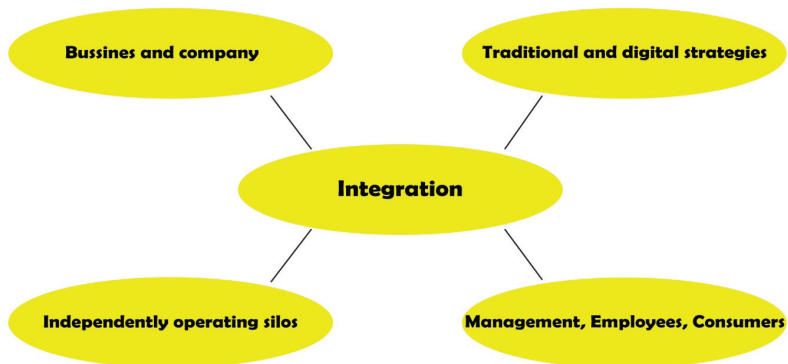


**Picture 2: Digital integration**
Source: KAUFMAN, I., HORTON, CH.: *Digital marketing, integrating strategy and tactics with values.* New York : Taylor and Francis, 2015, p. 33.
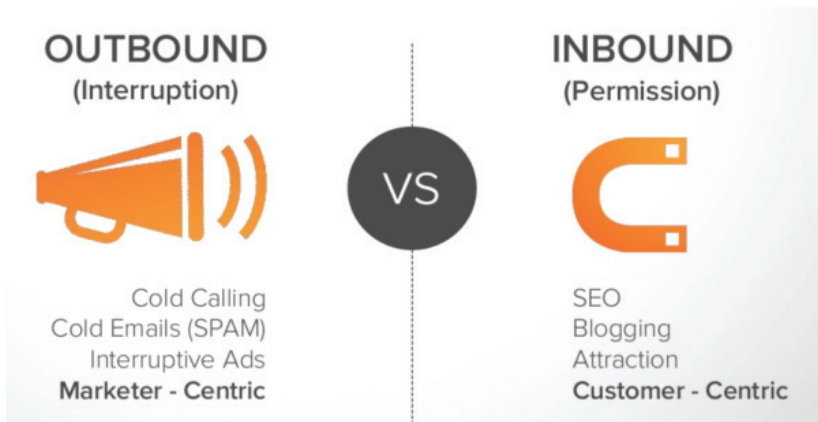
## 3 Inbound marketing versus Outbound marketing

The main difference between these two approaches lies in the fact, that outbound marketing is based only on unidirectional communication. It represents a well known TV commercials, classified ads, etc., where the customer has no specific opportunity to express feedback. Inbound marketing is based on the principle of two-way communication. This means that enables customers to gather much more information about the products, that they want to purchase based on previous experiences of other customers through digital channels. Inbound marketing is based on the principle of minimal budget implementation through blogs, social networks, webinars, reviews and so on. On the other hand, outbound marketing is paid forms of advertising that are used in the vast majority by mobile operators, automobile manufacturers and many more. Reasons, why

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4    ADAMSON, P. A.: *Digitálna značka, brand digital.* Bratislava : Eastone Group, 2011, p. 4.

many companies using newer forms of inbound marketing is more. This is due for example, thereby:
• 86% of people switch TV ad to another program,
• 44% of direct mails are never opened, because people think it's a waste of time and paper.

It is just some of the reasons for the application Inbound marketing. But main reason is that inbound marketing does much more for a better return of investment. Moreover Inbound marketing essentially attract the interest of the target group, thanks to the use of different techniques, programs and applications.



**Picture 3: The difference between the Outbound and Inbound marketing**
Source: *Is Outbound Marketing Dead?* [online]. [2015-10-31]. Available at: <http://www.business2community.com/marketing/outbound-marketing-dead-0913349#hHrayrmZYTrtw97m.97>.

## 4 Inbound marketing versus Content marketing

Online agencies that deal with digital marketing, likes to using techniques of Inbound or Content Marketing. But is any difference between them? In practice, we can show two illustrative examples. Slovak online marketing agency Visibility Ltd. in their strategy uses elements of "Content Marketing": „*Content marketing is the current trend in online marketing. Just create quality content. Visitors will find you and you can turn them into customers.*"[5] According to HubSpot, who is the founder of "Inbound" strategy, it is a marketing process which is usually in the online space focused on the creation, publishing and distribution of content for the target group. The task is to attract new customers, especially through social

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5    *Sprievodca Content Marketingom.* [online]. [2015-11-10]. Available at:
     <http://www.visibility.sk/o-visibility/e-books/sprievodca-content-marketingom>.

networks, blogs, visual content, webinars, or premium content.[6] Everything is based on expertise and credibility of the content that creates company. Throughout the strategy process plays an important role also Google AdWords. This service is paid by PPC form ("Pay Per Click"), or SEO ("Search Engine Optimization"), which helps to improve placement on the websites, directly by searching. Simply, SEO helps in searching. The key is relevance and frequency of the content and credibility of the site, because only users visits helping to improve the final location. It's not just about physical visits, but also on content downloading, sharing and participation through comments. It´s important to create, so-called "Personalized" content. Overall, it´s a long-term process of establishing a relationship and image. Good content marketing brings new and interesting information, and it also has the potential for education of the target group. Content marketing can be considered as online PR tool. Another technique is already mentioned Inbound Marketing. We can consider it as a counterpart outbound marketing, but in practice this method hides more. The HubSpot developed idea of Inbound marketing in 2006. Since then it works with global corporations such as. Google Inc. and Microsoft Corp. The difference between Inbound marketing and the Content marketing could be defined on the basis of complexity. Inbound marketing is a bit more complex and in remodeling process of potential clients is more strategically dedicated to individual processes.[7]
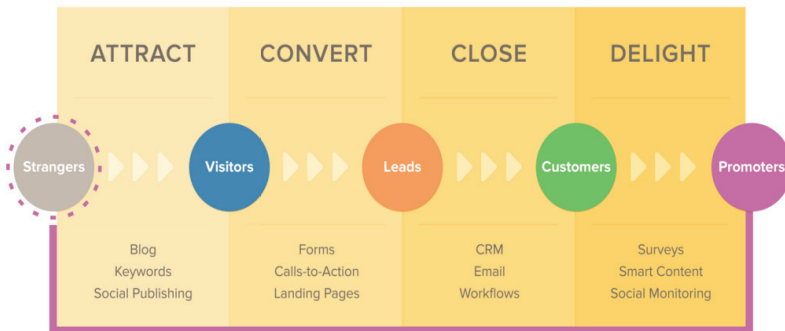


**Picture 4: How Inbound Marketing works**
Source: *The Inbound Methodology.* [online]. [2015-10-30]. Available at: <http://www.hubspot.com/inbound-marketing>.

According to the creators of Inbound Marketing is Content marketing a subset of the Inbound Marketing, however, at the same time there would be no Inbound marketing without content folder which brings Content marketing. According to research conducted by HubSpot, this argument prevails with about 60% of marketers, for less than 20% are these two phrases synonyms. For approximately

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6    *The Difference Between Content Marketing and Inbound Marketing (and Why It Matters).* [online]. [2015-11-08]. Available at: <http://blog.hubspot.com/marketing/difference-between-content-and-inbound-marketing>.
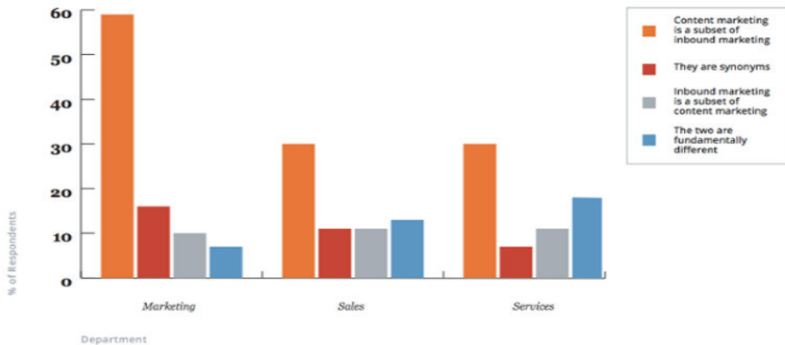
7    Ibidem.

10% Inbound Marketing is the subset of Content Marketing. Approximately 8% of surveyed marketers answered that the two concepts are fundamentally different (Fig. 4). Finally, we can therefore say that the Inbound marketing is the most complex strategy of online marketing, but it´s also based on the content marketing and also uses the most affordable techniques, that are also mentioned above (eg. Search Engine Optimization or Google AdWords ).



**Picture 5: Relationship between Content and Inbound marketing**
Source: *The Difference Between Content Marketing and Inbound Marketing (and Why It Matters).* [online]. [2015-10-30]. Available at: <http://blog.hubspot.com/marketing/ difference-between-content-and-inbound-marketing>.


## 5 Business sector and digital marketing

Digital technologies affect not only our homes and our private lives, but penetrating and to the development of entire sectors, and even transforms and creates new markets. If the entrepreneurs and companies want to maintain competitiveness, they must adapt to the emerging trends and get started to take full advantage these trends. The business sector is thus seeking to transform the number of traditional business models to digital, mobile and internet. As well as traditional media such as magazines, newspapers are nowadays shift towards this direction.

## 5.1 Opportunities of business sector in digital marketing

One of the effective application of digital marketing occurs with in-game advertising and advergaming. In 2009, the game Borderlands began to incorporate simple QR codes containing text messages. But with a much higher success came studio THQ with his title Homefront. In Homefront were hidden QR codes which give an access to bonus content. Without any marketing and promotion for the first two days of playing, 30,000 QR codes was scanned. It has been downloaded 30000 wallpapers and viewed 18,000 videos. It was found that the most commonly used device for scanning was the iPhone. With even more sophisticated model came studio Ubisoft in 2014 with the title Watchdogs, where each code was necessary to take a picture and then combined for the creation of an whole QR code. Then, the QR code then made available bonus content. However, in this case, there are real QR codes that can be read using a application withdrawn from the App Store for accessing audio recordings and bonus missions. This is particularly the use of inbound marketing. This creative approach to promote different games with minimal costs caused evolution. These games promote themselves through social networks and other applications. In future it will be possible this or a similar way, advertise sponsoring sites or links of other companies.

## 5.2 Missed opportunities of digital marketing in business sector

Brands that not understand essential importance of digital technology began to lag behind competitors. Many companies have already paid the price for lack of interest or lack of initiative in introducing digital technologies. One of them is Quelle. Quelle was founded in 1927 in Furth near Nuremberg and is one of the clear example of mismanagement digital marketing. The company began its existence by selling knobs, wool, sewing supplies, etc. The current generation knows her mainly by clothing catalogs located in almost every household. However, over time, company began to pay for the inability of adapting to upcoming trends. The company even in 2003, only in Germany distributed twelve million catalogs and were among the most popular print media. The company established its marketing in that period on a fact, that it can distribute its products in every area. However, the company missed the entrance to the future and managers did not develop adequate marketing strategy. They missed the opportunity to combine the company name with the advent of new technological possibilities and in 2009, company has no money to print the catalog and need financial injections. The company survived the World War II and the advent of digital technologies ruined it. The company finally acquired rival firm OTTO Group. Branches in Eastern Europe became the subject of purchase of the Swedish company Halens Group.

## 6 Application of digital marketing in government and non-profit sector

Naturally the tools and resources offered by digital marketing can not only use by businesses to communicate with their target groups. The scope for using digital techniques are also open to organizations in government and the non-profit sector. It is quite logical that the new trends must pass "test" first through the business sector, only then will have the opportunity to apply them elsewhere. Among the two most important reasons are financial, requiring any such of innovation, the second reason is technical and personnel background.

### 6.1 Application of digital marketing in public sector

In the public sector is problem the second reason. Create the platform, find a project leader in the required qualifications and quality can be a problem, especially if we take into account a large number of institutions, which includes public sector. For the bureaucracy mechanism is also possible threat of inefficient handling of finances and corruption, which is being reflected in the public opinion. In the state apparatus is in particular the problem of slow implementation processes related to digitization and informatisation. Positive impact on the target group of citizens could have communication of the state apparatus, particularly through the use of online PR tools – eg. independent blogs or creating content marketing – informing about the successes or publication reactions crisis communication. Take advantage of tools such as SEO or Google AdWords, has no greater potential importance for government authorities.

### 6.2 Application of digital marketing in non-profit sector

As for the reasons, which have a significant influence on the decision to implement the new digital forms of marketing in the non-profit sector, we can say that they are both right. Technical-personnel and also financial security. Also important is the answer to the question, how far wants to tackle each of the institutions interactive communication, that brings new trends. Potential for improvement and raising awareness in the non-profit sector has, as in the public sector, especially in production of content marketing, which in the long term create a close relationship between the organization and the supporters – the so-called. donor to help the organization financially or active participation. Compared to the state sector, potential for non-profit organization is to use SEO tools like Google AdWords, that can help to keep better positioning of organizations in search engines. Currently, before starting the agenda about donating 2% of income tax of natural and legal persons, several non-profit organizations using Google AdWords. For example, if you enter the phrase "of 2% of income tax", appears on the first places in search engine Google paid advertising (PPC) of non-profit organization "Plamienok" or even a non-profit organization "DePaul" (Fig. 6). It is expected that this form of investment in the form of PPC advertising, helps

organizations increase revenue in the form of contributions of 2% of income tax, because finances in the non-profit sector must be transparent and rational.



**Picture 6: Google AdWords and non-profit sector**
Source: *Google.com.* [online]. [2015-12-01].
Available at: <https://www.google.sk/#q=2+dane+z+pr%C3%ADjmu>.

Recently, the online space discovered other options for the non-profit sector, which can help organizations to raise awareness of their activities, and also these programs helping in obtaining funds. The projects multinationals Facebook (tool "Fundraiser") and Google (tool "Google for Nonprofits"). Social networks are generally very successful platform for getting financial contributions to charities. A few of us visits a website designed for collecting money for charity, but if the user hit the social networking challenge to contribute, is slightly more likely to eventually contribute.[8] In November 2015, the company Facebook focused on the, so-called "Crowdfunding". We could describe it as a way of raising capital for charitable purposes of the mediation project idea and its further education through the organization, which is exclusively devoted to this, or social networks. This is an alternative method of fundraising, mostly in the online environment. In Slovakia, we know such projects, for example "Ľudia Ľuďom, Dobrá krajina», or by March 2015 also StartLab, thus, after Facebook launched its own new tool

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8  *Facebook se pouští do crowdfundingu. Nový nástroj Fundraiser pomáhá dobročinným organizacím.* [online]. [2015-12-02]. Available at: <http://www.m-journal.cz/cs/aktuality/facebook-se-pousti-do-crowdfundingu--novy-nastroj-fundraiser-pomaha-dobrocinnym-organizacim__s288x11727.html>.

Fundraiser intended for non-profit organizations. In Fundraiser we can create your own social network fundraising campaigns, which generally has a potential for long range. The latest comes to Slovakia next project – Google for Nonprofits, which makes non-profit applications and productivity tools from Google for free (AdGrants Google, Google Apps, Google AdWords, etc.). In addition it offers the possibility of participation in the workshop "How to use Google tools" and also the possibility of obtaining a grant $ 10,000 for search advertising. In addition, some functions and makes YouTube videos or Google Earth.[9]

## Conclusion

In this article we looked at the issues around the definition of digital marketing and the closer we describe approaches of inbound marketing and content marketing. Then we looked at the various sectors of the economic environment, techniques and tools such as, Google Adwords, Search Engine Optimization, or even the latest program of Facebook and Google. These have the potential to help the non-profit sector in meeting their objectives.

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9    *Google for Nonprofits: Ako využívať Google nástroje.* [online]. [2015-12-02]. Available at: <https://events.withgoogle.com/google-for-nonprofits/registrations/new/>.

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# DIGITAL MARKETING COMMUNICATION TOOLS IN THE PROCESS OF IMPLEMENTATION OF MARKETING STRATEGY OF THE TOURIST AREA JESENÍKY – EAST

*Vladimír Vavrečka – Jiří Mezuláník*

**Abstract**
It is a clear fact that tourism is one of the worlds's the most important sectors of the economy influencing local, regional and national levels. The complexity of the sector is given by both its structure (predominant number of small businesses) and interconnections with other sectors affecting tourism and contributing to its success, including the public sector, especially municipal institutions. Collaboration and networking are becoming essential prerequisites for the tourism destinations success. The beginning of the 21st century brings with it a very dynamic development in the activities and instruments of destinations' marketing management. Logically, not far behind is the development of marketing communication and its tools and technologies. Destination management clients are not only satisfied visitors and tourists, but many other stakeholders, more or less influencing the success of destination management and competitiveness of the destination. In order to maintain its competitiveness destinations and tourism operators have to increase creativity, efficiency and effectiveness of implementation tools of marketing strategy, including marketing communication tools. Implementation of marketing strategies destination and an example of using the tools of digital marketing communication is the subject of the paper.

**Key words:**
Digital marketing. Digital tools of marketing communication. Marketing strategy. Tourism. Tourism destination.

## 1 Integrated and digital marketing communication

In the 21st century marketing evidently has no longer got by with the classic marketing mix. In conditions of hyper-competition the tools of the marketing mix are as follows – product, price, and distribution in companies in the same sector very similar. Therefore, the current marketing still focuses more on communication and relationship building with customers (relational marketing). At the same time, all the communication activities of the company are integrated to the differentiated communication towards the target group of customers. Integrated marketing communication is supported by CRM systems, which have effective ICT technologies, and other analytical tools that allow to obtain the relevant information about customers, their grouping (clustering), determining the value of the customer for the company in terms of the normal value and the lifetime value[1].

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1    LOŠŤÁKOVÁ, H.: *Diferencované řízení vztahů se zákazníky.* Praha : Grada Publishing, 2009, p. 20.

Integrated marketing communication is a complex process that utilizes all forms and channels of communication that are appropriate to the target group[2]. Such a procedure creates a synergistic effect, where the effect of one communication tool strengthens the effect of other instruments in order to create a unified and credible image in the minds of those to whom it is intended[3].

The benefits of integrated marketing communication are as follows:
• goal-directed – reaching out to each of the target groups in a different way
• efficiency and saving – that is facilitated with an appropriate combination of communication tools
• create a clear company positioning – creates an uniform image of the company product
• interactivity – marketing communication meets the needs and expectations of the target group[4].

As every marketing concept also integrated marketing communication has its risks, as regards perceptions on the part of the target group. Above all there is a scale and repetitive of information that the target group get and then the difficulty of getting the measurability of effectiveness the following integrated targeting.

## 2 Trends of the development of tourism and their connections to the tools of marketing communication

On the basis of studies of the United World Tourism Organization (UNWTO), "Tourism 2020 Vision"[5], we can expect more increases as the number of "travellers" (tourists), either the money that travellers (tourists) spend for services (transportation, accommodation, meals, admission fees/charges for attractiveness, etc.). From the perspective of marketing, we can therefore expect more market growth. At the same time, however, we should need to monitor changes in the evolution of demand, in the behaviour of the visitors and tourists, and these would be put on in the tools of marketing and marketing communication.

From the perspective of behaviour of tourists and visitors, and the consequent impressing of their behaviour in the markets, there have been a number of changes, which are involved in or contribute to the formation of the main trends in the markets of tourism as well as in business, marketing or marketing

2    PICKTON, D., BRODERICK, A.: *Integrated Marketing Communication.* Lewiston : Financal Times Management, 2005, p. 26.
3    PŘIKRYLOVÁ, J., JAHODOVÁ, H.: *Moderní marketingová komunikace.* Praha : Grada 2010, p. 48.
4    Ibidem, p. 49.
5    *UNWTO.* [online]. [2015-09-25]. Available at: <http://www.unwto.org/facts/eng/vision.htm>.

communication in this sector. Based on the analysis of secondary data, resulted from the resources of the major professional organizations in the international (UNWTO, WTTC, the OECD, the European Travel Commission, etc.) or national (CzechTourism, SOCR, AHR ČR, etc.) tourism, these trends are summarized and discussed in the following Table No. 1.

**Table 1: Trends in development of demand, offer and marketing communication in tourism**

| Trends in the development environment and the behaviour of tourists and visitors (demand) | Trends in business, marketing and marketing communication (offer) |
|---|---|
| 1. The advancing from travel for „tangible" to travel for „immaterial". When choosing a destination or tourism facilities play a still greater importance to the experiences, emotions and cognition. This trend further reinforces the role of cognitive tourism, whose part is cultural tourism and creative tourism. | • the strengthening of the programming proposition,<br>• the strengthening of collaboration (partnership) among the stakeholders in destination – networking (value-building network as a tool for competitiveness),<br>• expanding the proposition, based on interactively use of modern technologies, as well as on the specifics of destinations, history and traditions,<br>• the use of modern technologies in marketing communication, able to capture and transmit emotions, mood, atmosphere (point time pictures for the social networks, movie spots, animations, Web presentations, etc.) |
| 2. The Internet has been changing the World, and thus tourism and both on the offer side, so on the demand side. The Internet has moved for the last two decades significantly from the information tool on the booking tool, sales and communication. Online booking and the possibility of making custom packages have changed relationships, form and nature of the tourism market. In addition, the Internet has brought a diversification in travel and stay, an unprecedented extension of the communication between the interested parties and bodies, a reduction from the perspective of travellers of the unused time (games, information portals etc.).The Internet can convey such information and in such form as (audio and video recordings) and the quality that traditional tools fail (printed flyers, catalogues, photographs, etc.). | • the Internet as a tool for the information protection — information portals, Web sites, social networks with the use of video and audio tools,<br>• the Internet as a tool of marketing communication, e-marketing campaign, emails, e-advertising (PPC, PPT, banners, etc.),<br>• the Internet as a tool for booking -accommodation, transport, tickets, etc.,<br>• the Internet as a shopping tool – implementation of orders and payments for services,<br>• the Internet as a tool for the evaluation of quality and pressure on the quality of the services – customer reviews/users on reservation portals on social networks, etc. |

| Trends in the development environment and the behaviour of tourists and visitors (demand) | Trends in business, marketing and marketing communication (offer) |
|---|---|
| 3. In addition to the Internet or, sometimes, in cooperation with the Internet, a series of tools has been created that contribute to the safety and comfort of passengers, so changes in the behaviour of the visitors and tourists. Typical such tools are the location services, whether as a navigation for travellers (automobile, pedestrian, bicycle, etc.), or as a tool for creating interesting products for leisure and tourism (geocaching), etc. The mobile communication is still more influential, which is supported by the technical development and miniaturization on the side of production, and tourists and visitors not only brings ever greater travel convenience, but also increases security, allows almost permanent communication with the surroundings, with friends, but also with service providers and in several languages. New technologies appear increasingly capable for adapting to reality (augmented reality), and these significantly influence the purchase behaviour of tourists and visitors. | • navigation for motorists, cyclists, pedestrians, runners, etc. facilitating the tourists and visitors to travel to the destination and, in the terms of the (unknown) destination, helping to search for the tourist destinations,<br>• the locator service as a tool for targeted advertising (SMS, MMS, email) and search for the tourist destinations,<br>• the locator service as a tool of entertainment (geocaching),<br>• smart phones as a communication tool, a guide to destinations, attractiveness, as a „translator" guide (languages),<br>• „smart" mobile phones/smart phones as a tool to improve safety of stay/travel in an unknown destination,<br>• the use of virtual reality/augmented reality as a marketing tool, but also a product of tourism, |
| Changes in the structure of the market and both on the demand side and offer side.<br>• Demand-involvement so far less important source markets to international tourism. The new target group on tourism markets of economically growing countries (China, India etc.).<br>• Offer- the growth of competing pressures inputs for newly created tourism products, attractions and destinations, seeking to gain a market share. | • the development of new tourism products and/or customizable existing ones in the form of matching expectations of new target groups,<br>• customize the proposition of languages and cultural needs of new target groups,<br>• customize the tools, the form and content of the marketing communication, the communication focused on new target groups (digitizing of marketing communication) |
| 4. Natural disasters (volcanoes, tsunamis, earthquakes, etc.) and diseases (SARS, avian influenza, etc.) are increasingly highlighting the safety requirements for the destinations. The advantage to those destinations that are not associated with the possibility of natural disasters (earthquakes, tornado, etc.), the low level of health security, political instability, armed conflicts, etc. | • the Internet and Smart phones as a tool of communication with the safety systems in the destination, the tool to improve safety of stay/travel in an unknown destination,<br>• the Internet, smart phones and tablets as a tool of entertainment, reduction of the unused time for unexpected situations (accidents, traffic jams, etc.), |

| Trends in the development environment and the behaviour of tourists and visitors (demand) | Trends in business, marketing and marketing communication (offer) |
|---|---|
| 5. Travellers require quality infrastructure, minimize the language barriers, air connection and knowledge of the culture of these newly involved tourists host countries, destinations and tourism actors, i.e. high quality marketing intelligence. Travellers require access to modern technology and communication resources, immediate sharing their current experiences with relatives and friends. This increases the pressure on the range, facing the creativity and marketing tools that in the fight for the target markets play an increasingly more critical role. | • the development of the supra and infra structure of tourism in accordance with the requirements of the customers,<br>• the use of traditional tools of marketing intelligence (market surveys, studies, etc.) and the use of „new", as a rule the Internet and modern technology, using the tools (ranking by guests in the booking portals, social network analysis, etc.), the use of digital communication tools for overcoming language barriers and for the improvement of the guide and/or information services, |
| 6. Senior population rate – the fastest growing target group are seniors. This is determined by both demographic trends and lifestyle and standard of living, enabling to higher number of seniors involved in tourism, not only at the regional or national level, but also at the international level. Just a segment of the seniors is among the typical representative of the worldwide growing target markets. Significantly there is also increasing the number of „digitally" literate seniors able to use digital marketing tools separately or in combination with traditional instruments (printed matter, signs, etc.). | • more tailor-made products (including marketing communication) for seniors,<br>• the adaptation of traditional activities/ resources (e.g. bicycles – electric bicycles), information tools (press with a larger font, customized mobile phones for seniors, etc.),<br>• specialized and trained staff to meet the needs of seniors,<br>• targeted marketing campaigns from the perspective of a comprehensive marketing mix,<br>• increasing the importance of linking tools, traditional and digital marketing communication, |
| 7. Cultural tourism – is one of the fastest growing forms of tourism in the last 10-15 years. Travellers, tourists, visitors still want more to explore different cultures, their characteristics (cuisine, customs, traditions, crafts, art, etc.). Even the above trends and involving new target groups lead to the strengthening of the cultural tourism, just as a cognitive component, or experiential tourism. Cultural tourism can also strengthen the local demand for the local culture and cultural events or activities, and thus it is often actively involved in the conservation of a series of such actions, activities and traditions for the next generation. | • expanding proposition of cognitive and cultural tourism and the adaptation of the tourism products to highlight local cultural specificities, traditions, customs,<br>• the development of local and regional networking (value-building networks), that supports the inbound tourism, through the strengthening of demand for products/services seemingly unrelated to tourism (craftsmen, local food producers, etc.),<br>• the use of digital tools of marketing communication in relation to HW equipment (smart phones, tablets, Google glass „Apple Watch"), and the availability of Wi-Fi, |

| Trends in the development environment and the behaviour of tourists and visitors (demand) | Trends in business, marketing and marketing communication (offer) |
|---|---|
| 8. Creative tourism – cultural tourism with an increase in activity of travellers is partially transformed and extends for so called creative tourism. This represents one of the forms of tourism, which is characterized by a specific motivation and content to stay. The objective of the participants of the creative tourism is to get new art, craft, mental or other creative skills during a relatively short period of time (e.g. during long weekends, during one week in the relevant courses or so-called creative workshops, etc.). The aim is not only to explore the culture, but passively learn them (languages, cooking, crafts, local musical instruments, etc.) and this will not only improve in their knowledge, but also get experience. | • the strengthening of the interactivity and creativity of tourism products and developing new products that support the dissemination of local culture, customs, traditions (preparation of the specialties of the local gastronomy, the production of local products, training courses focusing on specific local know-how, usually related to local history and tradition – such as glassmaking, stonework, etc.), <br>• the linking of entities from the tourism sector and the sector of production and/or providing services, primarily non-focusing on tourism (value-building network), <br>• the use of digital communication tools for overcoming language barriers, cultural barriers and for the improvement of the guide and information services, |
| 9. An increasingly important element is the Internet and, in particular the tools based on it. During the last 5 years there is a period of rapid development of social networks. Social media are a phenomenon of nowadays. Social media have made for people-travellers-on their hands the great power (the difference compared with off-line communication/advertising). People can communicate post, comment on, and tag e.g. using the „like" and all these in an unprecedented scale, still more affecting not only demand, but also the offer and it's in the online system, supported by mobile technologies (smart phones, tablets) and SW. Moreover, even those entities which are not on social networks; are found in the form of ideas and insights of „net viewer" appear, without knowing them, and often without them. | • the growing focus on the Internet-related tools of marketing communication, communication with clients (visitors, tourists), communication between partners – actors of tourism etc, <br>• the development and use of specific social networks, characteristically used by the selected target groups (men, women, professional travellers, etc.), <br>• use of the Internet and wireless technologies (Wi-Fi, Bluetooth) to promote information and guide services, <br>• in addition to traditional surveys, currently the social networks are increasingly important sources of knowledge of marketing intelligence and both for the clients (travellers) and for the actors (the service provider) in tourism |
| 10. Safety: | |
| − Crime and terrorism prevention is becoming an increasingly important task of all stakeholders in the tourism industry. Safety is becoming an integral factor in the choice of travellers' destinations/tourism facilities. Growing role of police and its importance, not only in the protection of residents, visitors and tourists, but also its role as the prevention of crime. | • the use of the information to ensure the safety of visitors and tourists within marketing campaigns, <br>• cooperation with the actors of the tourism and public administration, the security forces (connecting to the value-building network), <br>• the use of safety and protective systems within the scope of the attractions and activities of tourism, |

| Trends in the development environment and the behaviour of tourists and visitors (demand) | Trends in business, marketing and marketing communication (offer) |
|---|---|
| − Workers in tourism, the organizers of the events and activities are increasingly pressured to support the safety of visitors and tourists. This is about the growth of requirements by tourists and visitors to the knowledge and skills of the personnel, the need for training of the organizers and staff to support safe and fulfilling the requirements to increase the sense of safety not only visitors and tourists, but also of the other participants in the events and activities. | • networking of professionals in the tourism sector with workers from the safety and health,<br>• the use of organizational tools and aids for coping with rush-time in attendance/transport,<br>• the use of modern communication and safety support systems substitute staff and contributing to the increased sense of safety, |
| − In particular, in the case of mass cultural events is the importance of prevention in the area of security rising and past experience with such actions greatly affect the behaviour of visitors and tourists, and therefore also the success and the necessary level of marketing spending. | • strengthening the cost of ensuring the safety of tourists and workers in tourism,<br>• the usage of the services by security experts and agencies (networking),<br>• the usage of the information on ensuring the safety of visitors for marketing purposes, |
| 11. People – workers in tourism. The quality required by tourists and visitors is still missing. Visitors and tourists are still more influenced in their decision making, the quality and level of the staff. And again the Internet – booking portals and systems, social networks – they play an increasingly important role in spreading the messages of satisfaction or dissatisfaction of the visitors and tourists with the quality of services and thus, even with the approach of the staff. | • the increasing demands on the readiness of workers in tourism (languages, special skills, business methods and tactics, knowledge in the field of security systems, etc.),<br>• creating and/or improving the system of selecting and training the personnel,<br>• improving the use of the Internet and modern audio-visual and communication techniques for quality promotion (evaluation systems, tracking systems, etc.). |

Source: Own processing based on internal research work and data used from ČSÚ, ČCCR-CzT, UNWTO, OECD, WTTC.

## 3 Marketing strategy of TO (tourist area) Jeseníky – East

Individual economic sectors are logically differing not only by focusing, inputs and outputs, but also the basic variable demands. In the tourism sector can be considered as a basic indicator of the demand of tourists (indicator "number of guests in the accommodation facilities"), and the length of their stay in the destination (indicator "the average duration of stay in days"). In the framework of processing the marketing strategy of the tourist area of the Jeseníky – East, the development shows that the number of incoming tourists into the tourist area – Jeseníky-East (textual: TA Jeseníky-E) has decreased. This decline has occurred since 2002, however, in particular on the energy has picked up after 2008. Here, we can assume that the main reason for the acceleration of the decline is the impact of the global economic crisis. Positive turn at best can be traced from the

beginning of 2012. An important factor here is the newly processed marketing strategy of development of the CR, the newly created professional destination management of the area, covered under the Euroregion Praděd and strategy of implementing the annual action plans, in 2012-2015 significantly supported by the ROP of the Moravian-Silesian Region. One of the core ideas of the strategy and action plans has became the idea of creating the conditions for cooperation, motivation for cooperation and networking of local tourism players and stakeholders. Both the historical development, prior to processing the marketing strategy and development in the course of implementation of this strategy is captured in the following Table No. 2, Development of indicators of demand in the TA Jeseníky– E.

**Table 2: Development of indicators in the TA Jeseníky-E**

| Before 31.12. | Number of incoming visitors | Number of residents | Number of non-residents | Number of nights | Number of residents | Number of non-residents |
|---|---|---|---|---|---|---|
| 2002 | 144 051 | 115 458 | 28 593 | 578 425 | 501 327 | 77 098 |
| 2003 | 134 354 | 113 681 | 20 673 | 584 214 | 521 353 | 62 861 |
| 2004 | 118 840 | 102 292 | 16 548 | 495 443 | 445 903 | 49 540 |
| 2005 | 113 676 | 99 152 | 14 524 | 450 838 | 406 639 | 44 199 |
| 2006 | 112 079 | 97 292 | 14 787 | 403 030 | 355 506 | 47 524 |
| 2007 | 109 019 | 96 550 | 12 469 | 368 258 | 331 833 | 36 425 |
| 2008 | 106 182 | 94 443 | 11 739 | 330 216 | 297 874 | 32 342 |
| 2009 | 94 807 | 87 359 | 7 448 | 315 300 | 295 779 | 19 521 |
| 2010 | 88 059 | 80 395 | 7 664 | 295 599 | 274 886 | 20 713 |
| 2011 | 88 660 | 82 872 | 5 788 | 295 730 | 280 397 | 15 333 |
| 2012 | 96 723 | 90 421 | 6 302 | 314 780 | 298 399 | 16 381 |
| 2012* | 118 694 | 108 262 | 10432 | 365 719 | 339 818 | 25901 |
| 2013* | 122 617 | 110 255 | 12362 | 378 787 | 347 802 | 30985 |
| 2014* | 111 638 | 102 361 | 9277 | 355 044 | 332 215 | 22829 |
| *2014/2013* | *91,0* | *92,8* | *75,0* | *93,7* | *95,5* | *73,7* |

Source: ČSÚ, own processing, revised data of ČSÚ

### 3.1 Basis of marketing strategy-vision, mission and objectives

On the principles of community planning was processed a basic strategy for the development of tourism and draw the vision of the tourist area (TA) and its mission, or mission of destination management.

*Vision:* „To create from TA Jeseníky-E an important annual tourism destination with an international importance, based on:
• a healthy environment linked to the exceptional climatic conditions,
• exceptionally well-preserved and intact nature,
• a broad portfolio of areas, forms and products of tourism with the dominance of winter sports, relaxation (Spa and wellness residence), active holiday (hiking,

walking and cycling, horse riding, water sports), stays in the countryside and exploring (history of architecture, nature, industrial heritage and technical attractions),
• geographical and natural diversity of the tourist region (mountain territory of Hrubý Jeseník, Nízký Jeseník, rural territories of Osoblažsko, Vítkovsko, and a series of small charming towns and villages)."

*The Mission of the destination management in the tourist area*: "To service the tourist region by organizing and coordinating activities related to the development of the tourism sector and to help increase the competitiveness and the marketability of TA Jeseníky on the target markets of tourism at home and abroad. To play the role of the coupling of the organization element between both parts of the Jeseniky-East and the Jeseníky-West and in cooperation with the Association of Jeseníky tourism to eliminate the negatives for visitors and tourists resulting from the administrative division of the natural tourist region of the Jeseníky mountains."

*Objectives structure of the marketing strategy* for TA Jeseníky-E has been set up as follows:
• Global marketing strategy objective: to ensure the long-term sustainable development of the CR, aimed at the countryside, its exploring and active holiday.
• Essential – quantitative aims:
  ▫ the total growth of the number of tourists and visitors by 2015 about 10%
  ▫ measurement: yearly, according to the default state of 2010.
• Specific aims:
  ▫ the strengthening of the TA Jeseníky in the area of attractions in the CR,
  ▫ a professional destination management in the TA,
  ▫ improving cooperation between actors within in the CR and the TA,
  ▫ expansion and improvement of the supply of products,
  ▫ improve the quality of services CR in the TA,
  ▫ improving and increasing the effectiveness of marketing in the TA.

## 3.2 Target groups of the marketing strategy

Due to the nature of the destination and its possibilities there were designed within a marketing strategy the following target groups:
• Target groups according to status:
  ▫ families with children (a significant group, based on the image of the destination and its character),
  ▫ seniors (significant growing group, focused especially on the core product – hiking and Spas, a significant group from the perspective of reducing the out-of-season variations),
  ▫ school groups (a significant group considering nearby urban and industrial agglomerations, suffering from increasingly smog situations and the growing rate of illness among children).

- Target groups according to motivation:
  - ▢ active and vacation sportsmen: hikers, cyclists, skiers (downhill and cross-country) and snowboarders, adrenaline sportsmen (hanging and sporting flying, climbing),
  - ▢ fishermen,
  - ▢ spa guests,
  - ▢ those interested in learning about (natural, architectural, technical attractions),
  - ▢ corporate events (companies, organization).
- Target groups according to countries:
  - ▢ the CR – domestic clientele (basic group) ,
  - ▢ Poland – the second most important group after the domestic tourists,
  - ▢ Germany – the third most important group with a link to the history,
  - ▢ the Netherlands – clientele able to appreciate the mountain character, nature,
  - ▢ Russia – in particular in relation to the capacity of the spas,
  - ▢ Ukraine – in particular in relation to the capacity of the spas.

## 4 Research focusing on selected target groups

The analytical part is resulted from the research of tourist area Jeseníky-East which has been implemented repeatedly by Ostrava Business School plc, the company of VAV Enterprise plc, s.r.o. within the programme of the European Fund for Regional Development. As beneficiary of the results has been the Euroregion Praděd[6]. On the results there have been processed marketing communication studies, which answered and still answer the purpose of respectable data basis for development of strategic plans in the individual tourist areas.

The research insisted on the analysis of secondary data, in particular, from the agency Czechtourism, the Czech Statistical Office, the National Information and Advisory Centre for Culture (NIPOS), sources of the Euroregion Praděd and other sources. The research also relied on primary investigation that was aimed at foreign visitors and tourists with the aim to improve the supply of tourism services and thereby increase the attractiveness of TA for this target group. The research problem was a finding the links between their motivation to visit TA Jeseníky-E and satisfaction with a visit to this destination. The basic method used for data collection was a research technique represented with a printed questionnaire (PAPI), and in-depth interviews with representatives of service providers. The second method of data collection was controlled in-depth structure interviews in the range of approximately 15-20 minutes. The interviews were focused on the experience of the organizers and operators of attractions to foreign clients. The

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6    Research task *Development of marketing intelligence in the form of marketing research activities and the subsequent transfer of the key knowledge to tourism (2014 and 2015).*

data obtained from the questionnaire were processed by the SPSS IBM Statistics. To examine the relationships between variables and statistical processing of data, there were used descriptive statistics methods (table of frequency, calculation of mean values, margins, quantity). Subsequently, the quantitative results were interpreted and formulated into specific proposals and recommendations for the research taskmaker in the form of the final research report.

As a part of the research, there was to track the use of digital and traditional marketing communication tools in the tourism sector. From this point of view it is interesting to determine what information sources the visitors of TA use. The respondents had the option of 16 possible sources and evaluated the use of these sources with range from (yes), after (patially) up to do not use (not). The result of the query shows the Chart No. 1.
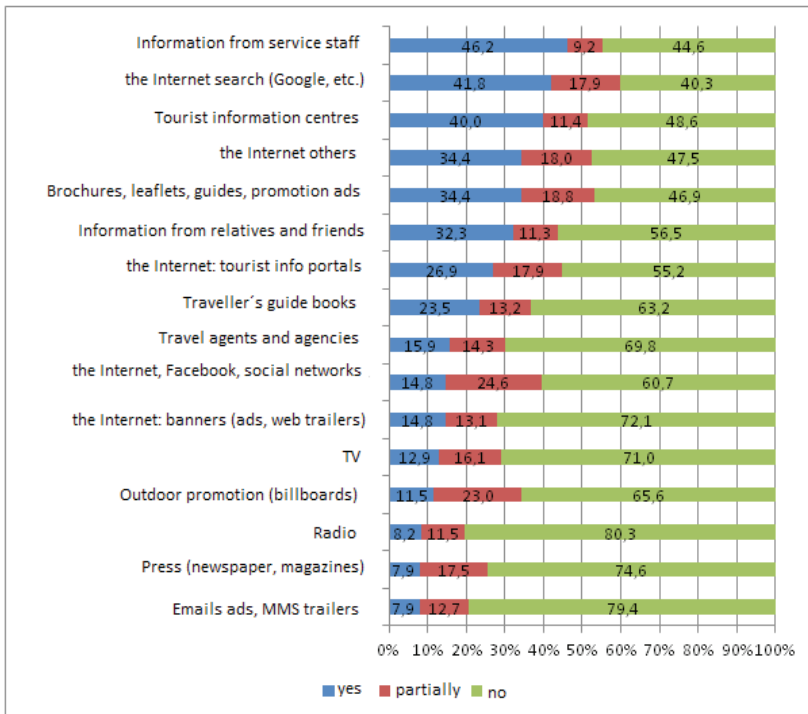


**Chart 1: The use of information sources by visiting the tourist area of the Jeseníky–East**

Source: VAVREČKA, V., DURDA, L., MEZULÁNÍK, J.: *Rozvoj marketingové inteligence formou aktivit marketingového výzkumu a následného přenossu klíčových poznatků a výstupů směrem k místním aktérům cestovního ruchu.* [Závěrečná zpráva z výzkumu]. Ostrava, 2015.

The highest usage at the level of "yes" or "partially" reached the Internet searchers (almost 60% of respondents), followed by information from the staff (55.4%), printed matters – promotional materials, brochures, guides (53.2%), other Internet sources (52.4%) and the tourist information centres (51.4%). On the contrary, at least source to use was the radio (at all was not used as a source of information with 80.3%), e-mail trailers, MMS messages (not used with 79.4%) and periodicals – newspapers, magazines (those not at all 74.6% of respondents). From the data it is clear that, even if the digital tools of marketing communication (the Internet, Facebook, social networking, and the Internet search engines) are the basic source of information for respondents of Jeseníky–East, the traditional information sources (references and printed promotional materials) play an increasingly important role. The survey shows that this fact is given by the particular composition of the target group of visitors, which is made up of middle and older generations rather (seniors).

## 5 The realization of digital marketing tools within the implementation of the marketing strategy of the TA Jeseníky–East

The Euroregion Praděd, which has acted in the TA Jeseníky-East (the territory of the Moravian-Silesian Region) since 2011 as the destination enterprise, has been running with limited resources to implement all the tools utilizable of marketing communication. In terms of digital marketing communication, therefore, has been an effort to create within the partners network of the Euroregion Praděd (administrators of tourist destinations, local service providers, manufacturers of original products, etc.) the conditions for effective digital marketing communication in relation to the potential target markets and within the partners network. These conditions also include setting the rules of public aid to private operators in favour of complexity and quality of the products offered by the tourism industry. The Euroregion Praděd has became the first destination enterprise in the Czech Republic, which has established as a condition of cooperation with the operators of accommodation facilities the compulsory certification of such facilities. Hotels and pensions are recognized by the European certification with partner Hotelstars whereas the Euroregion Praděd´s partner is the Association of Hotels and Restaurants of the Czech Republic, that certification is carried out by. Operators of private accommodation or farms are required to be certificate by the Union of Country Tourism and camps are required for the certification by the Association of camps and cottage colonies.

The introduction of this rule of public support, the Euroregion Praděd has earned partners guarantee the quality of the accommodation in the particular category and also it is seen that these are actors who are willing to work for the benefit of the whole complexity of the product range with the use of digital tools of

marketing communication. Currently, the Euroregion Praděd in the context of the creation of the tourism product offer coordinates the cooperation of more than 100 partners in the network, of which 25 operators of accommodation facilities with a total capacity of about 1500 certified beds. The other partners are the administrators of the tourist destinations, the local manufacturers of original products and providers of information or services[7].

In 2012, the Euroregion Praděd launched in cooperation with partner travel agencies the work to create a unique digital marketing tool – Voucher system in the Jeseníky with the use of gradually forming a network of cooperating partners. This system is aimed at effective production and sales promotion of tourism product packages on the markets of travel agencies. Product packages contain mainly offer a program of stay, i.e. the opportunity to visit more than 15 tourist destinations with discounts of 20-30% or free children (Discount voucher of the Euroregion Praděd), also includes accommodation and catering services and additional services (e.g. wellness). An additional marketing tool is to offer experiential chip "Praděd", which provides for clients with travel agencies market exclusivity associated with a visit to the manufacturers of the products with the brand "Jeseníky – original product."

These manufacturers are in a network thanks to cooperation within TA Jeseníky-E promoted free of charge on the Web sites of partner travel agencies. Voucher system Jeseniky is open to any partner travel agency, which it can use without financial performance, however, with the obligation to cooperate with the partners of the Euroregion Praděd, i.e. especially with the operators of certified accommodation facilities and provide feedback relating to the number of packages sold and the number of guests. Voucher system Jeseniky was programmed and put into operation in 2013, with the fact that expenditure on administrative system in the order of thousands of Czech crowns annually are distributed to individual partners – the Euroregion Praděd and partner travel agents. Expenditure on product packages concern of those who have benefited from their sales, then the partner travel agencies and operators of certified accommodation facilities.

Thanks to this system of cooperation, dozens of product packages arise every year offered on the Web sites of partner travel agencies and also the tourist portal called Rodinné Jeseníky (http://jeseniky-rodina.cz), operated by the Euroregion Praděd. At least once a year the Euroregion Praděd supports sales of product packages to the target markets of tourism in the form of PPC (pay per click) advertising campaigns, which are primarily motivated by travel agency partners to create product packages. Embedded sources in the form of public spending of tourists return immediately and it more than quadrupled which

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7    VAVREČKA, V., BLAŠKO, M.: *Síťování jako jeden z předpokladů úspěšnosti destinace cestovního ruchu.* Brno : Vysoká škola hotelová v Praze, 2012.

makes the Voucher system Jeseníky very efficient. It documents the data from the most recent advertising campaign realized early in 2015:
• expenditure on advertising campaign in the amount of 120.000 CZK,
• sold 46 residences (105 adults, 40 children) with the total number of 662 overnight stays,
• total spending of tourists was approximately 500.000 CZK.

Since 2013 under the Voucher system was sold a total of 382 residential packages with a total of 4325 overnights and the total amount of tourists' spending of approximately 3 million CZK. According to the information of partner travel agencies is the increased number of sales in the markets of travel agents, which can be considered as a significant contribution to the change in the structure of visit rate to destinations in favour of economically interesting clientele. It also is related to increase traffic tourist destinations listed in the Voucher Euroregion Praděd and manufactories producing handmade products with the brand "Jeseníky – original product." The unique Voucher Jeseníky, therefore, uses the digital marketing communication to support the sales of a competitive offer of tourism and also to promote this offer on the Web sites of partners system.

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# USE OF CORPORATE INFORMATION SYSTEMS TO IMPROVE PROJECT MANAGEMENT IN MARKETING

*Yulia Vertakova – Olga Kryzhanovskaya – Vladimir Plotnikov*

**Abstract**

Currently it actualized the need for implementation of corporate information systems, project management in business. The subject of analysis in this article – project management in marketing. Analysis of theoretical approaches to its solution, as well as empirical data on the organization of marketing activities of Russian companies showed that a significant role in this area played by information and communication technologies. The development of project management capabilities have a decisive influence of corporate information systems. In this regard, consideration of increasing the efficiency of project management in marketing will be done through the prism of the use of corporate information systems.

**Key words:**

Corporate information systems. Efficiency. Marketing. Project management.

## Introduction

An analysis of the global and Russian practice shows that over the past 30-40 years, the activities of the companies are gradually moves from a functional to a project-oriented (Drucker, 1973; Sherrer, 2009, etc.)[1]. This applies to all functional areas of general management (general management). But it is most clearly manifested in marketing, innovation, investment spheres. Widespread project approach has received in some sectors of economic activity, such as single and small batch manufacturing, consulting, engineering, etc. This trend is determined by the nature of business processes. Functional activity itself has neither the initial nor the final date of homogeneous operation are repeated again and again, there is a duplication of the same product (service). Such activities correspond to regular management routine (Barney, 1990; Poister and Streib, 1995, etc)[2]. In contrast, the projects are always limited in time, have a strictly defined end date, and the results are always unique. If the results of the project were not unique, the work to achieve them could be clearly regulate, set standards for the production and sell as part of the standard operations. Thus, the objective of the project – to achieve a specific business purpose. In contrast, the task of operations – ensuring the proper functioning of the business.

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1    DRUCKER, P.: *Management Tasks, Responsibilities, Practices.* Harper & Row, 1973, p. 43.
     SHERRER, J. A.: *Project Management Road Trip for the Project Management Professional.* Moscow : PMBOK, 2009, p. 62.
2    BARNEY, J. B.: *The Debate Between Traditional Management.* Theory and Organizational Economics: Substantive Differences or Intergroup Conflict. Acad. Manage Rev., 1990, Vol. 15, p. 384.
     POISTER, T. H., STREIB, G.: MBO in Municipal Government: Variations on a Traditional Management Tool. In *Public Administration Review*, 1995, Vol. 55, p. 50.

The subject of analysis in this article – project management in marketing. Analysis of theoretical approaches to its solution, as well as empirical data on the organization of marketing activities of Russian companies showed that a significant role in this area played by information and communication technologies. The development of project management capabilities have a decisive influence of corporate information systems. In this regard, consideration of increasing the efficiency of project management in marketing will be done through the prism of the use of corporate information systems.

## 1 Theoretical approaches to the formation of the concept of «project»

The methodology and project management practices are devoted to the work of many scientists (Howes, 2001; Kloppenborg, 2015; Lock, 2013; Patel, 2008; Shimizu, 2012, etc)[3]. Says that, without a systematic approach to the process of project management can not develop successfully and lose their competitive advantage. Practical experience of many companies both in Russia and abroad supports this conclusion. Formation of the system concepts of project management must begin with a strict definition of the category of «project». The best-known definition of «project» is given in the international standard ISO 21500: 2012 – Guidance on project management: «A project consists of a unique set of processes consisting of coordinated and controlled activities with start and end dates, performed to achieve project objectives. Achievement of the project objectives requires the provision of deliverables conforming to specific requirements. A project may be subject to multiple constraints». There is given definition of «project management»: «Project management is the application of methods, tools, techniques and competencies to a project. Project management includes the integration of the various phases of the project life cycle and is performed through processes»[4].

Analyzing the different literature, we can conclude that the authors do not emit a single universally accepted definition of «project», despite the existence of a standardized definition (given above). For example, the Body of Knowledge Project Management PMI, offers the following definition: «Project – is something

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3    SHIMIZU, T., PARK, Y. W.; HONG, P.: *Project managers for risk management: case of Japan.* Benchmarking, 2012, Vol. 19, p. 537.
    HOWES, N. R.: *Modern project management: successfully integrating project management knowledge areas and processes.* New York : AMACOM, 2001, p. 121.
    KLOPPENBORG, T. J.: *Contemporary project management: organize, plan, perform.* Stamford : Cengage Learning, 2015, p. 144.
    LOCK, D.: *Project management.* Farnham : Gower, 2013, p. 86.
    PATEL, V. N.: *Project management.* Jaipur, India : Oxford Book Co, 2008, p. 71.
4    *Project Management Institute Project Management Body of Knowledge* (PM BOK). Pennsylvania : DrexelHill, 2007, p. 35.

that thinks, or is planned, a great company»[5]. The British Association project-managers uses the definition of «project – it is a separate entity with specific goals often include requirements on time, cost and quality of results achieved»[6]. German Institute for Standardization gives the following definition: «The project – an enterprise (intention), which is largely characterized by the uniqueness conditions in their entirety, such as: setting goals; time, financial, human and other restrictions; differentiation from other intentions; project-specific organization for its implementation»[7]. Popov Y.I. and Yakovenko O.V. give the following definition: «The project is a company with a pre-set objectives, the achievement of which determines the completion of the project. Or the project could be a separate entity with specific goals often include requirements on time, cost and quality of results achieved»[8].

In this article, with regard to project management in marketing, we understand by a draft set of operations (actions) that differ from traditionally performed in the company (routine actions), having a clearly defined target limited allocated to achieve this goal, resources, and fixed dates for the beginning and end of the project. That is, the project is defined by a triad of factors: the goal (quantity and quality) – resources – time. An example of a project in the author's interpretation of a marketing campaign to promote a new product on the market, which has a clearly defined goal – to provide in the sales share of the new product is not less than D% (option – to ensure sales in the amount of not less than V rubles). With a limited budget in rubles to set the time interval *[Tstart, Tfinish]*.

## 2 The selection and implementation of a corporate project management system

Obviously, the management of the project – non-standard task that requires unique competencies, and management techniques. If the number of projects implemented by the company at the same time increases (namely, that there is in business today), the effective management of their aggregate becomes a formidable task in practice. The development of information technology makes it possible to solve it[9]. Currently it actualized the need for implementation of project management systems in the business. The available empirical evidence

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5     *Project Management Institute Project Management Body of Knowledge* (PM BOK). Pennsylvania : DrexelHill, 2007, p. 41.

6     *Association of Project Managers Body of Knowledge.* Buckinghamshire : INTERNET UK, 2009, p. 6.
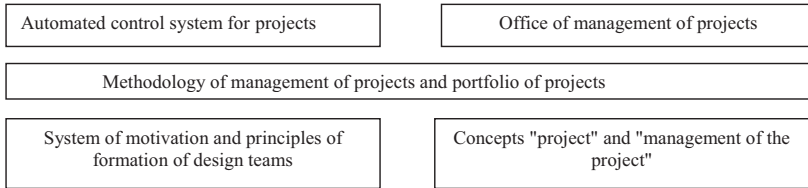
7     *Deutsches Institut für Normung.* Baden hat der, 2007, p. 21.

8     VOROPAEV, V. I.: *Management of projects: bases of professional knowledge.* Moscow : Design Practice, 2010, p. 10.

9     VERTAKOVA, Y., POLOJENCEVA, Y., KRYZHANOVSKAYA, O.: Managing a brand portfolio formation of innovative companies. In MATÚŠ, J., PETRANOVÁ, D. (eds.): *Marketing Identity : Explosion of Innovations.* Trnava : FMK UCM in Trnava, 2014, p. 271.

suggests that the introduction of a corporate project management system – it's very difficult task. Variants of such systems offered on the market are many, and each system is unique, because it consists of a number of components that can be implemented in various ways (Picture 1).

| | |
|---|---|
| Automated control system for projects | Office of management of projects |

| |
|---|
| Methodology of management of projects and portfolio of projects |

| | |
|---|---|
| System of motivation and principles of formation of design teams | Concepts "project" and "management of the project" |

**Picture 1: Components of corporate project management system**
Source: Own processing

The problem is not only in the effectiveness of a particular corporate project management system (CPMS), but also the ability to adapt to the conditions of a specific company. Particularly, this problem becomes more complicated in the case of historically realized in the company model of «patchwork of automation». The corporate project management system includes a set of methodological, administrative and information tools to organize and maintain project management processes in the company. CPMS is a comprehensive tool, which aims to standardize, automate and support the project activities of the company. This approach is being implemented to improve the quality of planning and, consequently, more efficient execution of projects and programs under the current limitations on resources[10].Introduce a corporate project management system makes sense for companies and organizations (project-oriented and project-dependent), who work on project management is a significant part of the total activity. And the management of such companies is committed to developing and increasing the number of successfully implemented internal and external projects[11]. The introduction of the corporate project management system should consider the following elements of the project management system (EMS)[12]:
• methodological element of EMS, is a set of methods, tools, tools, theories and approaches in the framework of the projects, this project management methodology, which determines how to do the work;
• EMS organizational element, determines the order of activities and interaction between the participants of the project.

It consists of 3 components: the organizational structure of projects and management and control bodies (eg, project office, steering committee);

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10 BALASHOV, A. I., ROGOVA, E. M., TIKHONOVA, M. V., TKACHENKO, E. A.: *Management of projects.* Moscow : Yright, 2013, p. 88.
11 KERTSNER, G.: *Strategic planning for management of projects with use of model of a maturity.* Moscow : DMK Press, 2003, p. 103.
12 *Development of a control system of projects in the organization of medium business.* [online]. [2015-08-23]. Available at: <http://megamozg.ru>.

members of the project team and project management bodies; documentation support SOUP (rules of interaction between participants of the project management procedures various stages of the project, detailed instructions on execution procedures, templates, document management, the provisions of the governing bodies and job descriptions);

• software and hardware element of soup. Basically it is a hardware-software complex calendar and resource planning, which can be integrated with the systems of financial planning and accounting, document management, personnel management, accounting system;

• motivational element of EMS, is a set of motivations to perform the functions to ensure effective project management.

The correct choice of software solutions CSEA is very important for the successful implementation of project management in the organization and depends on many factors. Selecting information system requires a serious approach, costs, planning, monitoring, etc[13]. The selection algorithm software while improving project management process is shown in Picture 2.
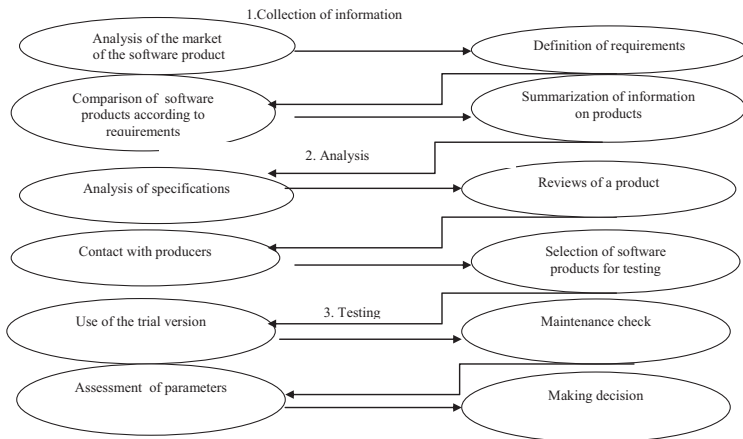


**Picture 2: The selection algorithm in the software process improvement project management**
Source: Own processing

In the course of our study on the implementation of corporate information systems, covering the computerization of marketing functions, it was considered about 80 services on the Russian market. From this list to the study of solutions of seized 13, 4 were subjected to a detailed expert analysis (Table 1) and 3 software product tested in full screen (they were given a numerical score): «PlanFiks» «A2B» and «Worksection».

13 VERTAKOVA, Y., TRUSOVA, N.: Marketing functions to ensure better investment attractiveness of a territory. In MATÚŠ, J., PETRANOVÁ, D. (eds.): *Marketing Identity: Explosion of Innovations.* Trnava : FMK UCM in Trnava, 2014, p. 270.

**Table 1: Specifications of software project management in marketing**

| | Evaluation item | Wrike | PlanFix | Worksection | A2B |
|---|---|---|---|---|---|
| Common work | Notifications | Yes | Yes | Yes | Yes |
| | Search and filters | Yes | Yes | Yes | Yes |
| | Access management | Yes | Yes | Yes | Yes |
| | Comments | Yes | Yes | Yes | Yes |
| Tools of common work | Integration into e-mail | Yes | Yes | Yes | Yes |
| | Reports | Yes | Yes | Yes | Yes |
| | Sources management | No | Yes | Yes | No |
| | Split-second messages | Yes | No | No | Yes |
| | Timetable | Yes | Yes | No | Yes |
| | Time-management | Yes | Yes | Yes | No |
| Project management | Gant chart | Yes | Yes | Yes | Yes |
| | Reports | Yes | Yes | Yes | Yes |
| | Priorities | Yes | Yes | Yes | Yes |
| | Adding guest users | No | Yes | Yes | Yes |
| | Attaching files to tasks | Yes | Yes | Yes | Yes |
| | Repeat of tasks | No | Yes | Yes | Yes |
| | Accessibility setup | Yes | Yes | Yes | Yes |
| | Summing up of costs | Yes | Yes | Yes | Yes |
| | Project templates | No | Yes | No | Yes |
| | Notifications | Yes | Yes | Yes | Yes |
| | Comments to tasks | Yes | Yes | Yes | Yes |
| | Filters | Yes | Yes | Yes | Yes |
| | Delegation of tasks | Yes | Yes | Yes | Yes |
| Planning | Reminders | Yes | Yes | Yes | Yes |
| | Tracking of spending time | Yes | Yes | Yes | Yes |
| | Login management | Yes | Yes | Yes | Yes |
| | Synchronization to another calendars | Yes | Yes | Yes | Yes |
| | Common calendars | Yes | Yes | Yes | Yes |
| | Forecast / calculation of salary | Yes | Yes | Yes | Yes |
| | Periodic events | Yes | Yes | Yes | Yes |
| | Scalability | Yes | Yes | Yes | Yes |

Source: Own processing

The evaluation results are as follows: «PlanFiks» – 55 points, «A2B» – 50 points and «Worksection» – 46 points. It was assumed that a large number of points corresponds to the best quality product. Thus, the service «PlanFiks» received the highest rating in the studied sample, because it is a versatile product that can be easily configured for any task with the greatest ease of working with documents, when setting does not need qualified personnel, integration with other software companies can proclamation on their own.

As part of our study we were also considered practical experience in implementing corporate information systems to improve the efficiency of

project management in marketing. The object of the study was the Russian company «Telecommunication» The company's activity is related to the permanent implementation of various projects. Projects vary by category, size and functionality (Picture 3).
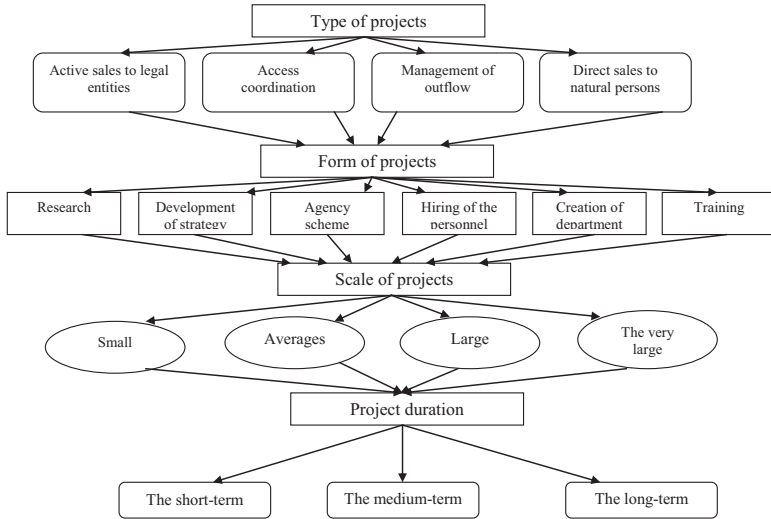


**Picture 3: Type projects in «Telecommunication»**
Source: Own processing

Based on the analysis, the company decided to start to use the service «PlanFiks» The algorithm of action for the implementation of this service is shown in Picture 4. It is typical and may be used by other organizations planning to use corporate information systems to improve the efficiency of project management in marketing.
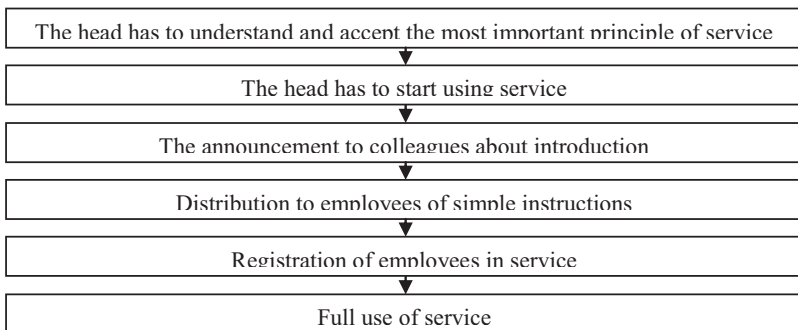


**Picture 4: Algorithm Implementation Service «PlanFiks» in the company «Telecom Innovations»**
Source: Own processing

The introduction of the corporate information system enabled the company to «Telecommunication» improve the efficiency of project management, not only in marketing, but also to get extra profit due to changes in the management culture.

## 3 The effectiveness of the implementation of corporate project management system in marketing

The effectiveness of the implementation of the project approach in the activities of the company can be estimated by comparing the costs of alternative projects. In the first case, a traditional model of work organization. In the second – the project. As a fixed parameter serves the volume and quality of work and the composition of the project team. Variables – the execution of works, the duration of which affects the costs.

As an example, Tables 2 and 3 show alternative estimates for the cost of one control performed by «Telecommunication» projects. The composition of the project team – 2 staff: project manager and project manager. In the traditional organization of work (Table 2), the term of the project was 3 months, with the project (see Table 3) – 2 months. As can be seen from the above data, the management costs of the project, modeled when «PlanFiks» reduced to 140.35 thousand. Rubles, or by 36%. Given the fact that the average number of such projects implemented in the marketing activity of 5 per year, additional profit for the company before tax amounted to 700 thousand rubles per year. This result is achieved through the implementation of project-based approach to management.

**Table 2: Administrative costs for the project (traditional scheme of work), ths. rub.**

| Cost item | August | September | October |
|---|---|---|---|
| Salary | 100 | 100 | 100 |
| Cellular communication | 1,5 | 1,5 | 1,5 |
| Rent of rooms | 27 | 27 | 27 |
| Total | 385,5 | | |

Source: Own processing

**Table 3: Administrative costs for the project (design scheme of work), ths. rub.**

| Cost item | August | September |
|---|---|---|
| Salary | 100 | 88,4 |
| Cellular communication | 1,5 | 1,25 |
| Rent of rooms | 27 | 27 |
| Total | 245,15 | |

Source: Own proccesing

Thus, the optimization of project management in marketing, achieved through the introduction of modern management practices in the software is the key to success, and prosperity of the enterprise, allowing time to identify shortcomings in the organization of their activities and to adjust, improve project management and, ultimately, increase profits.

## Conclusion

In modern management and marketing more and more widespread receives project-based approach. Its benefits are determined by better coordination of work and greater efficiency compared to the traditional approach to management. In the study, the authors examined the concept of the project, corporate information systems, analysis of corporate project management systems suitable for use in marketing. The authors systematically the basic requirements for software products, implementing project management methodology in the execution of the functions of marketing companies. Evaluated the functionality of this software. It was the algorithm selection and comparison of software products that can be applied in any company, in any way related to the project activities. It was considered about 80 services on the Russian market. From this list, the study selected 13 solutions were subjected to a detailed analysis of 4 and 3 software products have been tested in full: «PlanFiks», «A2B» and «Worksection». Results of the analysis allowed us to construct the following ratings: «PlanFiks» – 55 points, "A2B" – 50 points and «Worksection» – 46 points. Thus, the service «PlanFiks» received the highest rating in the test sample, and is recommended for automation of project management in Russian companies.

Its main advantages: a versatile product that can be easily configured for any task, the best place to work with documents when setting does not need qualified and integration can be the proclamation by the company. Calculations performed by the example of the Russian company «Telekommunication» showed that the implementation of project management system «PlanFiks» in marketing activities provides additional income (in this example, it amounted to about 700 thousand. Rubles a year before tax).

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VERTAKOVA, Y., POLOJENCEVA, Y., KRYZHANOVSKAYA, O.: Managing a brand portfolio formation of innovative companies. In MATÚŠ, J., PETRANOVÁ, D. (eds.): *Marketing Identity: Explosion of Innovations.* Trnava : FMK UCM in Trnava, 2014, p. 267-278. ISSN 1339-5726.

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# DESIGN OF INFORMATION ARCHITECTURE AND NAVIGATION OF INTERNET PORTAL ON SUPPORT OF REGIONAL INNOVATION DEVELOPMENT

*Marián Zajko – Branislav Mišota*

**Abstract**

The paper analyses innovation performance of the EU innovation leaders (Sweden, Denmark and Finland) and their innovation strategies focusing on the role of key innovation agencies and their internet portals on innovation support. These agencies and their internet portals play an essential role in digital communication among the stakeholders of innovation ecosystem. The results of these analyses especially internet portals of the innovation agencies will be utilised in the proposal of information architecture and navigation of internet portal on support of regional innovation development in Slovakia. This should contribute to boosting innovation performance and thus competitiveness of Slovak enterises and regions within the EU due to more efficient mutual collaboration in innovations among them as well as with neighbouring cross-border regions.

**Key words:**

Competitiveness. Information architecture. Innovation. Internet portal. Portal navigation. Regional development.

## 1 Innovation leaders in the EU-27

Sweden, Denmark and Finland have been the European innovation leaders as measured by the Summary Innovation Index (SII) 2015. These three Nordic countries perform best on all SII dimensions: from research and innovation inputs, through business innovation activities up to innovation outputs and economic effects (Table 1).

**Table 1: Dimensions of innovation performance of the innovation leaders in the EU 27 in 2014**

| SII dimensions | HR | RS | F&S | FIN | L&E | IA | IN | EE |
|---|---|---|---|---|---|---|---|---|
| European Union 27 | 0.598 | 0.542 | 0.556 | 0.454 | 0.473 | 0.624 | 0.505 | 0.601 |
| Sweden | 0.846 | 0,826 | 0.746 | 0.684 | 0.727 | 0.901 | 0.630 | 0.590 |
| Denmark | 0.631 | 0.823 | 0.797 | 0.513 | 0.767 | 0.892 | 0.585 | 0.760 |
| Finland | 0.806 | 0.581 | 0.756 | 0.581 | 0.668 | 0.856 | 0.560 | 0.594 |

Notes: HR–Human resources, RS–Research systems, F&S–Finance&Support, FIN–Firm investments, L&E –Linkages&Entrepreneurship, IA-Intellectual Assets, IN-Innovators, EE–Economic Effects.
Source: European Commission, 2015, adjusted by authors.

It reflects their balanced national research and innovation systems, since they also show the smallest variances in their performance across all eight innovation dimensions of the SII. In terms of the Global Competitivenes Index (GCI) these

countries rank also among the most competitive countries of the world: Finland as #4, Sweden as #10 and Denmark as #13 in contrast to Slovakia as #75 [1].

## 2 Innovation strategies, inno-vation intermediaries and innovation portals in the countries of innovation leaders

### 2.1 Sweden

Sweden is one of a few OECD member countries that do not use fiscal stimulate for R&D. Instead it prefers provision of funding to enterprises and R&D institutions within purpose-bound programmes for specific sectors of economy and technologies realized by agencies and foundations, with whom these recipients enter into partnerships and consortia.

The Swedish government agency for innovation systems **VINNOVA** with budget of SEK 2.7 b (€290 m) in 2014 is the most important innovation intermediary with representations in Stockholm and Brussels. It provides about 30% of funding to enterprises and about 60% of funding to R&D institutions (mainly to universities: 44% in 2014) via programmes on the co-funding base. Co-funding leads to more than doubling of the total funding amount. VINNOVA acts as a national contact point of EUREKA and Eurostars programmes. Some of the programmes involve funding of research that is important for renewal of Swedish industry. In other cases they involve enterprises applying for funds for their development projects. Some of the programmes require actors to merge to jointly manage large and long-term projects. The programmes target actors in society who are important for Sweden's innovativeness, such as knowledge-intense companies, universities, colleges, research institutes and actors within the public sector. At present the VINNOVA programmes focus on innovation support in the following three areas:
1) Strategically important knowledge areas[2], e.g. Future health and Health care, Transport and environment, Services and ICT, Production and Work life,
2) Strenthening of innovativeness od specific groups, e.g. Public sector, Innovative SME´s, Knowledge triangle[3] and Strong innovation environments,
3) Cross-border cooperation, e.g. innovations driven by societal challenges (with innovation user participation or interdisciplinary collaboration on solving

1    SCHWAB, K. (ed.): *Global Competitiveness Report 2014-2015.* World Economic Forum, 2014, p. 13. [online]. [2015-10-18]. Available at: <http://www3.weforum.org/docs/ WEF_GlobalCompetitivenessReport_2014-15.pdf>.
2    *VINNOVA.* [online]. [2015-10-18] . Available at: <http://www.vinnova.se/en/Our-acitivities/Search-for-programme/>.
3    The Knowledge triangle is orientated to boosting collaboration of enterprises and R&D institutions, including universities, e.g. in programme Verification for growth (risk evaluation of research-orientated enterprises). Strong innovation environments support building of the VINN centres of excellence (17 applied research centres), Berzelii centres of excellence (4 centres of fundamental research).

these isssues), partnership programmes (research of strategic means of transport or aviation engineering), EU and international collaboration.

The internet portal of VINNOVA promotes its profile, activities, results and supports both one-way and two-way communication with interested parties in Swedish and English. Under the VINNOVA brand and the search window is a global navigation bar containing six information blocks:
1. Block "Our activities" comprises the sub-blocks: Strategically important knowledge areas, Innovativeness of specific target groups, Individuals and Innovative milieus, Cross-border co-operation, and Search for programmes,
2. Block "For programme applicants" includes the sub-blocks: Calls for proposals, Terms and conditions, and How to apply,
3. Block "Results" provides sub-blocks: Evaluations (of VINNOVA´s achievements), and Impact analyses,
4. Block "Publications and events" includes sub-blocks:
   Calendar (of events), News, Publications and Webcasts,
5. Block "EU and international co-operation" covers the EU programmes, the EU strategy for the Baltic Sea region, Mobility and grants, Brussels and Silicon Valley offices,
6. Block "About VINNOVA" provides information on Sweden´s innovation system, Globalisation, Target groups and further internal information.

The portal footers provide direct access to e-Services, Blogs, Publications, Employment and European contact office, Contacts, Press releases and nine Social Media channels including Subscription button.

## 2.2 Denmark

Denmark is one of six countries of the world spending on research and development (R&D) more than 3% of GDP a year. It has strong science and research base with several world class universities (3 among top 100 universities of ARWU ranking). Danish innovation policy has been characterised by substantially lower level of coordination in the long term than the Swedish or Finnish ones. However, in the past two years this has changed in favour of stronger coordination and global focus. The science, research and innovation policies are directed by the restructured Ministry of Higher Education and Science (MHES, previously Ministry for Science, Technology and Innovations) by means of the Danish Agency for Science, Technology and Innovations. In 2014 three specialised agencies for R&D funding merged into the Danish Innovation Fund with annual budget of €215 m for grants for strategic applied research and experimental development, technologies and innovations. Another two specialized institutions are: Danish Council for Independent Research with annual budget of €175 m for grants for independent research, Danish National Research with annual budget of €55 m for grants on fundamental research and centres of excellence. For basic funding of university research is reserved €1,200 m per year that may be increased depending on the quality of outputs. Private

institutions (Novo Nordisk, Carlsberg and Lundberg) contribute to research financing an average annual amount €250 m as well.

In 2012 Danish government passed the first Danish innovation strategy„Denmark–Nation of Solutions". It does not focus on technology areas but above all on social changes: (1) Innovations motivated by social challenges, (2) Higher transformation of knowledge into values, (3) Education as a means of boosting innovation capacity. For these three topics were formulated 27 initiatives aiming at starting up demand for new solutions in society and thus demand-driven innovations.

Among the most important means of MHES are programmes and tools such as innovation vouchers, innovation consortia for knowledge transfer to enterprises and open funds for funding and new collaboration forms, Danish innovation networks (20 networks, communication forums for industry and public education institutions), knowledge pilot schemes (subsidies to development project of enterprises), projects of industrial studies of PhD students (3-years projects with state funding), innovation agents for knowledge transfer to small enterprises, incubators of innovation-driven enterprises.

The **Innovation Centre Denmark (ICD)**[4] was established in 2006 through joint initiatives of Ministry of Foreign Affairs and Ministry for Science, Technology and Innovations as a part of globalisation strategy of the Danish government aiming at transformation of Denmark into a leading knowledge economy by 2016. The first ICD representation was opened in Palo Alto in Silicon Valley, currently such centres operate also in Munich, Sao Paulo, Delhi, Seoul, Shanghai and Tokyo in order to boost collaboration of Danish enterprises, investors, universities and R&D institutions with their counterparts in their countries of residence using the following tools: Innovation and entrepreneurship camp, programme Innovation-driven growth, programme Innovation pack, and Programme of scientific and technology survey.

The internet portal of IDC promotes its profile, activities, results and supports both one-way and two-way communication with interested parties. On the top of the page there is the utility navigation with the Subscription, Contacts and Language (Danish/English) buttons and the link "Denmark in the world" to the internet page of the Ministry of Foreign Affairs of Denmark with comprehensive content fostering the global focus of Danish innovation and enterprise. Underneath there are the IDC title, the search window, four Social Media channels, e-mail and the global navigation bar with six information blocks:
1. Block "What we offer" comprises the sub-blocks: Service areas and Innovation tools,

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4    *Innovation Centre Denmark.* [online]. [2015-10-18].
     Available at: < http://www.icdk.dk/>.

2. Block "Where to find us" includes profiles of eight ICD innovation centres abroad with contacts and local news including communications via four Social Media channels and e-mail,
3. Block "Case stories" provides videos, text and pictures on successful projects of Danish companies abroad,
4. Block "Reports" includes reports from the ICD and its innovation centres abroad,
5. Block "News" covers the news on innovations from Denmark and abroad,
6. Block "About us" provides information on contacts to the IDC and job openings.

The portal footer offers direct access to the information blocks of the global navigation bar and to the web sites of Danish embassies.

## 2.3 Finland

Finland puts considerable stress not only on the support of R&D of new technologies but also on the foresight and technology forecasting. Foresight is focused on identification and planning broader technological and related social and economic trends and risks in the longer time horizon (5 years and more). It serves as a base for formulation of regional, branch or national science and technology policy. Its continuation is technology evaluation and forecasting orientated more closely to technology development and time horizon of up to 5 years.

The National Foresight Network[5] was set up for this purpose with the aim to estimate strategic challenges, risks and opportunities in Finland and in the world, which will be considered in directions, objectives and structure of research, technology and innovation policies. Finland belongs among the countries well known for the importance of the public sector in innovation development, application and implementation. In 2010 there was formulated in the document „Innovation policy managed by demand and users" an action plan for innovation promotion and implementation in public procurement in order to improve conditions in public procurement of innovations. The National Innovation Strategy of Finland accentuates implementation of user-led innovations and demand-driven innovations (addressing environmental and social issues, climatic changes, population aging, public services, etc.).

Strategic conception "Internationalisation of Finnish education, research and innovations for period 2010-2015" responded to low international focus of Finnish innovation system and lead to establishment of Finnish innovation centres abroad (FinNode) as a new model of creating partnerships in R&D, entrepreneurship, innovations, entrepreneurship and marketing. Their aim is to promote Finnish enterprises, attract foreign investors to Finland, strenthen knowledge flows to Finland and vice versa, assist Finnish enterprises in

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5    *Foresight.* [online]. [2015-10-18]. Available at: <http://www.foresight.fi>.

penetration foreign markets, get higher visibility of Finnish innovations, present Finland as an attractive R&D destination and support mobility among unversities and researchers. They are established in the USA (Silicon Valley), Russia, China, Japan and India as a colllaboration of several public entities: TEKES, Finpro, VTT, Sitra and Finnish Academy. Finland is another OECD member that did not use fiscal incentives for R&D. However, for the period 2013 – 2015 it temporarily introduced for SME´s and start up investors tax benefits for R&D.

Finland has a well developed institutional network for support of science, R&D and innovations. The most important of them is the innovation agency TEKES. The **TEKES** deals with project funding of enterprises (with co-funding up to 50% of project costs for SME´s and up to 65% – 75% for large entrepreses) in line with the following strategy: one third of funds is for the young SME´s (less than 5 years in business) with a growth potencial[6]. Another one third is for support of internationalisation of established SME´s and SME´s with a research project or pilot development and testing of innovation. The remaining one third is for the large enterprises with export potencial that plan to substantially innovate their businesses (with a research project or pilot development and testing of innovation). Funding is carried out according to differenciated rules: nearly 40% of funds is for customer iniciatives, about 20% of funds is for the research in the Strategic centres for science and technologies, about 25% serves for funding of TEKES programmes and remaining 15% is for other strategic topics.

TEKES provides funding for Programme of procurement of consulting and innovation support services for SME´s with the aim to boost development of business activities of enterprises using external innovation services. These services are involved especially with commercionalisation of new products, creation of innovation methods, market studies and research, protection of intellectual property, knowledge and technology transfer, trainings, etc. TEKES offers to enterprises and research institutions funding for participation in 11 TEKES research programmes for the period 2014-2019 regarding specific topics and sectors[7].

In collaboration with organisations Finnverra and Finpro TEKES fosters development of globalisation of Finnish enterprise through the SME network Team Finland via several programmes, e.g. Team Finland – Future Watch, Team Finland – Export, Fudan iLab, Finland Let´s Grow, VIGO and others.
Six Strategic centres for science and technologies (SHOK) operate as cooperation platforms for long term intensive collaboration of enterprises and top research institutions. In the period 2008–2012, nearly 500 enterprises and 30 research

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6    *TEKES*. [online]. [2015-10-18].
     Available at: <http://www.tekes.fi/en/funding/yic/funding/>.
7    *TEKES*. [online]. [2015-10-18].
     Available at: <http://www.tekes.fi/en/programmes-and-services/tekes-programmes/>.

organisations collaborated in this way. TEKES provided for these research programmes €373 m and enterprises co-funded 40% of project costs.

The internet portal of TEKES promotes its profile, activities, results and supports both one-way and two-way communication with interested parties in Finnish, Swedish and English. Under the TEKES brand, the search window and language button (Finnish/Swedish/English) in the top line is a global navigation bar containing six information blocks:

1. Block "News" comprises the sub-blocks: News from TEKES, Application schedules, Events and Invitations to tender,
2. Block "Funding" includes the sub-blocks on funding for companies, research organizations and public services,
3. Block "Programmes and Services" provides information sub-blocks on TEKES programmes, Campaigns, Go global, European co-operation, SHOKs, International companies, International researchers,
4. Block "TEKES" includes information sub-blocks on TEKES profile, strategy and organisation, Working at TEKES, Publications, Media, Contacts and Team Finland,
5. Block "Finland" covers information on Finnish innovation environment,
6. Block "Online services" provides information on Log-in to TEKES online services and Terms and conditions of funding of these services.

The portal footer offers direct access to the TEKES News, Shortcuts to Funding, Programmes, Services for internationalisation, Organisation and Offices. It also includes links to four Social Media channels, Team Finland network, Enterprise Finland and Contacts.

## 2.4 Conclusions on information architecture of internet portals

Our analysis of innovation strategies and internet portals on innovations in the EU innovation leaders was based on the following criteria: comprehensiveness of content, global focus, design and graphical solution, and extent of multimedial content. As for comprehensiveness of content the winners appear to be the portals of the Swedish agency VINNOVA and the Finnish agency TEKES. In terms of the global focus the portal of the Danish ICD is the best (collaboration with the Ministry of Foreign Affairs and with network of the ICD centres abroad) and of the Finnish TEKES (collaboration with the network of FinNodes abroad) surpass that of VINNOVA. However, the winner of our analysis is the VINNOVA portal with its modern, simple and functional design and graphic solution as well as with the extent of multimedial content (webcasts) and e-publications.

## 3 Design of information architecture and navigation of internet portal on support of regional innovation development

Information portals on innovations are among the most important tools of increasing awareness about needs and possibilities of development of innovation activities among the target groups in the SME´s and public audience as well as about various approaches to collaboration in innovation processes. They bring to the economy and society the most significant benefits in the long run. The Bratislava Self-governing Region (BSR) is a territorial entity with the highest concentration of universities and R&D organisations in Slovakia with high innovation potential. This justifies the need to build up regional internet portal on support of innovation and enterprise activities of key innovation actors within the Regional innovation strategy of BSR for the period 2014-2020[8]. Such a portal should serve as a key tool of digital communication of regional/national organisations fostering innovation and enterprise activities with SME´s as well as big enterprises, public administration, local authorities educational institutions, R&D organisations, mass media and interested public.

The following part of paper will deal with design of information architecture and navigation of internet portal on support of innovation and enterprise development in the BSR. This internet portal could come into being within the internet site of the Innovation Forum of Slovakia[9] administered by the Business Innovation Centre Bratislava. Based on the analysis of literature on creation of information architecture of internet portals [10,11,12], the main requirements upon an internet portal of this kind may be summarised in the following four functions: (1) accumulation of information, (2) categorisation and organisation of information, (3) information retrieval, and (4) distribution of information. In line with these requirements we tried to set out the categories of content within the information architecture of internet portal that may best comply with them. Based on the considerations of results of user survey focusing on the analysis of key words in the target user groups we transformed the requirements stated above into the following eight categories of content, that should be included in the design of information architecture and navigation of internet portal on support of innovation and enterprise development in the BSR: (1) Case studies,

8    *Inovačná stratégia BSK: Rozvoj výskumno-vývojovej a inovačnej základne Bratislavského samosprávneho kraja v rokoch 2014 – 2020.* [online]. [2015-10-18]. Available at: <http://www.region-bsk.sk/SCRIPT/ViewFile.aspx?docid=10047807>.
9    *Inovačné fórum Slovensko.* [online]. [2015-10-18]. Available at: <http://www.inovacneforum.sk/>.
10   MORVILLE, P., ROSENFELD, L.: *Information Architecture for the World Wide Web: Designing Large-Scale Web Sites.* O'Reilly Media, 2006, 504 p.
11   GILCHRIST, A., MAHON, B.(eds.): *Information Architecture: Designing Information Environments for Purpose.* (Managing Information for the Knowledge Economy). Neal-Schuman Publishers, 2003.
12   DIJK, P. Van: *Information Architecture for Designers: Structuring Websites for Business Success.* RotoVision, 2003.

(2) Expert reports, (3) Multimedia content, (4) Conferencies, (5) Events planned and realised, (6) Relevant theoretical knowledge, (7) Collaboration with industry, and (8) Supply of job openings. During the design process of this information architecture we made efforts to draw inspiration from the conclusions of the analysis of innovation strategies of the European innovation leaders in terms of eight categories of content as shown in the Table 3 below. Evaluation was carried out by means of binary variables (one, zero).

**Table 2: Results of comparative analysis of internet portals of the European innovation leaders**

| Categories of content | VINNOVA | ICD | TEKES |
|---|---|---|---|
| Case studies | 1 | 1 | 1 |
| Expert reports | 1 | 0 | 1 |
| Multimedia content | 1 | 1 | 1 |
| Conferencies | 1 | 1 | 1 |
| Events planned and realised | 1 | 1 | 1 |
| Relevant theoretical knowledge | 1 | 0 | 0 |
| Collaboration with industry | 1 | 1 | 1 |
| Supply of job openings | 1 | 1 | 1 |
| **Total number of categories of content** | **8** | **6** | **7** |

Source: Own processing

The comparisons of intensity of use of the individual categories of content within the internet portals under investigation we arrived at the decision to include in the information structure of our internet portal the following navigation elements: Case studies, Multimedia content, Events planned and realised and Relevant theoretical knowledge on innovations.

Design of information architecture of internet portal on support of innovation and enterprise activities in the BSR based on the preceding analyses is represented in the Chart 1 below. Information architecture is complemented by the "Inno Market" facility fostering dissemination of open innovations. The Inno Market is to provide functionality of an e-marketplace for commercionalisation of open innovations, and thus support mutually beneficial collaboration among industry and free R&D capacities of universities and R&D institutions, and in the end the competitiveness of enterprises. Having considered the requirements on the internet portal we selected the Content Management System (CMS) Drupal as the most suitable as the most suitable technology solution.

Therefore in design of information architecture and navigation of our internet portal we shall take regard to the functionality of the CMS Drupal only. During the process of portal design and development we shall presume, that the internet users have been working with internet services for longer time and thus have some experience with visual placement of control elements of internet pages, and their behave according to these usage stereotypes. The most important element of each web page is the main navigation, which should be located on the

page so, that users are able to find the specific menu item easily and in the next step have a fast and efficient access to the desired information of the web page.
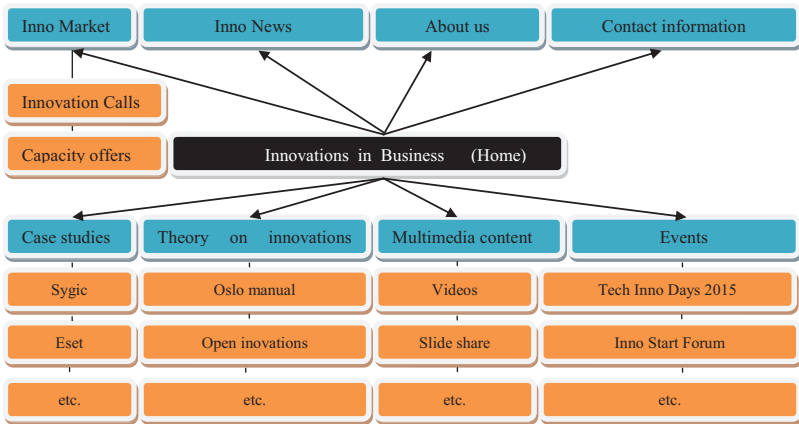


**Chart 1: Design of information architecture of internet portal on support of innovation and enterprise activities in the Bratislava Self-governing Region**
Source: Own processing

Good design of main navigation functions as crossroads to content of any specific sub-page required by users. Another feature of good design of main navigation is to be clearly visible and identifiable.
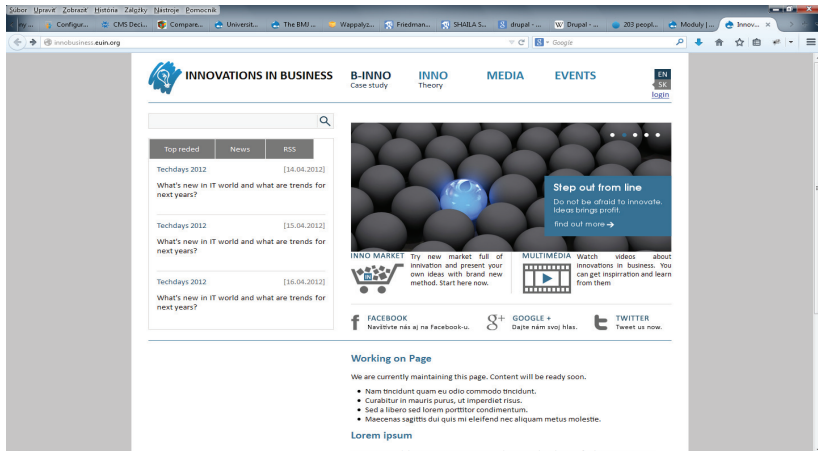


**Picture 1: Final visual of design of innovation portal**
Source: Own processing

We took into consideration these requirements in categorisation of content and in our first iteration of content categories we strove to simplify the resulting main navigation menu as much as possible. Finally, we decided for horizontal layout of four navigation menu items and we arranged their menu sequence according to their relevance and anticipated use frequency on the part of users. Thus the final group of main navigation items looks as follows: Case studies (B–Inno case study), Relevant theoretical knowledge (Inno theory), Multimedia content (Media), Events planned and realised (Events). The visual of portal design using the CMS Drupal is represented in the Picture 1.

Another required navigation elements of our navigation design are represented by references back to the home page, one of the key references of each page of our internet portal. In line with the usual rules we opted for the classic layout of web pages, where the top left corner contains the reference to home page and portal logo as well. User can return through this to the home page and start a new search of required information in case he/she immersed too deep into the portal information structure. User Log-in or registration are located in the top right corner of the main navigation bar to save the space. Above this spot there are also language buttons for switching between the English and the Slovak communication. Under the main navigation bar in the left corner there is reference to the form element for user search on the page.

Since the information portal will accumulate large amount of data on innovations we decided to implement a more sophisticated functionality via extending modules of the CMS Drupal in order to achieve the most efficient user search in the published content. We expect the content volume to grow through new publications on the ongoing basis during the operation of the portal. Further navigation elements implemented within the design process were applied in the „News"block and enable switching among the most read contributions, published news and RSS[13] output. The reference to the „Inno Market" (e-marketplace for open innovations) is located to the right of the „News" block. In the same line with „Inno Market" is the link to the "Mutimedia" content, that will be also a relevant and attractive part of the information portal on innovations. Due to the emphasis on the simple user navigation both these references are represented as clear graphic navigation icons. Underneath them there is located set of hypertext links to home pages of the information portal in the most frequented social networks Facebook, Google plus and Twitter.

Similarly as the links for entry to the „Inno Market" or to the „Multimedia" content all these references have their distinguishing graphical form for the sake of transparency and simple user navigation.The carousel block[14] and the reference

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13  Really Simple Syndication (RSS) feeds enable publishers to provide data from an internet site to multiple users automatically and enables users to receive timely updates from favourite websites or to aggregate data from many sites.

14  The carousel block presents the latest content in an automatic slide show format to any web page visitor.

links are in the central part of the page. Navigation elements are represented by balls standing for a number of top contributions and the currently chosen highlighted contribution belongs to the group of the latest published content nodes or to the content category just visited.

## Conclusion

The innovation portals as a marketing communication hubs are a necessary but not sufficient component of the infrastructure[15] of the regional innovation systems. They are mostly the missing link of the projects of Regional Innovation Strategy (RIS) of the self-governing regions in Slovakia developed in the period 2002-2008 and their (non-)implementations. Without the regional innovation centres with well functioning information portals on innovation and enterprise remain many objectives, priorities and policies of regional innovation development based on the support of regional R&D declarations only. As positive examples of consequent implementation of RIS and sources of inspiration may be mentioned the Zilina Self-governing Region (ZSR) in Slovakia and South Moravian Innovation Centre (SMIC) in Brno. Positive signs indicate also the Model of innovation tools to be implemented within the regional innovation system of the Banska Bystrica Self-governing Region or the Innovation Strategy of the Bratislava Self-governing Region for period 2014 -2020. Target groups/stakeholders of the innovation portal of the BSR could access and make use of the broad system of information support on innovation and enterprise as well as a spectrum of other communication tools offered by various consulting, councelling, marketing and network services. Digital marketing via an information portal fosters not only building awareness about supply of activities and services of innovation actors on innovation and enterprise support and development for their potential beneficiaries but also potential synergies of local knowledge and expertise with knowledge and expertise within an interregional network of internet portals on inovations and enterprise (e.g. Innovation portal of the ZSR and other Slovak self-governing regions). It might be linked to cross-border networks in the Czech Republic (e.g. to the portal of SMIC), innovation portal of the Zlin Region or to other information portals for this purpose[16] within the CENTROPE Region.

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15  This infrastructure may comprise regional innovation centre, regional innovation funding facility, internet portal on innovation and enterprise, start-up incubator/accelerator, science park, university technology transfer centre, technology centre, competence centre, innovation consulting and councelling schemes (e.g. Innovation assistant scheme), innovation voucher schemes, business cluster support schemes, targeted education programmes on innovation-driven enterprise and further support tools.

16  ZAJKO, M. et al.: *Inovačné procesy a konkurenčná schopnosť malých a stredných podnikov v SR.* Brno : Knowler, 2014, p. 105-115.

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# POSITION OF DIGITAL MARKETING
# IN BUSINESS´S ECO-INNOVATION ACTIVITIES

*Anna Zaušková – Lukáš Grib*

**Abstract**
The issue of protection of the environment as a result of own environmentally unfriendly activities requires our attention. Eco-innovative solutions generate positive contribution by improving businesses´ production processes, decreasing environmental impact and simultaneously communicating social responsibility along with adequate education. The communication and innovation environment is known for its dynamicity. Such is currently represented by on-line communication channels and new attitudes to information collected thanks to various digital technologies. The paper deals with using marketing communication in the business´s eco-innovation activities with emphasis on digital marketing while presenting the results of the research carried out in small and medium-sized enterprises operating in the Slovak business environment.

**Key words:**
Innovations. Eco-innovations. Environment. Marketing communication. Digital marketing.

## Introduction

Business environment is getting more and more demanding in terms of customers´ wants and needs while competitiveness and technological evolution is growing. Doing business is becoming a global issue. Eco-innovations have thus become a worldwide notion. The field of eco-innovations is highly dynamic and therefore influenced by various trends. The society is taking into consideration a growing need for their implementation as customers are calling for environmentally-friendly products or ecological manufacturing. Environmentally-friendly behaviour has become a key term of all types of production processes. Although businesses are currently focusing on inventions and their implementation in eco-innovation processes, they are far from using all the tools of marketing communication.

## 1 Eco-innovations and marketing communication

The factors, e.g. a growing number of inhabitants, deterioration of quality of the environment or excessive exploitation of renewable resources are all placing more emphasis on simplifying economic processes and yet focusing on sustainable development. Modern industry is having negative impact on the environment. Experts have had to solve out a key issue: how to harmonise evolution with the nature. Even though various interest groups are trying to solve ecological issues, they are mainly businesses which need to face this challenge. The measures in the field of eco-innovations thus represent a key opportunity for businesses how

to place environmentally-friendly products and services on the world market. The measures implemented in the field of eco-innovations have to bring about considerable improvements in terms of businesses´s impact on the environment on a global scale.[1] Therefore eco-innovations represent one of the possibilities how to contribute to a change by particular steps and finally, positively influence human thinking.

Eco-innovations represent any innovation which positively influences the environment as an alternative to an existing product. They can take a various form and according to many authors, they should change the environment in a positive way. This change, whether it concerns products, processes or any other business procedures is much needed these days. A lot of people are asking what kind of eco-innovation is more important. It may seem that eco-innovations resulting in saving natural resources/energies or concerning environmental pollution can top the chart, but even an ordinary activity, e.g. waste treatment or a waste dump located within the company premises or recycling do bring an effect.

Eco-innovations are especially popular in countries with high living standards. Still, they may be found even in developing countries. They almost rarely appear in underdeveloped countries.[2] As inflow of new inventions is just temporary, Slovak businesses do not have enough personnel or financial resources allocated herefor. As a result, in order to increase their innovative capacity, businesses have to use external resources in order to benefit from those inventions which are available to large expert public or from those with an added value for the benefit of customers, the environment or the society as such.[3] There are various groups of customers when it comes to ecological features of products. While some of them call for a change by asking for environmentally-friendly products, the others are neglectful or buy a particular product by accident or on recommendation. Only the time shows whether it is only a new fashion or social responsibility and comeback to the nature. Our main motivation can be a desire to live in harmony with the nature, live more healthily and begin to protect everything the nature provides to a humankind.[4]

1    BEDNÁRIK, J. et al.: Zelené inovácie v slovenských priemyselných podnikoch. In KARBACH, R., ŠTEFANČIKOVÁ, A. (eds.): *Sociálno-ekonomické aspekty rozvoja ľudského kapitálu*. Trenčín : Trenčianska univerzita Alexandra Dubčeka v Trenčíne, 2014, p. 29.
2    HOLLÝ, J.: Zelený marketing ako nástroj preniknutia na trh. In MAGO, Z., BAČÍKOVÁ, Z., KIKOVÁ, H., KUBAĽÁKOVÁ, D. (eds.): *Nové výzvy masmediálnej a marketingovej komunikácie IV*. Nitra : Univerzita Konštantína Filozofa v Nitre, 2015, p. 87.
3    BEZÁKOVÁ, Z.: Nástroje na podporu zvyšovania ekoinovačnej výkonnosti. In ZAUŠKOVÁ, A., MADLEŇÁK, A., MIKLENČIČOVÁ, R. (eds.): *Otvorený inovačný proces*. Trnava : FMK UCM in Trnava, 2014, p. 38.
4    GRIB, L.: Marketing Support of Green Innovations by Communication Mix Tools. In *Slovak Scientific Journal – Management: Science and Education*, 2015, Vol. 4, No. 1, p. 31.

Each business which takes into account social responsibility has to run its activities in accordance with sustainable development and thus protect the environment and eliminate negative impact hereon. Sustainable development can be measured not only on an environmental, but also an economic and a social scale.[5] Eco-innovations seem to be a solution to an unfavourable situation in all the fields of business when supported with a suitable communication strategy in order to educate a customer, increase his/her ecological awareness while helping him/her purchase environmentally-friendly goods. A company should not underestimate conscious customers and focus on communication in order to persuade them to purchase environmentally-friendly products as an alternative to ordinary goods. Communication with a customer is a key to success. By way of suitable marketing communication a business informs its customers it offers products satisfying their needs and meeting the quality standard reflected in the price, as well.

The way in which a marketing message is communicated to a consumer in order not to fade away in the information spectrum requires flexible thinking, creativity and continuous searching for the ideas.[6] In case of eco-innovations, an environmentally-friendly product is still looking for its target audience, which may vary from one product to another, and therefore special marketing communication tools and their right timing are more than crucial. A marketing strategy is of high importance as it needs to be linked with the overall environmental and communication strategy of a business. When launching ecological and economical products, businesses make use of various marketing tools which they find reliable and well-established. The main aim is to gain customers´ confidence by persuading them those products have tangible impact on the environment while being similarly usable and beneficial as the products which had not previously met these criteria.

Businesses can increase consumers´ confidence and build up enthusiasm for particular environmentally-friendly products through a comprehensible and clear message about what it means to be ecological for the society. Education and informability form the basis for building environmental awareness of businesses. The message can be spread by different types of marketing communication without negative impact on the environment.[7] We have recorded a rapid growth in the number of consumers and businesses taking into consideration environmental

5    MIKLENČIČOVÁ, R., ČAPKOVIČOVÁ, R.: Environmental Management and Green Innovations in Businesses. In MATÚŠ, J., PETRANOVÁ, D. (eds.): *Marketing Identity: Explosion of Innovations*. Trnava : FMK UCM in Trnava, 2015, p. 485.

6    KENDER, Š.: Marketingová komunikácia a komunikačný mix. In *Transfer inovácií*, 2005, Vol. 7, No. 8, p. 78. [online]. [2015-10-23]. Available at: <http://www.sjf.tuke.sk/transferinovacii/pages/archiv/transfer/8-2005/pdf/78-79.pdf>.

7    GRIB, L.: Vyžitie online komunikačných nástrojov v zelenom marketingu. In MAGO, Z., BAČÍKOVÁ, Z., KIKOVÁ, H., KUBAĽÁKOVÁ, D. (eds.): *Nové výzvy masmediálnej a marketingovej komunikácie IV*. Nitra : Univerzita Konštantína Filozofa v Nitre, 2015, p. 82.

criteria in their purchasing behaviour. Businesses which provide a more ecological alternative to ordinary products can gain a competitive advantage. In most cases, individuals and businesses do not buy only a brand, but also the philosophy and the policy of a particular business. Eco-innovations are highly important and therefore businesses should allocate their budget, efforts and energy to create inventions and implement eco-innovative processes supported by a massive marketing campaign.[8]

Techniques enabling a faster flow of information are a prerequisite to an effective and organised dialogue among stakeholders, e.g. techniques of digital marketing.[9] A lot of businesses are currently following the trend of eco-innovations. Existence od digital marketing helps spread the information in a simpler and a more global way, which has allowed a lot of businesses to get established on the market.[10]

When promoting eco-innovative activities, businesses may use various techniques of digital marketing, e.g.:
• **On-line marketing –** an irreplacable position is taken by Search Engine Optimization (hereinafter referred to as „SEO"). The need for optimilization has resulted from a considerable increase in the number of web pages. SEO can be understood as a set of tools thanks to which web pages are ranked and adapted to particular standards.[11] Environmentally-friendly businesses need to have their products and brands sought for and found. Blogs are of high importance in on-line marketing. A blog can be dedicated to green, environmental, ecological products or brands reflecting eco-innovative activities of particular subjects. Once a marketing message has been created, it is crucial for it to be spread in the large public. A proper news or a press report, which is tailored to the needs of a particular target group, can generate a positive appeal, increase awareness or company good will.
• **Social media** – their main aim is to join and develop social contacts. Their main advantage is that their content can be created, modified or commented on by any registered user. Interaction of visitors is considered to be a main added value of social media. They are not only a source of information for consumers, but also a medium to share experience with the others.[12] Social media offer

8    GRIB, L.: Podpora zelených inovácií nástrojmi marketingovej komunikácie. In RYBANSKÝ, R., GÁLIK, S. (eds.): *Quo vadis massmedia, quo vadis marketing*. Trnava : FMK UCM in Trnava, 2015, p. 86.
9    ZAUŠKOVÁ, A., KYSELICA, P.: Inovácie v marketingovej komunikácii podnikateľských subjektov. In ZAUŠKOVÁ, A., MADLEŇÁK, A., MIKLENČIČOVÁ, R. (eds.): *Otvorený inovačný proces*.Trnava : FMK UCM in Trnava, 2014, p. 364.
10   GRIB, L.: Podpora eko-inovácií prostredníctvom digitálneho marketingu. In *Manažment podnikov*, 2015, Vol. 5, No. 1, p. 34.
11   *SEO optimalizácia*. [online]. [2015-10-25]. Available at: <http://www.optimalizaciaseo.sk>.
12   MATÚŠOVÁ, J. G.: Vstup novej značky na trh v digitálnej ére. In MAGO, Z., BAČÍKOVÁ, Z., KIKOVÁ, H., KUBAĽÁKOVÁ, D. (eds.): *Nové výzvy masmediálnej a marketingovej komunikácie IV*. Nitra : Univerzita Konštantína Filozofa v Nitre, 2015, p. 13.

room for creativity and ideas of an environmentally-friendly business. Video-marketing also plays a key role in the framework of digital marketing as it is one of the strongest tools in on-line marketing campaigns of businesses. In case of an environmentally-driven business, it mostly relates to presentation of business´s activities and initiatives.
• **Mobile marketing** – it records a growing numbers of advertisers, which only underlines key importance of this form of marketing.[13] It is only up to environmentally-driven businesses to show they are able to present and sell a particular message to target audience it is aimed at.

Innovative environment is known for its dynamicity mostly represented by communication channels and access to information through various digital technologies.[14] Therefore digital marketing is considered to be a considerable tool of a marketing communication strategy when it comes to promoting eco-innovations.

## 2 Analysis of the present state in the field of creation and implementation of eco-innovations in small and middle-sized businesses in Slovakia

Small and middle-sized entreprises (hereinafter referred to as „SME") represent the main element of innovative business in Slovakia. They are known for high flexibility when adapting to market changes. On the other hand, these businesses do not mostly have enough financial resources allocated for implementation of innovations. A possible solution would be to benefit from state subventions combined with the innovative tools provided by the European Union.[15]

In order to analyse the present state of eco-innovations in Slovakia we carried out market research from February to June 2015 as the first stage of the VEGA project 1/0640/15 named „*Conception Phygital and its implementation in the sustainable integrated environmental management of businesses.*" The main aim of the research was to find out which of the questioned businesses had implemented eco-innovations and whether those innovations had been supported by marketing communication tools with the emphasis placed on digital marketing. In total we distributed 500 on-line questionnaires.
The term of an eco-innovation represents a modern trend, which most of the businesses are aware of. Up to 86.67% of the questioned businesses are aware of the term of an eco-innovation or have encountered it despite not paying too much

13  *Green Digital Marketing. Mobile marketing.* [online]. [2015-10-25]. Available at: <http://www.greenlightdigital.com/digital-marketing/mobile-advertising>
14  PFEFERMAN, N., MINSHALL, T.: *Strategy and Communication for Innovation.* Berlin : Springer, 2013, p. 241.
15  ZAUŠKOVÁ, A., LOUČANOVÁ, E.: *Inovačný manažment.* Zvolen : Technická univerzita vo Zvolene, 2008, p. 29.

attention hereto or not proceeding to investment and implementation of their own eco-innovative trends. The main reason herefor is that eco-innovations are not being as much promoted as in foreign countries and moreover, the general definition of the term is not available in our business conditions or not enough research has been done in the issue. Therefore the majority of Slovak businesses are trying to copy the examples and practices from abroad when implementing eco-innovations.

The research showed that 57.22% of the questioned businesses implemented eco-innovations in the years 2011 – 2014. The businesses stated that in most cases, they proceeded to product recycling, implementing new environmentally-friendly technologies or upgrading their manufacturing processes in order to eliminate exploiting natural resources and use ecological materials (see the Graph 1).
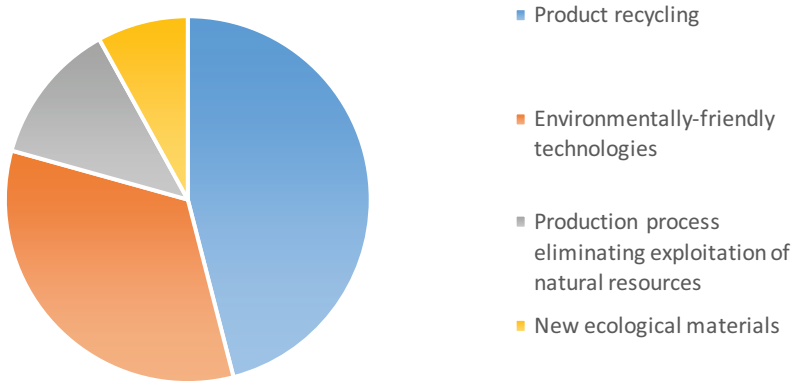


**Graph 1: Implementation of the selected types of eco-innovations**
Source: Own processing, 2015

By way of the research, we were trying to define a relation of a particular business to environmental protection in day-to-day business activities. The Graph 2 shows that most of the questioned businesses (58%) take an active approach to environmental protection while the fewest businesses (4.00%) take a pro-active approach.
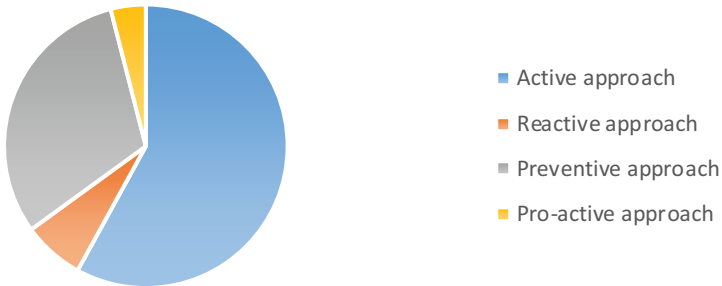
**Graph 2: Businesses´ approach to environmental protection**
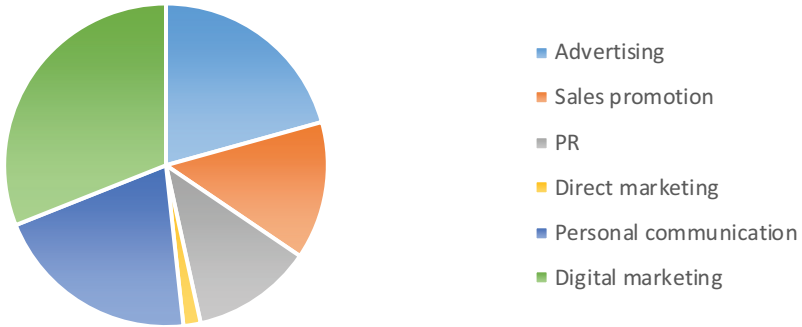Source: Own processing, 2015

By summing up the results, we came to the conclusion that 89.00% of the questioned businesses take a positive approach towards environmental protection. Business´s awareness of the term along with an active approach towards environmental protection enable them to implement their ecological initiatives.

Environmental awareness and focus of the businesses which implemented eco-innovations resulted in their interest in environmental protection (80.58%). Another reason for eco-friendliness was gaining a competitive advantage (20.39%) or eventually, meeting consumers´ wants and needs (14.59%). Neverthless, when evaluating the outcome, the greatest obstacle to implementation of eco-innovations seems to be a lack of financial resources (48.00%) or a lack of time to deal with the issue (29.00%). Moreover, we found out that 77.78% of the questioned businesses are not planning to implement any special eco-innovations in the years 2015 – 2020. The research also focused on analysing the relations between gaining a competitive advantage for a business implementing an eco-innovation and consumer´s interest in eco-friendly products or services. Even though 20.39% of the questioned businesses implemented eco-innovations in order to gain a competitive advantage, our research showed that consumers themselves were not particularly interested in eco-friendly products (18.00%). We can assume that both businesses and customers are aware of environmental protection, saving resources or eliminating negative impact of a consumer way of life, but these elements do not much influence their purchasing behaviour and as a result, a customer appears to be rather unsure when it comes to buying an eco-innovative product.

Based upon the results, we can state that 35.00% of businesses use at least one of the marketing promotion tools. When promoting eco-innovations through marketing tools, businesses use the on-line environment (51.43%) rather than

the off-line environment (48.57%). The Graph 3 shows the use of particular marketing communication tools when promoting eco-innovations.



**Graph 3: Using marketing communication tools when promoting eco-innovations**
Source: Own processing, 2015

The businesses which make use of digital marketing are aware of its potential and the advantages arising herefrom. The Graph 4 shows which techniques of digital marketing are used the most.



**Graph 4: Using the techniques of digital marketing when promoting eco-innovations**
Source: Own processing, 2015

Based upon the results, we found out that 51.11% of the questioned businesses intend to implement marketing tools when promoting eco-innovations, mainly through digital marketing. 48.89% of the businesses, however, are reluctant to do so. The businesses which use digital marketing in a large scale do so in order to monitor or measure communication activities or obtain feedback from customers. They appreciate its availability and overall effectiveness. The businesses which do not use digital marketing or are not planning to use it to promote eco-innovations stated several reasons for doing so, e.g. non-confidence from the part of consumers, difficulties in implementing digital marketing or the

fact that eco-innovations are not present within a business to such an extent to require promotion through digital marketing.

By carrying out the research, we managed to clarify the important facts which can help us to solve out a research issue in the upcoming years.

## Conclusion

Eco-innovations currently represent a common technique used by large businesses which are able to re-use spare parts or energies or create products lowering energy consumption. Global efforts are aimed at implementing eco-innovations in day-to-day business activities of companies and make them a part of life of the society. Effective marketing communication focuses on eco-innovations as a key to success.[16] The world of digital media is rapidly changing and so is the way in which people use them and communicate with one another. On-line communication, combining innovative elements as a source of marketing promotion and differentiation is implemented by a growing number of businesses. They have to take into account that in order to elaborate a viable and successful strategy and allocate resources herefor, it is necessary to understand and assess effectivity of their activities in light of today´s digital world. The issue is which of the environmentally-driven businesses are able to benefit from the potential those digital techniques offer.

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16  ZAUŠKOVÁ, A., GRIB, L.: Support of Green Innovation Through Online Communication Tools. In MATÚŠ, J., PETRANOVÁ, D. (eds.): *Marketing Identity: Explosion of Innovations*. Trnava : FMK UCM in Trnava,, 2015, p. 460.

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# MARKETING
## IDENTITY
**2015**

# Digital
# Games

# DIMENSIONS OF (DIGITAL) GAMES
# FROM THE POINT OF J. HUIZINGA AND R. CAILLOIS

*Zuzana Bučková*

**Abstract**
In the theoretical reflection, the author deals with the dimensions of games problem in terms of two authors, J. Huizinga and R. Caillois and comparing their approaches with digital games. The study relates to the issue of games as regards their definition, naming the new gaming space – cyberspace, understanding the game and its analysis in differential areas by J. Huizinga and R. Caillois, who do different analysis on the issue of game through game principle. The author introduce new context by comparison of authors theories with the current digital reality. By studying works of J. Huizinga responds to the games originality in the social reality, in its activities, areas and likened its game reflection in the digital dimension. Secondarily, on the basis of theoretical concepts R. Caillois explains the principle of the game, copying the social behavior and confirms their identical appearance in virtual reality.

**Key words:**
Cyberspace. Digital games. Games. Principles of game. Virtual reality.

## Introduction

The principle of a game has been appearing in society for several centuries thanks to continuous development of new technologies and multimedia. It is possible to contemplate this principle also in digital dimensions. This issue nowadays is primary integrated into the virtual world but it has a much deeper essence. Its perception, through the viewpoint of theoreticians, in terms of social activities such as law, art, military or the language itself, is relevant in the context of examination of this phenomenon.

We can speak about different views the laic and expert public hold of a game as such. The general public – laic – often understands game to be an "unproductive" activity, serving only to entertain and relax. As for society, games lead to irrelevant activities, which are valid only for individuals in the area of strengthening their individual preferences and desires. In comparison to a narrower part of society – expert – but not in complex representation – it considers the principle of a game to be relevant in terms of historical and cultural development, nowadays supported by new technological tendencies. Games should not be understood explicitly as phenomenon of entertainment, but mainly as a tool of certain influence, or as part of common activities taking part in creating social-cultural background. Just as in a virtual game, in reality experienced on daily bases we are exposed to "game" situations as well, in which we apply "game" behaviour. We ourselves are game avatars. Therefore, it is relevant to explore the understanding of modern digital entertainment primarily in its heterogeneous meaning, which means in a game, which is part of everyday real life.

## 1 There was a game at the beginning – definition of a game

Several authors have tried to define what a game is. Their individual view of game activity diffuse, complete each other and it can be argued they do not contradict. They agree it is an activity with certain characteristics. *„A game is already in its simplest forms and in the life of animals something more than purely physiological occurrence or physiologically conditioned mental reaction. A game as such exceeds limits of only biological or physical activity. It is a meaningful function. Something enters the game, what surpasses the immediate self-preservation instinct and what gives activity sense.”* [1] M. Vágnerová recognises a game to be the most natural and the strongest activity in a child's life, in which it expresses its understanding of reality and maintains thus its attitude to the world and to the child itself. [2] A. Koltaiová claims, that a game represents a great number of manifestations such as preparation for life, senso-motoric functions of functioning in different roles. Among other signs she also includes the ability to exercise self-awareness though the element of repetition and ritualisation, activation character, an individual copes through games with the real world and takes place in a different reality. [3]

P. Hupolíček considers the basic attributes of a game to be the free will and to a certain degree detaching from the usual ways of handling objects, substances and thoughts. [4] J. Švelch´s contribution stems from J. Juul and states, that for the definition of a game the rules that determine mechanics and leave place for a possibility of a variable outcome, are fundamental. He also mentions other features, namely the player's interest, effort and assessment. Moreover, he mentions the fact, that a game is a transmedia phenomenon, so it is not dependent only on a certain type of media. [5] It is this statement that partly confirms the author's opinion and so a game is not only a transmedia phenomenon in terms of individual types of media and virtual reality. A game also acquires a so called transcharacter, within the frame of different realities, so it is not reliant only on the media reality but visibly on social reality as well. The above mentioned theoreticians indirectly point out with their statements to opposing factors, which can be perceived in a game – the combination of freedom and rules. It is this syncretism that gives a game a title of seriousness and elevates it above a simple form of entertainment. It is true that a game is a type of amusement and is a source of positive feelings in terms of relaxation and joy. A substantial fact is

1    HUIZINGA, J.: *Jeseň stredoveku. Homo ludens.* Bratislava : Tatran, 1990, p. 222.
2    VÁGNEROVÁ, M.: *Vývojová psychologie. Dětství, dospělost, stáří.* Praha : Portál, 2000, p. 110.
3    KOLTAIOVÁ, A.: Kyberpriestor a hrdina. In GÁLIK, S. et al.: *Kyberpriestor ako nová existenciálna dimenzia človeka.* Łódź : Księży Młyn, Dom Wydawniczy Michał Koliński, 2014, p. 160-161.
4    HUMPOLÍČEK, P.: Diagnostika aterapie hrou – historie a součastnost. In *Psychologie dnes,* 2005, Vol. 11, No. 1, p. 32.
5    ŠVELCH, J.: *Počítačové hry a jejich místo v mediálních studiích.* Praha : FSV UK, 2007, p. 9.

that a game is made of rules that bind certain "players" on a certain "game" field to certain "game" activities. This binding allowed a game to grow in importance.

For us the important definition of a game comes from two authors: J. Huizinga and R. Caillois. J. Huizinga describes a game as an activity, which creates a sense of freedom, relaxation, discharge of energy in the player or it is about coping with current life situations. On the other hand, he also states that a game often creates an impression of seriousness, when sportsmen of important matches and contests together with the spectators are "deadly" serious about winning and losing. A game offers interest, includes elements of beauty, is free, is excursion to life and has rules, process, meaning and order.[6] J. Huizinga clearly labels a game "homo ludens", which means a playing human and elevates a game above culture. Since a game, in his opinion, is observable among animals, he uses attributes such as innate and instinctive. It is about connection between a human in the role of a player and the game itself. He also pointed to the importance of Latin language, which uses a single term *ludus – ludere* for the whole concept of a game. The etymology of the word ludere comes more from not serious, illusion and mockery. It includes children games as well, competition, liturgy, scenic performance and games based on happiness.[7] R. Caillois states that a game is essentially a free activity and the player cannot be forced to play. It is separated from everydayness, uncertain and neither its process nor the outcome can be predicted. It is not productive, real and subdued to rules.[8]

The scope of observation of both authors is a game. The difference lies in different viewing of the issue. J. Huizinga understands a game to be an everyday activity, he sees elements of games in the language or in poetry and even in areas, in which the element of a game is not visible at first sight, such as law, war and philosophy. On the contrary, R. Caillois describes a game in terms of different game principles, all having unique and unambiguous characteristics, which set them apart. We can say that he creates a typology of games. Both authors laid theoretical foundations applicable and still valid even in virtual reality – in digital games. The fundamental sign which distinguishes digital games from "other" types of games is the space in which they take place. This space has specific attributes and thus acquires its obvious separateness.

## 2 Cyberspace – dimension of digital games

„*The term cyberspace was used for the first time by a sci-fi writer William Ford Gibson in his novel Neuromancer from 1984. The etymology of this word suggests that it points to a cybernetic space, which is not identical with three-dimensional physical*

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6    HUIZINGA, J.: *Jeseň stredoveku. Homo ludens.* Bratislava : Tatran, 1990, p. 223-227.
7    Ibidem, p. 222, 245.
8    CAILLOIS, R.: *Hry a lidé.* Praha : Nakladatelství studia, 1998, p. 32.

*world. It is a space that only simulates real space."*[9] W.F. Gibson defines cyberspace as a shared hallucination, which is experienced by billions of individuals of all nations including children, who are learning the bases of mathematics.[10] We can speak in this context about cyberspace as a fictional reality that is understood as a world of fantasy and imagination. Our perception of time and space has been altered thanks to electronic technologies, constituting factors synchronising our being here. Virtual reality is something fictional, a game of dimensions and formations or mimicking reality.[11] In general, theoreticians have adopted the opinion, that as for cyberspace we are dealing with virtual reality that makes up borders between the reality and fiction. Cyberspace is a term connected mainly to the Internet and computers; however, television and radio can be considered a virtual reality as well.[12] S. Gálik in contrary states, that cyberspace should be distinguished from virtual reality. Virtual reality is defined by him as something fabricated, artificial and less real. Cyberspace does not need to be in Gálik´s opinion real on principle. He gives example of telephoning and skypeing, during which we do not feel sense of virtuality and yet the communication takes place in cyberspace.[13]

Despite creating a feeling of real communication and also so called surfing through the means of information technologies, this space can be characterised by considerably unreal or virtual activities. Playing digital games or representation of a player and maintaining of game principles are clear examples. Cyberspace has become, as a new form of interactive space, besides a fair number of heterogeneous virtual activities, "a culture-medium" for formation and continuous growth of game industry. This space is characterised by considerable user popularity and at the same time visible disparateness of consumers, which is again a similar feature with a game in social reality. Ways of games, their rules and principles remain in its essence identical whether we are speaking about a game in terms of virtual or social reality, closer to various social activities. Nonetheless, we are still dealing with execution of a certain activity either in contact with a real being (physically present "play mate") and environment, or virtual opponents and super sensible, often unreal environment. Definitions of individual theoreticians can be in a conformal manner applied to both poles of realities.

9     GÁLIK, S.: Kyberpriestor ako nová existenciálna dimenzia človeka. Filozoficko – etický pohľad. In GÁLIK, S. et al.: *Kyberpriestor ako nová existenciálna dimenzia človeka.* Łódź : Księży Młyn, Dom Wydawniczy Michał Koliński, 2014, p. 8.
10    GIBSON, F. W.: *Neuromancer.* Plzeň : Laser – books, 2001, p. 58.
11    VIRILIO, P.: *Informatická bomba.* Červený Kostelec : Pavel Mervart, 2004, p. 16-26, p. 133-144.
12    SAWICKI, S.: Kyberpriestor a kyberrealita. In GÁLIK, S. a kol.: *Kyberpriestor ako nová existenciálna dimenzia človeka.* Łódź : Księży Młyn, Dom Wydawniczy Michał Koliński, 2014, p. 68.
13    GÁLIK, S.: Kyberpriestor ako nová existenciálna dimenzia človeka. Filozoficko – etický pohľad. In GÁLIK, S. et al.: *Kyberpriestor ako nová existenciálna dimenzia človeka.* Łódź : Księży Młyn, Dom Wydawniczy Michał Koliński, 2014, p. 9.

## 3 Dimensions of games from the point of J. Huizinga

Johan Huizinga, a Dutch cultural historian, started studying the phenomenon of a game in detail and apparently differently from other authors. As mentioned earlier, he explored elements of a game in areas in which they are not obvious at the first sight, or during activities we are not aware, performing them on daily bases. The first game in his opinion is *language*. Language is understood by him as a tool which he named a game. He also claimed that individual languages explain the meaning of a game differently and there is no such thing as a common term for a game. „*A game is a voluntary activity or occupation, which is performed within clearly stated time and space limits, according to voluntarily accepted but unconditionally obliging rules, it is an aim in itself and is accompanied by a feeling of suspense, joy and awareness of being "different" from "ordinary life". It becomes apparent immediately, that languages from the very beginning are far from differentiating identically and unambiguously this general category and do not include it in one word.*"[14]

Language is not only essential as a tool for naming the term game. Language is a game in itself whether we speak of Greek, Latin, German, Semite or other languages. Language is a game, whose principle is ordering words to make sentences within the same regulations. Based on this thesis we can claim that there are as many games as languages. It is closely connected to games in writing observed in crosswords. We would, however, without the knowledge of the rules, not be able to realise. A game, automatically appearing in speech in a modified version is apparent also in virtual reality. There is a fair number of digital games based on the same principle of completing words, letters or their replacements with the aim of creating a meaningful sentence, in which it is impossible without the knowledge of the language to qualify in the following level.

The author reaches an unambiguous chain reaction: language – game – *culture*. His claim is clear. We would not name the term game without a language and without this activity labelled "game" there would be no conditions for the birth of culture. He speaks about the function of a game in terms of culture.

Culture does not start as a game, not even from the game itself, but rather in a game. J. Huizinga discovers, that a game is a given parameter in culture that existed even before the culture and accompanies and exceeds it from the beginning up to a stage, which he himself experiences. The true culture in his opinion cannot be without the game content, it assumes limitation of self-control and is voluntarily limited by regulations. He characterises a game as an agonistic instinct – the need to win, be better, simply the need for combat and game.[15]

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14 HUIZINGA, J.: *Jeseň stredoveku. Homo ludens.* Bratislava : Tatran, 1990, p. 240.
15 Ibidem, p. 224, p. 261, p. 362.

The original culture is described in a virtual form. A ritual acquires a cultural character, mainly through dance, singing or paining and other customs. Traditions have certain rules and thus acquire a character of a game. This type of "a game" has certain meaning, certain value for the culture, in connection to different views – aesthetic, moral and intellectual. In cultural understanding we can understand a game as a need for better dance, singing and consequently be closer to god. Even in a digital form an equivalent to a game can be found, a game that has inclination to a culture with agonistic character, mainly in connection to competition in dance and dancing through the use of game console.

Hardly conceivable connection of two semantically heterogeneous terms as a game and *law* became for J. Huizinga an exemplary connection. *„The idea, that the law can be associated with a game is apparent as soon as we notice that the actual practicing of law, in other words a hearing, has the attributes typical for competition, regardless of the ideological foundation of the law. Speaking about competition is speaking about a game."*[16] At present this type of "a game" has strict rules, used for solving of legal disputes, in which the essence is a game and this explicit goal is always the central point of every game. The court is the institution that decides about the winner in this agonistic contest. The outcome of the game is not accidental, but on an observer known to both parties – the judge. A court case can be also seen as a bet, in which the participants bet on the winning of one of the parties. In these cases it is not possible to apply this type of "the social reality game" to purely virtual reality. Despite this, this kind of understanding of a game is a supertemporal issue. A mutual element of two heterogeneous realities is seen by a law game in terms of changing of identity. The judges and other participants' legal representation are dressed in black gowns, said in a more expressed way – in masks for rituals that change their status from everyday life, as well as identity and character. The same principle is used as a base for role digital games (The Sims, Second life).

Huizinga´s image of a game in *war* appears to be primary ironic. Each fight regulated by limiting rules has essential attributes of a game as such and is manifested as especially intensive, energetic and at the same time also as a tangible form of game. A war can be labelled as a phenomenon with cultural function only if it is waged within certain circle, whose members regard each other as equal. J. Huizinga gives two different attitudes of players in a fight. In one a player uses satire and mockery to provoke the enemy. On a higher level, which he calls a noble game, it means, on the contrary, to be a courteous opponent.[17] We secondarily discover that the author considers a fight to be a game only if the power is balanced. Eventual disproportion of power is already violence and that is not a feature of a game. In every "game" "the players" start with the same conditions and then the game has agonistic character. The ideal of every game is to win. Mostly it involves a gain of abstract prize (honour, fame and power)

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16   HUIZINGA, J.: *Jeseň stredoveku. Homo ludens.* Bratislava : Tatran, 1990, p. 273.
17   Ibidem, p. 281, p. 287-289.

rather than material. The imitation of war in digital reality would, according to Huizinga´s categorisation, not fulfil the definition of a game. In virtual reality fight has developed a form of a bloody fight in combination with provocation of the enemy. Mostly it is "bloodthirsty" killing of opponents without any signs of any culture. This description fits action games. A certain degree of agreement and a balanced fight is represented by strategy games.

The author sees a game aspect also in the category of *knowledge*. Competitive customs and meaning, which is attributed to them, are characteristic in all cultures in an unusually homogenous manner. This almost perfect consonance proves in what depth of spiritual human life and coexistence the agonistic attitude is rooted. Even more apparently than in the field of law and war mentioned above, this consonance of forms of archaic cultures radiates from competitions in knowledge and accomplishment. Philosophical thinking comes into being in the form of a game and is connected to certain rules of grammatical, poetical and ritual nature.[18] The author points out, that elements of competition, meaning a game, is possible to find also in knowledge. He takes an example from culture. Asking questions about the fundamentals of the world, life and others are the most common object of rituals and take the form of puzzles (people ask questions, guess what their principle and precondition of their formation was). It is possible to state again that the presence of rules directly implies a game. It is not only a game of socio-culture but also of media culture, in the form of knowledge quizzes, contests requiring certain knowledge. Identical type of game has been projected into virtual reality, namely into online knowledge quizzes. In all types of realities in this context we deal with proving accomplishment, with contests with agonistic character and thus it is a game.

The function of a game *poetry* has not been projected into digital form. This artistic game has remained "untouched" by virtual reality. It is an object of discussion whether this phenomenon is caused by the demanding nature of this kind of game in respect of the narrower group of "players" who can play it. Its digital existence can be only supposed in the form of recitation on social networks. It would be an insight into a private zone, which can hardly be subjected to analyses. However, character pg a game in poetry cannot be denied.

Poetry represents a unity of music, game, puzzle and skills. It is "born" in a game and is part of cultural customs. An aspect of a game is highlighted by repetition of words, changing of strophes or asking love questions in the form of a game. A connection to culture is acquired when the poet is trying to express by means of a poem something sacred, important for society, mostly during a ceremonial event. The rule is artistic language and thus what poetic speech does with images is a game. The last apparent area of a game is for J. Huizuinga *philosophy*. What he says about this area is as follows. This game is played by a player – a sophist. His task and desire is to beat the opponent (opponent with a different view)

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18    Ibidem, p. 292-295.

that is what powers this game. He sees similarity to knowledge in boasting of accomplishments, and he labels sophistry an ancient game of acumen. He also mentions its identical features with a puzzle, when sophists talk about the issue of being, often in the form of questions. It is mostly rhetorical duel, in which a sophist – rhetor, does not primary desires for the truth but rather for victory of the individual stand-point.[19]

This discipline borders with knowledge and to a certain degree also with poetry. This is why its transformation into digital dimension is challenging. We can also observe it in a broader sense in different virtual discussion forums, in the sense of promoting your own views, which is pseudo-performance in front of usually an anonymous and often interactive audience. The author speaks of only a certain precondition of a possible philosophical interconnection. The previously mentioned J. Huizinga's thesis can be found in discussions in virtual reality, in which the members of the discussion try to achieve a victory by having the best constructed opinion more often than by supporting the existence of the phenomenon which became the subject of the discussion itself.

## 4 Dimensions of games from the point of R. Caillois

R. Caillois, a French writer, sociologist, philosopher and literary critic, views the subject of a game from a different angle, from the point of game principles. It needs to be noted that he became an author of the classification – typology of games in which the individual types are defined by the individual principles. His contribution to the subject of a game is apparent and he himself offers a critical view of the research in this area conducted so far.

For a long time the study of games was nothing else but a history of toys. The attention was mainly concentrated on game tools rather than on game instincts, natural relations and the feeling of pleasure they offer. Games were considered spiritless entertainment for children and nobody even considered that an apparent cultural value should be attributed to them.[20] As for game principles, the author's typology is, in terms of mapping the factors of the game development, it is very interesting. We should not forget to mention a piece of knowledge about game behaviour, which in his opinion contains two stages – *paideu* and *ludus*. He describes Paideu as a primary force that is based on man's ability to have good time and improvise. The stage ludus is supplementary to the primary stage and comes into being when playfulness based on instincts begins to organise, which means when the players compete in overcoming obstacles.[21] Both sages

19   HUIZINGA, J.: *Jeseň stredoveku. Homo ludens.* Bratislava : Tatran, 1990, p. 301-310, 320-324.
20   CAILLOIS, R.: *Hry a lidé.* Praha : Nakladatelství studia, 1998, p. 76.
21   PRAVDOVÁ, H.: Sociokultúrne dimenzie hier v kybernetickom priestore. In GÁLIK, S. et al.: *Kyberpriestor ako nová existenciálna dimenzia človeka.* Łódź : Księży Młyn, Dom Wydawniczy Michał Koliński, 2014, p. 139.

are apparently observable in digital games. Players in essence behave the same way regarding of in which reality the game takes place. Each individual's primary intention in playing games is entertainment and relaxation, which is perceptible at the first sight. The goal is to excel at perfect unprepared behaviour and at some kind of "ventilation" of emotions or knowledge. The second stage corresponding with the primary is an agonistic stage. A player wants to be entertained by the game, overcome obstacles and achieve success in the form of winning.

The following table shows a combination of social (also game) behaviour, certain possible psychological attitudes in it and its transformation into terminology of game principles.

**Table 1: Psychological attitudes and their combinations as determinants of game principles**

| Psychological attitude | Game principles |
|---|---|
| • Competition – chance | • agon – alea |
| • Competition – simulation | • agon – mimikry |
| • Competetion – vertigo | • agon – ilinx |
| • Chance – simulation | • alea – mimikry |
| • Chance – vertigo | • alea – ilinx |

Source: CAILLOIS, R.: *Hry a lidé.* Praha : Nakladatelství studia, 1998, p. 89.

What is fundamental for the author is theoretical defining of game principles and comparison of their validity in digital dimensions. R. Caillois in his work clearly specifies four fundamental game variants. It is *agon*, which is defined as discipline, strict rules in competition. Excelling at given game field is determined here. The variant *alea* is based on a fatalistic approach of a player, who is characterised by passivity a thus leaves "fate" of winning in the "hands" of the game. It is characterised just as *agon*, however, by the presence of game rules. *Mimicry* is a principle with an attribute of simulation of a different reality, transformation of environment or playing heterogeneous identities. They are games, often based on imaginary stories, in which a player takes a role of a different character. The fourth game variant is called *ilinx* or *vertigo*. It is an adrenalin experience of a player, a feeling evoking amazement bordering with fright.[22]

Caillois´s typology of game principles is still highly valid at present, since its validity is identical not only in terms of other social activities but also in terms of digital games. The principle agon, whose essence is competing, restricted by rules, can by observed in sport games (football, hockey) or in knowledge games, which are characteristic for both types of realities. Sport games are a type of games exercised not only in everyday reality but also in media, such as radio and television, broadcast mainly live (Stars on ice, Let's Dance). Sport games are last but not the least phenomenon of digital reality (FIFA, NHL). A similar connection occurs in the principle agon also in knowledge contests. From classical philosophising, knowledge tests in paper form through TV programs

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22   CAILLOIS, R.: *Hry a lidé.* Praha : Nakladatelství studia, 1998, p. 35-47.

such as Duel, Millionaire etc., also to different quizzes and various TV programs played online. The principle alea is apparent mainly in card rules or in all kinds of hazard games (roulette, slot machine games etc.). We encounter with similarly composed game norms in virtual as well as real world. We have to complete the list with TV programs such as Hra o Niké, Akčná výhra, Sex výhra and so on. In virtual world games in a modified version on principle alea such as card games, dice and slot machine games, in which the outcome of the game, despite following the set rules, is determined beforehand. This principle can be found also in adventure games, in which, despite the fact that the players go thought the game within the rules by themselves, they end up adopting apathetic attitude and the final fate of the character remains in the "hands" of the game. The variant mimicry is characterised by a new identity of a player and by simulation of real situations along with the surrounding environment. We can witness it in theatre performances or in TV reality shows and in almost all television formats. Its full application can be found in digital role games the types of Sims or Second life. In this case it is a game variant, which does not bind players by rules that are too strict and offers the possibility of participation in creating their own game character, their own environment and thus a virtual "life". The principle ilinx has its alternative also in social reality, mainly acts offering adrenaline experience, in the form of interaction or it is more about applying the self-preservation instinct or fighting for "bare" life. In television formats we can see this type of "games" in reality show Farma or Fort Boyard and others. In virtual reality the proportion of adrenaline experience (ride in a funfair, jumping from building and similar ones), decreases in this game principle, with regard to experiencing the action through game avatar. In this context of the experience itself embodiment of players into the game, taking place in real environment, is relatively stronger than in a game, in which the player is forced to use digital technologies. This thesis can not only be used for the game principle vertigo, on the contrary, we are dealing with a principle that is concretized in all three types of game variants.

## Conclusion

As was already outlined in the theoretical reflexion, game in any approach is by general public perceived as a simple type of entertainment and amusement. The authors J. Huizinga and R. Caillois, discussed by the author, confirmed the assumption of a much deeper character of a game. We need to understand game as an ancient socio-cultural phenomenon and features of social behaviour as game attitudes and principles. A game is not understood by theoreticians purely elementary as a source of mindless amusement but as subject or essence of genuinely socially significant activities. This is how J. Huizinga viewed a game. Besides analysing a game in terms of culture, he looked at this form of entertainment from the point of language, law, war, knowledge, poetry and philosophy. He was apparently an advocate of looking at a game as a primary phenomenon and culture as a secondary one, in other words – if there were no

games, there would be no corresponding culture. This thesis can be applied also to virtual reality of digital games, therefore if there was not a media product of this type, there would not be a certain digital community with certain digital language and certain characteristic morals.

Analyses of J. Huizinga´s thoughts lead to a conclusion of possible application of selected areas by the author, in which presence of game elements in dimensions of current digital games was revealed. The author thinks that in application of present digital games almost all J. Huizinga´s areas can be involved. Even though in certain cases such as a game in poetry or in philosophy in digital domain, a game defined this way is much harder o apply. Categorisation, for contribution of fundamental game principles of theoretician R. Caillois, pointed to its own atemporality and thus apparent validity in the context of digital games – phenomenon of present day. The summary is knowledge of priority of social reality before globally inhomogeneous medial, more concretely digital reality. During studying areas or elements of social reality, a dominant opinion of more authenticity of a game as a culture was explained. This opinion has become crucial for different and new perception of previously used term game, which has been gaining in society in both differential realities the same meaning – meaning of entertainment, relaxation and pleasure. It is essential to look at the subject of a game as a process with prominent social meaning. In this case it needs to be noted, that the meaning of a game is one of certain fundamentals for the birth of a new social space – cyberspace, a new social mentality and new collective structure. Logically, the rapidly evolving of present age of information technology in many aspects, concretely in case of a game, is almost an unexplored environment.

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# "HOW INTERACTIVE?" IS MUSIC IN VIDEO GAMES JUST A FILM MUSIC IN DISGUISE?

*Tomáš Farkaš*

**Abstract**

The goal of this article is to answer what looks like a simple question. In what extent can we discuss music in video games the same way we discuss film music? What do these two have in common and how do they differ? Both are closely interconnected to image. Within the context of a cinematography, its "moving images", the screen or a TV. Video games dominate TV screens as well (in the case of consoles) and more often, they appear on our personal computer screens. Some theories refuse discussion about these media on the same level because in fact, they really are two different phenomenons whose deffinitions should not be confused. But when we closely look on how music works within them, we cannot deny some of their intersections. But then again, a spectator is not a player and vice-versa. In this article we create a basic frame for an analysis of this relationship, compare the functions and effects of both media in the context of their musical parts, confront them with the notions of interactivity and immersion and thus we pose yet another questions for additional study.

**Key words:**

Film. Immersion. Interactivity. Music. Player. Sound. Video game.

## 1 Key definitions and short history

Film art and video games are in fact a very young media. With its approximately 120-years long history (if we don´t count everything that lead to its discovery), film today occupies the cinemas and the screens in our living rooms as well. Its first steps, most commonly connected to the acts of brothers Lumieres, are slowly but confidently being integrated into the gerenal knowledge of the ordinary people. They don´t really have to be film scholars, nor historians. And although it could seem unlikely to any of the young contemporary fan of games, the history of a video games is not so short when compared to cinema. There are debates in a literature over what should be considered as the very fist video game. But analogous to cinema[1], we will probably never know the exact year and a game which started the story of video games. According to John Kirriemuir, in 1952 Alexander (Sandy) Douglas, then a PhD student at Cambridge University, produced a version of noughts and crosses (Tic-Tac-Toe) which ran on the EDSAC.[2] Kate Berens and Geoff Howard mention an MIT student Steve Russel,

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1. The most common names of a directors and movies are always being repeated in books concerning the history of cinema, but since it emerged in many different places in the world, it is hard to call any of these movies as „the first" – nor could we find where and when it was created. Another problem results from the fact that it was very difficult to preserve a film material 100 years ago.
2. RUTTER, J., BRYCE, J.: *Understanding Digital Games*. London : SAGE Publications, 2006, p. 22.

who created a game called *Spacewar!* in 1961, and who introduced concepts still used today: in-game options, a two-player mode, a scoring system and limited resources.[3] When we look on this short evolution, we can already see some of the paralels between these media. And although authors like geoff King and Tanya Krzywinska state, that the use of perspectives taken from film studies in the analysis of digital games can be a contentious business[4], the resemblances are undeniable. Both media are closely interwoven with the evolution of technologies (cameras, film material or methods of projection in the case of film; computer science development in the case of digital games) and both have gone through their "silent era" of sorts. As the first films were just a tincture of reality without the sound, likewise the first games were just a series of a simple graphic symbols. The visuality is therefore one of the most important aspects of these two media as well.

Maybe it is a bit daring to say, but the history of film music is in its own way the history of the music in video games as well. First we have to consider the fact, that by nearly a third shorter evolution of video games started to emerge in the time, when cinema has already passed through some of its famous eras. That simply means, that the spectator was naturally expecting to hear the sounds and music when looking on the moving images. These, incorporated along with many other forms of a scenic representation, were present much earlier than film ever existed. As Claudia Gorbman says, music and dramatic representation, as is often pointed out, have weathered many centuries as a team. Starting no doubt even before the Greeks, continuing through the Middle Ages and the Renaissance, and resurfacing to popularity in the late eighteenth-century French mélodrame, the tradition of accompanying drama with music simply passed along, into a variety of nineteenth-century forms of popular entertainment, and finally into the new cinematic medium.[5] In this form, music introduced characters on the stage, underscored the dialogues, and it it could appear unnoticed in the scene and vanish the same way. Audience was thus naturally expecting to hear music in the first films – centuries of its use in drama caused, that we simply encoded this expectation into us. When we then think about the history of video games again, we find out that it started in an era, when the traditional spectator (moviegoer or "theatre-goer") already existed. It´s only logical, that after the first video games came out, we needed to accompany them with music and sounds, not mentioning the fact, that their graphical representation was based on the movement[6] from the beginning.

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3    BERENS, K., HOWARD, G.: *The Rough Guide to Videogames*. London : Rough Guides Ltd., 2008, p. 4.

4    RUTTER, J., BRYCE, J.: *Understanding Digital Games.* London : SAGE Publications, 2006, p. 112.

5    GORBMAN, C.: *Unheard Melodies – Narrative film music*. London : Indiana University Press, 1987, p. 33.

6    Some film theories consider the movement as one of the most important aspects when discussing the need to hear music and sound in films.

Karen Collins writes that the novelty game machines date back to at least the nineteenth-century Bagatelle table, a kind of bumper-billiards. The Bagatelle developed into the pinball machine, first made famous by the Ballyhoo in 1931, created by the founder of Bally Manufacturing Company, Raymond Maloney. Within two years of the Ballyhoo, pinball machines were incorporating various bells and buzzers, which served to attract players and generate excitement.[7] Later, these were replaced with more fashionable electronic pinball machines in the 1970s. It is interesting, that we would probably recognize many of these sounds even nowadays. As we move into the 1970s, as Steve Horrowitz and Scott Looney write, we begin to hear the first primitive bleeps and bloops made by the first arcade games. At this point these sounds are created with hardware chips and the sounds are programmed using oscillators and basic tone generators like sine and square waves.[8] In the 80s, the MIDI (Musical Instrument Digital Interface) was on its rise, and with the coming of the first Sony PlayStation in 1995, first orchestral scores were heard in video games. Paradoxically, one of the first videogames to introduce an orchestral score (*Voyeur* from 1993) originated on Philips Interactive system console, which had a very short lifetime. We should probably mention, that MIDI is one of the most innovative and far reaching standards developed in the last 30 years and is still heavily in use today.[9] It allows to run various processes (musical or non-musical) by sending the messages back and forth. In the context of video games (as well as DAW – Digital Audio Workstations) that means, that even a very small file can contain a huge amount of information. For example, it can include notes – based on what softvare we open the file in, we can play these notes as a simple sounds, but at the same time, we can produce a sound resembling a live instrument. The size of a files in general is a vital component when understanding sounds and music in digital games. Although extremely primitive versions of digitized sound in games had been used since the beginning of the 1980s, putting sampled sound into a game as a regular feature did not come fully into practice until early in the next decade. There were no audio-compression schemes commonly available like MP3 that could run on consoles.[10] This problem was later solved with the coming of the first CD-ROM drives, which caused that the games could grow in size, as well as in magnificence. In the last 20 years, video games have gotten much more sophisticated. With the advent of digital recording, it became possible to implement digitally recorded music into a video game, rather than programming it through MIDI, as in days past.[11]

7    COLLINS, K.: *Game Sound. An Introduction to the History, Theory and Practice of Video-Game Music and Sound Design*. Massachusetts : Institute of Technology, 2008, p. 7.
8    HORROWITZ, S., LOONEY, S. R.: *The Essential Guide to Game Audio. The Theory and Practice of Sound for Games*. Burlington : Focal Press, 2014, p. 22.
9    Ibidem, p. 39.
10   HORROWITZ, S., LOONEY, S. R.: *The Essential Guide to Game Audio. The Theory and Practice of Sound for Games*. Burlington : Focal Press, 2014, p. 43.
11   CHILDS, G. W.: *Creating Music and Sound for Games.* Boston : Thomson Course Technology, 2007, p. 143.

## 1.1 Functions of film music in the context of video games

In the film literature, we can find a great deal of perspectives on how the film music works, what is its role and what it can do and achieve when confronted with a spectator. Noël Carroll, Jeff Smith and Roy Prendergast all quote a newspaper article in which respected concert-hall composer Aaron Copland posited the following five categories of film music function: creating atmosphere, highlighting the psychological states of characters, providing neutral background filler, building a sense of continuity, sustaining tension and then rounding it off with a sense of closure.[12] Jozef Grečnár identifies three main categories of functions – informative (historical, geographical, social and life´s dimension), technological (continuity of a scenes and film as a whole) and spectators psychic impact (setting the mood, signifying untold thoughts and unseen implications, deception of the audience).[13] Kathrin Kalynak writes about how the classical Hollywood film score revolved around a core set of functions: music to sustain unity by covering potential gaps in the narrative chain occasioned by editing, music to emphasize narrative action through coordination of music and image, often through "mickey mosing", music to control connotation by fleshing out mood and atmosphere, establishing time and geographic place, and delineating characters´ subjectivity, music to accompany dialogue and music connect the audience to the filmic world through an appeal to emotion.[14] Without even thinking of video games, we are already confronted with a major problem: all these theories, definitions and categories, cannot be generally applied to all the movies and genres. We can however come to a simple statement: one of the most important functions of the film music is the control. According to K. J. Donnelly, film music embodies film´s aspiration to control/manipulate audiences.[15]

When we want to confront the functions of film music (although very compressed) with the video games, first we have to find out when in a matter of fact are we allowed to think of these two on the same level, and where do we have to take their differences into consideration. We could say, that the only ground where we can approach both media equally and the same way we approach the film music, are the cut-scenes in video games – animated game sequences, or so called Computer-generated imagery (CGI). These are either pre-rendered (created as a stand-alone video, which is played back within the game), or scripted (the animated scene is running in the game engine) and usually contain an important part of the game story. They can be situated in the beginning (as intro), within the game in different phases of play, and of course at the end – the closing outro

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12   DONNELLY, K. J.: *The Spectre of Sound: Music in film and televisio*n. London : British Film Institute, 2005, p. 22.
13   GREČNÁR, J.: *Filmová hudba od nápadu po soundtrack*. Bratislava : Ústav hudobnej vedy SAV, 2005, p. 27-31.
14   KALYNAK, K.: *Film Music. A Very Short Introduction*. Oxford : University Press, 2010, p. 62.
15   DONNELLY, K. J.: *The Spectre of Sound: Music in film and televisio*n. London : British Film Institute, 2005, p. 22.

gives the character an ending and lets you know what happened to the hero.[16] In other words, cut-scenes are sequences in which the player is offered no direct control through the game´s interface.[17] These scenes are the exact spot, where a game player becomes a mere spectator again, since they are not interactive and he can only watch them. From this point of view, the music in video games functions the same way as film music. Cut-scenes could be considered as a short movies with its own internal structure – they incorporate film editting, different shots, dialogues – everything we know from the movies. The only difference is their relative shortness (their lenght and amount mostly depend on the genre of the particular game, and on the size of the actual budget of developing company) and thus all the aspects have to operate with a smaller space and lenght. But what about the rest of a game? Karen Collins aptly explains the main difference between film and a video game through the medium of edit. Except for cut-scenes, the spectator is again changing into a player – the integral part of a game world, which he actively enters. The factor of interactivity thus rises up.

## 2 Factor of interactivity in the context of a game music and sound

The sound and music in film is often closely tied to the edit. That is, either the film is cut (edited) to the music, or the music is editet to fit the cut. With games, however, most action takes place in real time.[18] It means, that the sound and music have at least one more function here – on the basis of factors like the game genre, playing style, gameplay and so on – they have to respond to the actual game area and the players actions. If for example player decides to stop controlling his game character and stays on one spot for the next two hours, music and sound have to "obey" him. The atmosphere is not going to change, nor is he going to hear another music track. In cases like this, the importance of looping rises up. It is a huge part of creating sound effects or music, primarily because of the open nature of time in gameplay.[19] It concerns the sound effects, ambient atmospheres and the music alike and it stems from the simple requirement – to save the space, which would be otherwise taken by the larger files. As in the cinema, there is a lot of genres in the world of video games. Richard Stevens and Dave Raybould simply divide games on the ground of what expectations do the players have from them. Naturally, analogous to many film genres, there are some rules, which are often being violated. The music for social/casual/puzzle games is often repetitive and undemanding in terms of processing. Arcades and platformers

16  CHILDS, G. W.: *Creating Music and Sound for Games.* Boston : Thomson Course Technology, 2007, p. 129.
17  NEWMAN, J.: *Videogames*. London : Routledge, 2004, p. 17.
18  COLLINS, K.: *Game Sound. An Introduction to the History, Theory and Practice of Video-Game Music and Sound Design*. Massachusetts : Institute of Technology, 2008, p. 128.
19  HORROWITZ, S., LOONEY, S. R.: *The Essential Guide to Game Audio. The Theory and Practice of Sound for Games*. Burlington : Focal Press, 2014, p. 144.

use what might be considered repetitive level music within other game, but is still alive and well here, the iconic feedback sounds of pickups and powerups often blur the line between "music" and "gameplay" sounds, and it is not unusual to find an extremely reactive score that speeds up or suddenly switches depending on game events. Simulations and sport games are closely associated with playing back your own music or listening to the radio, so it is not surprising that the racing genre remains dominated by the use of the licensed popular music sound track. Simulations typically do not have music (apart from in the menu), and sport-based games aim to closely represent the real-life experience of a sporting event. The music in strategies and Role-Playing Games (or MMOG/MMORPG) is often imporant in defining both the location and the culture of the player´s immediate surroundings, although it often also responds to gameplay action. Attempting to provide music for an experience that can last an indefinite amount of time, together with the complexities of simultaneously representing multiple characters through music means that this genre is potentially one of the most challenging for the interactive composer. Adventures, action games and shooters are probably the most cinematic of game genres. These games aim to use music to support the emotions of the game´s narrative. The composer here is expected to match the expectations of a Hollywood-type score within a nonlinear medium.[20]

Similarly to film, we distinguish between diegetic and non-diegetic music in video games. These however dispose of a very important attribute, which makes them an autonomous medium: interactivity. Clearly, this element is one of the most important things in analysis of the nature of video games, their existence in society and their relation to the players. In the context of an examination of music in games, a whole new cateogories comes out, or a way of how to look at it. The notion of interactivity could be simply percieved on three levels. The first level could be characteristic for games, in which the music is by no means adapting to the player´s action and its only job is to guide him through a particular area or to create a simple background. This characteristic would mostly fit to above mentioned casual and puzzle games and alike, in which the music is repetitive and bears no significant meaning. The time, which player spends for example by solving a puzzle, is not given. The so called internal looping comes into play. It is when a piece of music starts over when it reaches the end of a piece of music or at a certain point within the music. But instead of restarting at the beginning of the song, it will restart somewhere in the middle.[21] Any musical motive can be played long enough for a player to finish a level or to hear the ending of a song this way. The second level could be found in the majority of video games, in which story and adventure is important. The most simple way to describe this category is action or horror games, where the music is actively responding to whatever is happening

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20    STEVENS, R., RAYBOULD, D.: *The Game Audio Tutorial. A Practical Guide to Sound and Music for Interactive Games.* Burlington : Focal Press, 2011, p. 162.
21    CHILDS, G. W.: *Creating Music and Sound for Games.* Boston : Thomson Course Technology, 2007, p. 149.

to the player´s character. Music is therefore not just a passive element, but reacts to the action in real time. In the moments when a player walks through the game world without any interaction with NPCs (non-playable character) or enemies, we hear calm music, more resembling the film´s underscore. Imediatelly after the player´s character is attacked by a monster, the music quickly and unaudibly transitions into the more action and sinister-like style. In the games like this, the sideways crossfade is used. It is the ability to crossfade from one piece of music to another, seamlessly, during the game.[22] When creating the music in any music softvare (or DAW), the composer constructs a neutral sequence, and then he creates louder, more action-like version of this music, which stays muted in the same project. By keeping the song tempo (or BPM), he can then jump between these two variations withouth noticing. Needless to say, this music behavior is very similar to film music, particularly when speaking about the genres related to horror and action. Silent motive creates the suspense and anticipation in player, meeting the monster is then accompanied by a loud stingers after the silent sequence.[23] It should be pointed out here, that while in the film, this kind of music and sound utilization can be identified as a hundred-times seen and heard cliché – it actually has a surprisingly strong effect in a video game. The player is an active participant here and he is identified with the character not only on the emotional level, but also literally – his hands are on the keyboard/mouse/controller and he controls the game character, therefore reacting much more intesively to every action.

The third level is a literal interactivity of music with player´s character or the entire graphic engine. First games which we could assign to this group arrived with the coming of Sony PlayStation, and due to this, there is great number of so called music driven/music-adapting games today. More recent games include *Parappa the Rapper*, *Dance Dance Revolution*, *Guitar Hero* and *Rock Band*. As the name would suggest, these games use music or rhythm as both a goal, and a way to dictate the gameplay mechanic.[24] In other words, the player have to react to the rhythm via the controller to actually make progress in the game. There is another variation to these games, such as *Audio Surf*, which allows the player to generate his own level, based on the music (for example an MP3 file on his drive) he loads into it. The game then reads the music file and generates the track, obstacles, and adjusts the difficulty. Interactivity like this rises to the whole new level. However, another new level of interactivity can be achieved in the context of another factor, which can play a considerable role in reception of video games: immersion.

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22  Ibidem, p. 150.
23  See also: FARKAS, T., SURINOVA, L.: Phenomenology Of Sound And Music In Horror Movies. In *Communication Today*, 2012, Vol. 3, No. 1, p. 31.
24  HORROWITZ, S., LOONEY, S. R.: *The Essential Guide to Game Audio. The Theory and Practice of Sound for Games*. Burlington : Focal Press, 2014, p. 59.

## 3 Immersion – how to turn the interactive music by a 180 degrees

The notion of immersion is rather difficult to define with a few words. There are many contexts within which it is discussed in a literature dealing with it, but the exact definition is nearly nowhere to be found. Although it is one of the most important terms to work with when analysing some of the game genres, there is more approaches on how to explore it. In general, we could say that the immersion occurs when the player looses the track of a real life when playing the game, and is able to spend there many hours without noticing the real flow of time around him. According to Rouse, there are three particularly notable player motivations and expectations: challenge, immersion and players expect to do, not to watch.[25] Immersion is thus something that every game developer should crave for. By the early 1990s it looked as though the next step towards total immersion was in virtual reality games.[26] Unfortunatelly, this trend has stumbled upon a huge financial demandingness and a strange feeling people had when wearing a large weird-looking device mounted on their heads. Virtual reality´s rebirth could be seen in the devices like Oculus Rift[27], whose official release is announced on the March 2016. In the case of products like this however, immersion is mainly visual. That is only one of the elements that could describe the notion of immersion. Contrary to film theory, in the world of a video games we can more easily depend on the opinions of the gamers themselves. Game discussion forums and portals are full of reviews and ideas on particular video games or even genres, thus creating a huge portfolio for analysis of a diverse topics. For an example, one of the users of the Gamespot.com portal (with a distinctive nickname "swamplord666" – very often, we don´t stumble upon a real names on the internet) within the frame of his own study asked the other users on their opinion on what are the most important components of the video games, which cause total immersion.[28] He assumed that one of these components are gameplay, graphics, story, or cutscenes. He didn´t have to wait too long for the first answers. Users added another components among which were the importance of a character actions and a strong characterisation, the level of artificial inteligence of the NPC´s and enemies, the game world and a fashion in which the nature and life is visually presented, the level of interaction with surroundings, the athmosphere and the general measure of the ability to "suck" the player in. Within the context of our article, it is important to mention that only 3 users of this discussion refered to music. What´s even more interesting, one of them noted that music is an element,

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25   NEWMAN, J.: *Videogames*. London : Routledge, 2004, p. 16.
26   BERENS, K., HOWARD, G.: *The Rough Guide to Videogames*. London : Rough Guides Ltd, 2008, p. 274.
27   Virtual reality head-mounted display with the ability to create stereoscopic image according to the movement of a user´s head. In the context of a videogame, player is able to literaly look around the game world. There is already a list of games which support this device and it is expected to greatly rise the level of immersion.
28   *What is your definition of immersion?* [online]. [2015-09-22]. Available at: <http://www.gamespot.com/forums/games-discussion-1000000/what-is-your-definition-of-immersion-27549095/>.

which he usually eliminates (or turns off), because there is no such a thing in real world as an off-screen music.

Several thougths can be elicited based upon these opinions. The first one is a simple fact, that immersion means various things for various players. That means that this term has a lot of individual and subjective qualities into it. The second thought is, that in contrast to the highly interactive and responsive games (like we discussed in chapter 2), there is a large number of games, which paradoxically offer greater immersion to players while their music is turned off. Naturally, this group is dominated by a top-level games whose graphics, game-world execution and a sound design offers a pinnacle of what contemporary computer technologies can achieve. With action-packed survival horor games like *Dead Space* or a "space operas" like *Mass Effect*, a strange diversification of a players can occur, dividing them at least into two groups. One group bears much resemblances to a classic film spectator – their feeling of immersion comes into play enjoying both gameplay *and* the original soundtrack – whether during the cutscenes (which undoubtedly evoke the magnificence of some of it´s movie counterparts) or during the gameplay itself. For this kind of a player, it is usually primary to finish the main storyline and a succesfull beating of a game. Another group of players is far from being a mere spectators – they expect the promise of a complex (game) world exploration, running through all the sub-quests, merging in and living somewhat another life within the game. This kind of a players tend to turn the music off to fully integrate into the world of a particular game and to percieve all the sounds, ambiences and atmospheres, which the game offers to them – they expect the "more realistic" experience. We can see a similar trend in the modders[29] community. Modding centres on the modification of game code, assets and level design and we see concerted efforts to alter the experiences, aesthetics and structures of games.[30] A great number of mods have a form of so called "graphical overhauls" – a complete reconstructions of textures in game, or implementation of the modern technologies, which were not available in the time when original (or "vanilla") game was released. This way even the game from 2002 can astonish us with its superb graphic, using the latest technologies to create advanced lighting effects, bloom and HDR, infinite drawing distance or "godrays" (this effect allows us to see the rays of light rendered real time, when we for example look to the sky through the trees, or the same with the lights and the myst). Graphical overhauls go arm in arm with sound upgrades, which try to remake the original sound design to more superior and closer to reality. Open-world RPGs like *Morrowind*, *Oblivion* or *Fallout 3* dominate the ground of graphical overhauls, in which the sophisticated top-notch graphics adds enormously to an immersion into the game world. *Independence War 2*: *Edge*

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29   From the verb "modify". In the context of video games, modders are people, who create and use unofficial modifications (so called mods) for games. These mods customize, improve, or change some of the game´s qualities, whether it is visual/auditive or gameplay changes. All the mods are usually free to download and a player can additionally install them into already installed games.

30   NEWMAN, J.: *Playing with Videogames*. London : Routledge, 2008, p. 162.

*of Chaos* also had its sound overhauled. This game is a space simulator, so the biggest effort went into the creation of sound design, which would evoke realistic experience in space. New sounds of a cockpit interior were added and some of the original sounds were intensified and contrariwise, sounds coming from outside were considerably pushed down – indeed there is no audible sound in space.

All these mods have one thing in common – already on the official forums where they can be downloaded, their makers often recommend to turn off the music for total immersion. Visual and sound (not musical) qualities of these games are so strong and are able to pull the player into the world so effectively, that the music would paradoxically disturb this experience – it would namely reffer to a fact that the player is playing the game and is in fact not in another, alternative world. In the context of reflection on interactivity as one of the most important things in video games, this idea is a rather interesting paradox. One of the vital interactive elements (music) is eliminated in the name of a greater immersion. Perhaps the most problematic perk of this paradox is above mentioned fact, that we cannot really define and categorize players into the boxes. Chris Bateman and Richard Boon divide players into conquerors (who focus on winning), managers (who enjoy strategy), wanderers (who play for fun), and participants (who play for social or narrative reasons). Katie Salen and Eric Zimmerman divide players into groups based on the player´s relationship to the rules of the game: dedicated gamers develop their own unique strategies, unsportsman like players have bad attitudes, standard players follow the rules, cheats violate the rules, and spoil-sports try tu ruin the game. Perhaps the best-known categorisation of players is that of Richard Bartle, who focuses on the psychology of players, grouping them according to socializers (who use the game to communicate and socialize), explorers (who like to map out and know the game world completely), killers (who distress other players), and achivers (who adopt game-related goals and set out to achieve them). Most useful, however, is Bartle´s assertion that players shift between these groups regularly – even within a single play session.[31]

## Conclusion

The objective of this article was to create a base for a further study of an auditive aspect of video games in the context of the notions of interactivity, immersion and the player itself. As we can see, while analysing relationships between these notions, one of the biggest problems we stumble upon is the impossibility to simply identify and categorise the players. Preferences of the various players are highly subjective and while analysing the behavior of a particular player, we can see him shifting quickly and easily between several categories at once. This kind of behavior depends on the game genre, situation in which a player currently is, as well as on many other factors (a merely change in the mood of a player can

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31   COLLINS, K.: *Playing with Sound. A Theory of Interacting with Sound and Music in Video Games*. London : The MIT Press, 2013, p. 14.

extremely change his game experience as well as a gameplay style). An analogy with the categories and definitions associated with cinematography is one of the methods, how to locate some of the essential differences between the mediums of video game and film. The question, whether the music in video games is just a film music in disguise, should be quite clear after the reading of this article. Warnings of many theorists not to use definitions from film theory to define aspects of a video games are valid. Placing these two neck to neck and analysing their musical side however offers a solid ground for a study of many other issues. Game music really acts film-like only in the cutscenes. Many of the film music functions do appear in a video game during the gameplay, but only to a moment when confronted with the interactivity and immersion. Not only game music works with the time completely differently, but like a player who can change his behavior in the context of different categories, it can actively adapt to a player´s actions – or – completely disappear in the name of a greater immersion. In this sense, the popular statement about "good film music", which is good only if a spectator doesn´t notice it, takes on a whole new meaning. Perhaps video games resemble the theatre more than anything else. The player is a main character, moving, acting and actively interacting with a huge stage (game world). The more properties (interactive components) there is, the bigger amount of a good game experience and immersion. But is it possible to find an ideal measure of these elements so that it addresses the biggest amount of players, assuming that the game world pulls them in for total immersion? Is it even possible to contemplate on the notion of realism in a video game? In contrast with films, what part does a cliché plays in games? Is there a possibility of games completely renouncing the music in the name of a greater game experience? These and similar questions arise and suggest further study of this topic from different point of views.

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# ON THE QUESTION OF IDENTITY
# IN THE CYBERSPACE OF DIGITAL GAMES

*Slavomír Gálik*

**Abstract**
In this paper, the author studies influence of the cyberspace of digital games on human identity. Firstly he clarifies the idea of real identity, which originates in the intersection of four dimensions: physical, mental, social and cultural. The real identity, according to the author, is represented by dynamic continuity of changes in all of the dimensions that synthesize in conscience. Identity on social networks is an intermediate stage between real and virtual identity. The author outlines that also photograph, as the so-called real presentation of human, is virtualised to some extent. In the highest degree of virtualisation players are represented by avatars in the cyberspace of digital games because an avatar is constructed by programmed features of the game. Despite this, identification with an avatar in digital games is often very strong because players can realise their ideas and hopes through avatars. Several authors, for example Sh. Turkle, P. J. Eakin and A. Brings note that the cyberspace of digital games brings identity multiplication and that this identity is parallel to the real identity. Virtual identity can shift to real life, therefore it is important to learn to think critically and distinguish various degrees of identity virtualisation in human.

**Key words:**
Avatar. Digital games. Identity. Reality. Virtual reality.

## Introduction

Our everyday life shifts more and more into the cyberspace of digital media, a significant segment of which is represented by digital games. The cyberspace of digital games, which develops together with advancing possibilities brought by digital media, offers a high standard of not merely entertainment, but also more serious forms of games, for example education games. Among the very popular entertainment digital games are *The Sims* and *World of Warcraft,* we will be studying these in this paper. The main objective of this paper is to study influence of digital games on human's identity, which features two aspects: rise of a virtual avatar and its influence on real identity of a human. There are three approaches that support examination of the main object: firstly it is insight into the real identity as such, secondly web or social networks-based identity and thirdly identity in digital games. The web or social networks-based identity represents certain intermediate step between the real identity and identity in digital games. There are also two questions that correspond with the given goals: 1st – To what extent is our identity on social networks and in digital games virtualised? 2nd – How much is virtual reality transferred into real life? In order to achieve these objectives, we used the following methods – analysis and synthesis, as well as comparison and interpretation.

# 1 What is real identity?

A. J. Lyon starts his debate on personal identity by comparing himself and his photograph from the past.[1] Lyon wonders how much this photograph corresponds with himself, since he has changed physically and also mentally. He notices the basic paradox of human identity, which relates to the physical and mental change on one hand and something that is permanent and connects us with our own past on the other. Identification with our past is not based on mathematical equality, where A = A, but more in the sense of continuity of physical existence and memories that can flow coherently and thus constitute the "me." The convergence of memories into a coherent flow represents the time aspect of human's identity. The second aspect could be understood as "dimensional" or multidimensional, because human's identity is shaped by the body and mind, but also society and culture. In the first case, human body represents some "central point" of our identity, even though it does change – it grows, matures and then ages. In the second case it is the internal, mental aspect of human's identity that constitutes the core of identity, since it creates the "me" of a person, with mind and memory. Beside this, let us say individual feature of identity, identity is also greatly shaped by the social and cultural aspects of a given person. By the term social aspect we firstly understand inter-personal communication (me-you) and secondly social communication (me-we). Without interpersonal communication, especially in the early childhood stage, also human identity would not be shaped enough.[2] Therefore human is not merely *animal rationale* but also *ens sociale*, or social being. Paradoxically, it is also "the other person" that models the core of human being, this especially applies for the instinct to reproduce, which is not a one-person only matter, but two – a man and a woman. Along with the social feature, there is also the cultural feature, with its time-based and geography-based setting. Human always grows up in a given cultural surrounding that comprises of language, religious and ethical standards, norms ad ideas – these greatly affect human's identity. In this respect, we may speak of a language, regional and religion identity in a human. Originally, the cultural identity was quite strictly fixed to a given geographical area, traditions and language, but this type of identity is changing and globalizing. There is a phenomenon that relates to globalisation – the phenomenon of rooting out or alienation and ability to globalise one's identity, adjust it so that it would fit various requirements given by a new geographical location, language and so on. We can therefore summarise that the real identity in a human is shaped by these four dimensions:
• 1. human body – external dimension (physical),
• 2. memory, mind, conscience, unconsciousness, "me" – internal (mental),
• 3. social dimension – interpersonal relationships,

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1 LYON, J. A.: Problems of Personal Identity. In *Encyclopedia of Philosophy.* London : Rouletdge, 1988, p. 441.

2 One of the most famous cases of the so-called feral children that were raised by animals, or more precisely wolves, is the case of Amala and Kamala, two children from India. The missioner Singh never succedded fully in thier hominization – teaching them human language and behaviour. They also died quite early.

• 4. cultural – epoch dimension.

All of these four aspects are mutually dependent and together they shape human identity. Or, as Olson says *"everything that contributes to identity is identity."[3]* The real identity is generated in the intersection of the physical, mental, social and cultural dimension. Within it, as the most important seems to be the mental identity, as it is where the identity core – "me" of a person – originates. Human's identity cannot be understood as something permanent and supertemporal, but dynamic and flexible in continuity of development of the body, mind, society and culture. The real identity of human therefore resembles more the so-called "Wittgenstein's Eye," which becomes the object it sees, than the a priori given Cartesian *Cogito*.

## 2 Identity on web pages and social networks

Identity on web pages and social networks can be seen as certain intermediate stage between the real identity and identity in the cyberspace of digital games. This intermediate stage is introduced by a real photograph, for example our status on a social network, and its presentation in the virtual environment of cyberspace. This approach however becomes more complicated when it is combined with questioning whether a photograph represents our real identity – or the question of what it constitutes in the sense of semiotics. The first approaches supposed that a photograph showed a realistic picture and therefore it was taken as an instrument of scientific evidence. Later, this approach was abandoned. Presently, the photograph is seriously distrusted and there is a considerable doubt about it showing reality even among the wide public, as we for example do not trust photographs that should prove existence of UFO. In semiotic discussions there are debates about whether the photograph is a symbol, icon or index. In his work Semiotics of Photograph G. Sonesson mentions various ideas about the photograph in history of semiotics. It is remarkable that great personalities of the world of semiotics disagree in the simple question of what the photograph is. For example, R. Barthes sees it as an icon, Ch. S. Peirce and G. Sonesson as an index and U. Eco a N. Goodman as a symbol.[4] Each of these interpretations of the photograph has its positives and negatives. On one hand, the photograph resembles reality, therefore it can represent an icon but on the other hand it can also be deformed in showing reality because it is merely a snapshot of reality done by a photographer. The fact that the photograph is connected to reality through a flow of photons that leave their traces on a photo-sensible medium favours the idea of the photograph as an icon. On the other hand, the photograph is also quite different, because it is two-dimensional, set in a photo frame, taken

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3    OLSON, E. T.: Self: Personal Identity. In BANKS, W. (ed.): *Encyclopedia of Consciousness.* Elsevier Academic Press, 2009, p. 8.
4    SONESSON, G.: *Semiotics of Photography – On Tracing the Index.* Lund University, 1989, p. 36.

in certain light conditions and from certain angle, this classifies photographs as symbols. Also the fact that our eye constantly moves when we look, in contrast with the photograph which is merely a snapshot, static interpretation of reality, speaks in favour of a symbol.[5] Furthermore, we need to learn how to "read" the photograph, we also need to set it into broader contexts in order to understand it. In this respect, the photograph is a unique phenomenon because though at the first sight it would seem that it is an icon or index, it in fact seems to be more a symbol when inspected in more detail. Our photograph on the web or on social networks will also offer a symbolic – therefore virtual – representation of our identity. Yet on the other hand, this identity is more real than a totally constructed avatar in the cyberspace of digital games. Our photograph therefore introduces certain degree of virtualisation of reality and identity of a human.

## 3 Identity in the cyberspace of digital games

The highest degree of virtualisation will be taken by an avatar, as a representation of a player in the cyberspace of digital games, because we can freely create an avatar using some of the quite extensive programmed features. In this paper we study two computer games – *The Sims* and *World of Warcraft* – which feature such a creation of a representative identity, by some different means. The first game, *The Sims*, was created by *Maxis* studios and launched by *Electronic Arts.* The first series of *The Sims* was launched in 2000 and followed by further, more detailed versions such as *The Sims 2*, *Sims 3* and *Sims 4* in 2015. This digital game became a world-wide and very popular success. This game simulates life, we can build houses, spend time with friends, go for trips and, in the latest releases, also enjoy some sci-fi. In the beginning of the game however, we need to create one or more avatars to play the game with – we can alternate them later. The avatars, or the so-called Sims, have their needs that the player needs to keep in mind and look after. If the player cannot satisfy them, his Sims react negatively, which brings a feeling of authentic interactions between the player and his Sims even though these interactions are only performed by the means of the player and his computer.

To understand one's identity in the digital game The Sims, it is important to realise two main means of constructing the player's avatar:
1. The first approach features "static," figurative constructing of a player's representative. This construction is based on many possibilities given by the game. Thus the avatar becomes a rich reflection of the player's individual and collective ideas, dreams, idealisations but also stereotypes.[6] However, the player

5    GOODMAN, N.: *Jazyky umění.* Praha : Academia, 2007, p. 27. Also see: SOLÍK, M.: Semiotic approach to analysing of advertising. In *European Journal of Science and Theology*, 2014, Vol. 10, No. 1, p. 207-217.
6    JANSZ, J., MARTIS, R. G.: The Lara Phenomenon: Powerful Female Characters in Video Games. In *Sex Roles*, 2007, Vol. 56, No. 3, p. 144.

will never chose an avatar that is disgusting, he or she will chose an avatar that he or she can identify with somehow.

2. The second approach features "dynamic" planning, graduation of the story and especially social interactions in which the identity of the player's avatar is developed. The most attractive feature of the game, Albrechtslund believes (p. 3), are social interactions.[7] Social interactions are most commonly realised between the player and the computer, but the defined rules of the game evoke reality very strongly, with real relationships between people. The player can construct his ideas and dreams that can never be fully constructed in the real life. This is the reason why the player can be strongly identified with his or her avatar, because the avatar can fulfil all the wishes and desires.

The second game is the *World of Warcraft* (*WoW*), created by *Blizzard Entertainment* in 2004. Several countries, for example the USA, New Zealand, Australia, Canada or Mexico participated in creation of the game. A year later, in 2005, also South Korea, China, the European Union, Taiwan, Singapore and Hong-Kong joined in. Thanks to this, various symbolic and mythological elements from various cultures were applied and the game gained a massive intercultural and interreligious context. Presently, there are about 13 million players that play the game worldwide; they identify themselves with various mythological creatures of either positive or negative character. A feature that increases playability of the game is the ability to join a community to fight a mutual foe. The game is set in two fictional worlds of Azeroth and Outland/Draenor, Azeroth consists of four continents: Northrend, Eastern Kingdoms, Kalimdor and Pandaria. The greatest battlefield is in Azeroth, which sees fights between two factions: Aliance and Horde. The game of *World of Warcraft* offers a greater degree of virtualisation of the characters and the world than in the *Sims* because the *WoW* is a world of mythological characters, stories and rituals. However, this does not meant that a player is identified with his avatar less than in the *Sims*. In the *WoW*, similarly to the *Sims*, there are two possible ways of creating identity of the player's avatar:

1. The first way again means a "static" creation of one's own *avatar* using prepared warriors and choosing a race, class and profession. Thus, the player can define various avatars, for example a dark knight, shaman, elf, werewolf and others. The avatar's identity also comprises of his characteristics, which can either be defined or gained in the course of the game. Choice of an avatar, definition of its characteristics is based on the player's preferences.

2. Te second way is represented by a "dynamic" development of the avatar's identity, the player chooses his game plan, place and most importantly – enemies. Unlike the *Sims*, the *WoW* brings real social interactions since it is played online and interactively. The gameplay even requires interactivity and cooperation between players to achieve higher levels in the game. Similarly to the Sims, also in this game identification with an avatar is very strong. J. In his

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7    ALBRECHTSLUND, A. M.: *Gender Values in Simulation Games: Sex and The Sims.* [online]. [2015-10-15]. Available at: <http://nordicom.statsbiblioteket.dk/ncom/ files/30466184/Paper_2007_CEPE_-_Gender_values_in_simulation_games.pdf>.

studies Vallikatt pointed out that players spoke about their avatars in the first person, not the third person – for example: "I was killed" instead of "my avatar was killed"[8] or that the player communities were valued higher than the real ones.[9]

## Conclusion

To conclude, we can say that the player's identity in the cyberspace of digital media can be changed or developed hand in hand with changing degree of virtual reality. In this paper, we showed that certain degree of virtualisation of human's identity can also occur in social networks because a photograph does not constitute a completely real representation of human's identity. For this reason, it can represent a bridge between a real identity and identity that is created in digital games. Creating identity in digital games such as the *Sims* or *WoW* is on one hand more virtual, but on the other as emotional as in the case of social networks or in real life. However, a strong identification with an avatar in a digital game cannot come without any influence on our real life and real identity, since it leaves its traced in our thinking, in our memory, which is transferred in neuroplastic changes in our brain.[10] Neuroplastic changes are physical changes, so a virtual identity can, in a certain degree, be real. P. J. Eakin even claims that *identity in the cyberspace is not different, but continual.[11]* Physical identity may be privileged, but not absolutely. Sh. Turkle also thinks that thanks to the cyberspace and especially thanks to the digital games we realise more clearly that also our real identity is constructed, changeable and multiplicable.[12] Also A. Brings says that the Internet contributes to a fluid understanding of our identity.[13] Multiplication of identities in the cyberspace of digital media can be very exciting and enriching and thus make digital games a very attractive commercial product. On the other hand, we need to learn to keep a distance and critical attitude to such an environment, because excessive multiplication and experiments with identities may lead to disintegration of human's identity. Digital games are now a very strong and influential phenomena, especially with the younger generation, therefore media education with particular focus on critical thinking should be an essential part of education.[14]

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8    VALLIKATT, J.: *Virtually Religious: Myth, Ritual and Community in World of Warcraft.* Melbourne : RMIT University, 2014, p. 164.

9    Ibidem, p. 141.

10   Also see: SPITZER, M.: *Digitální demence. Jak připravujeme sami sebe a naše děti o rozum.* Brno : Host, 2014, p. 199, p. 266.

11   EAKIN, P. J.: Self and Self-Representation Online and Off. In *Frame*, 2015, No. 28, p. 7.

12   TURKLE, Sh.: Cyberspace and Identity. In *Contemporary Sociology*, 1999, Vol. 28, No. 6, p. 643.

13   BRINGS, A.: *Identity Construction Online: An Analysis of Sherry Turkle's Ideas on the Influence of Technology on Identity.* [online]. [2015-10-15], p. 8. Available at: <http://web02.gonzaga.edu/comlstudentresources/Brings_FinalPaper_COML509_doc.pdf>.

14   PETRANOVÁ, D.: Does Media Education At Schools Develop Student´s Critical

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SPITZER, M.: *Digitální demence. Jak připravujeme sami sebe* a *naše děti* o *rozum*. Brno : Host, 2014.
TURKLE, Sh.: Cyberspace and Identity. In Contemporary Sociology, 1999, Vol. 28, No. 6, p. 643-648. ISSN 00943061.
VALLIKATT, J.: *Virtually Religious: Myth, Ritual and Community in World of Warcraft*. Melbourne : RMIT University, 2014.

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Competences? In *Communication Today,* 2011, Vol. 2, No. 1, p. 67. Also see: 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. 14.

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# CYBERSPACE OF DIGITAL GAMES AS A "LIVING SPACE" OF HUMAN AND EXPERIENTIAL PRODUCT (ON CHARACTERISTICS AND VALUE OF (CYBER) EXPERIENCE)

*Sabína Gáliková Tolnaiová*

**Abstract**

Digital games, or their cyberspace, are becoming a new "living space" of modern human. It is a "virtual" environment in which the essence of human experience is transformed. "Virtualisation" brings "freshness" and "uniqueness" of virtual worlds of digital games. Along with specific features of these graphical and auditory worlds comes also a broad extent of subjective sharing. It is imagination and experiencing of the mostly "artificial" (cyber)experience of relative "freeing" from the flow of (physical) time, including relative unbodied form or "different body form" of the subject. They are determined by the so-called Presence and Immersion. Experiential production addresses digital games to the consumer – "guest" basing on personal aspect. In a spirit of phenomenology, experience seen in the context of digital games is understood as a subjective, individual-based temporary process. Also as experience that is in correlation to experience brought by human life. Seen from the point of cultural and social expectations, the key is in its potential to permit meaningful experience, significant in human life and positively influencing quality of human life. Nowadays we reflect attractivity and asset, but also risks and negative features, certain "price" that humans pays for their attachment to the cyberspace of digital games. A new evaluation does not lead to denial of (cyber)experience, but finds the importance of its complementarity. It is important to learn how to live in both the "natural" and "virtual" reality; this needs to be understood also as a moral challenge. We may take it as a pro-active step if the question of what constitutes "the good" of experience in context of digital games is indeed approached in experiential production.

**Key words:**

(Cyber)experience. Cyberspace. Digital game. Experiential production. Virtual reality.

## Introduction

Currently we can take digital games as a pervasive element in everyday life of modern human.[1] In this respect, we can state say that it is the digital game culture that constitutes one of the most interesting phenomena of the last decades.[2] The game phenomenon opens space for examination in the sphere of media and cultural studies, social and cognitive psychology, sociology of media and informatics, even among philosopher. As a complex socio-cultural phenomenon, it becomes an element of not only socio-philosophical and historiographical studies or psychological theories, but also an important component of aesthetic

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1    CALLEJA, G..: *Digital games as Designed Experience. Reframing the Concept of Immersion.* Wellington : Victoria University, 2007, p. 11.

2    KOLTAIOVÁ, A.: Kyberpriestor a hrdina. In GÁLIK, S. et al.: *Kyberpriestor ako nová existenciálna dimenzia človeka.* Lódź : Księży Młyn, 2014, p. 159.

debates, while its research calls attention to the considerable paradigmatic changes.[3] It reveals that in our society we understand games as a valuable medium, practical for entertainment, creation, socialisation and similar activities. We can notice here a global progress of gaming industry and marketing. Yet it is a specific kind of show business and cultural industry, which we see as the so-called experiential industry and which is now not merely a hobby for enthusiasts, but serious and essential business sector. Digital games and media are therefore analysed today also as forms of experiential production.[4] The mere fact that cyberspace of digital media is becoming a new "living world" of modern human, where we think and project our lives, evokes a number of various questions. Human, with his thinking and experience concerning cyberspace, is in the centre of observation. In the following paper we want to concentrate firstly on the reflection of the very cyberspace of digital games and its specific "virtual reality," thanks to which, inter alia, cyber experience is what it is indeed. Secondly, we will be interested in the very (cyber)experience of modern human (as the subject/I) in the context of digital games. We will concentrate on its nature and especially on some of the elements that are responsible for its "attractivity" for human. We will also speak about the nature of basic understanding of experience in the context of digital games as it is seen from the point of view of experiential production and marketing. We will also try to present our evaluation of various spheres of possible meaning that cyberculture offers to human. Here we dare to note that the process and interpretations of experiential event cannot possibly be comprehensively explicit.[5] Here we will also approach the matter in the form of traditionally recognised "first person" view. We will concentrate on the subjectively undergone and conscious experience in a phenomenologically inspired spirit.

## 1 Cyberspace and "virtual reality" of digital games

In the context of digital games, too, we need to say that there is not presently a single definition or expressive concept of either cyberspace or virtual reality. Most commonly we see here terms such as "media reality," "virtual reality," "virtual space," and also "cyberspace" or "online space," digital space or surrounding

3    PRAVDOVÁ, H.: Sociokultúrne dimenzie hier v kyberpriestore. In GÁLIK, S. et al.: *Kyberpriestor ako nová existenciálna dimenzia človeka.* Lódź : Księży Młyn, 2014, p. 132, p. 133.

4    KYLÄNEN, M.: Introduction. In KYLÄNEN, M. (ed.): *Digital Media & Games. Articles on Experiences 4.* Rovaniemi : University of Lapland Press, 2007, p. 6, p. 9. [online]. [2015-11-05]. Available at: <houseoflapland.fi/wp-content/uploac/2014/06/Articles-on-Experiences-4-Digital-Media-Games.pdf>.

5    VALLIUS, L., MANNINEN, T., KUJANPÄÄ, T.: Sharing Experiences – Playing Together in Experimental Collaborative Computer Games. In KYLÄNEN, M. (ed.): *Digital Media & Games. Articles on Experiences 4.* Rovaniemi : University of Lapland Press, 2007, p. 54. [online]. [2015-11-05]. Available at: <houseoflapland.fi/wp-content/uploac/2014/06/Articles-on-Experiences-4-Digital-Media-Games.pdf>.

and similar. It may be pointed out that the very concept of cyberspace is quite vague and in a way colliding with the term of virtual reality, so sometimes virtual surrounding is understood as a synonym of virtual reality, also cyberspace is sometimes referred as online space and confused for virtual surrounding and similar terms.[6] Let us now turn to the matter of cyberspace:

## 1.1 Cyberspace of digital games

As was already outlined above regarding virtual reality, there is a number or approaches to understanding cyberspace. We may generally identify those that are more precise and reducing as well as those that are wider and more complex. It is desirable and needed to mention first that the term of cyberspace guides us to think of it as of a certain kind of space where people can go (physically). It implies a range, place or designation. Yet, this is about a definition made through analogy.[7] The term of cyberspace can be understood – metaphorically speaking – as a "place" or "space" where human's mind and computer system meet, or in other words, we speak of a portal that links digital information to human perception. Therefore it refers to an information interface between computers and people.[8] Cyberspace can also be understood, for example, as a range of technically constructed environments in which individuals participate while their location is not reduced to the physical world.[9] It is obvious that the above-mentioned types of approaches do not refer to interaction between people through computers as well as it does not concern multi-using (as in collective user) of virtual entities. As D. Groothuis states, the more basic approach to understanding cyberculture is not about reference to the simultaneous presence of other people or interaction between them. It is not about joining the others through digital "meeting." In other words, the idea brought by the term of cyberspace does not include interpersonal dimension.[10] However, in other cases

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6    See and compare KOEPSELL, R. D., RAPAPORT, W. J.: *The Ontology of Cyberspace: Questions and Comments*, 1995, p. 2. [online]. [2014-11-16]. Available at: <http://www.cse.buffalo.edu/~rapaport/Papers/cyber.pdf>. BREY, Ph., SØRAKER, J. H.: *Philosophy of Computing and Information Technology,* 2009, p. 48. [online]. [2014-11-16]. Available at: <http://www.idt.mdh.se/kurser/comphil/2010/PHILO-INFORM-TECHNO-20081023.pdf>.
     CALLEJA, G.: *Digital games as Designed Experience. Reframing the Concept of Immersion,* p. 7, p. 38.

7    CLARK, D.: *Characterizing cyberspace: past, present and future,* 2010, p. 5. [online]. [2014-11-16]. Available at: <http://web.mit.edu/ecir/pdf/clark-cyberspace.pdf>.

8    GROOTHUIS, D.: *Christian Scholarship and the Philosophical Analysis of Cyberspace Technologies*, JETS, 1998, Vol. 41, No. 4, p. 632. [online]. [2014-11-16]. Available at: <http://www.etsjets.org/files/JETS-PDFs/41/41-4/41-4-pp631-640-JETS.pdf>.

9    HOLMES, D.: *Communication theory. Media, technology and society.* London : SAGE, 2010, p. 45.

10   My interaction with a CD-ROM takes space in the cyberspace, but does not concern presence or interaction with other people during the digital meeting. GROOTHUIS, D.: *Christian Scholarship and the Philosophical Analysis of Cyberspace Technologies*, p. 632, p. 633.

this term often refers exactly to interaction between people, constructed through computer, especially by the means of the Internet.[11]

Cyberspace as such can generally be seen as a plural, multidimensional phenomenon. We think we may take it as a differentiated unity of a number of given layers. We can see this broader and more complex understanding for example in D. Clark (2010). In his concept it means linking the four layers that cyberspace is made of and understanding its nature: Cyberspace is a set of computer-based devices linked to a network, these devices store electronic information, use it and communicate it: It is manipulation and exploitation of information, facilitation and spreading communication between people and also interaction between people and information. As this author mentions, the "core power" in cyberspace is represented by information and active users – people. People represent the highest and most important component.[12] In the case of digital games it is very clear that cyberspace is for people and is constructed by people and therefore people are the most important component of cyberspace. It is this cyberspace of digital games where people act, think and project their lives. This life becomes their new "living world."The cyberspace of digital games can be seen as a particular type of "virtual" environment.[13] Similar to other kind of cyberspace, also the environment of digital games works with virtual reality technology.[14] Cyberspace as such opens through a computer, by graphical using of the interface, while the technology of virtual reality can also be used independently.[15] However, what kind of reality is it?

## 1.2 Virtual reality of cyberspace of digital games

Modern online or digital games show us that information processes can create virtual worlds with their own time, space, entities and objects.[16] They bring

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11  GROOTHUIS, D.: *Christian Scholarship and the Philosophical Analysis of Cyberspace Technologies*, JETS, 1998, Vol. 41, No. 4, p. 633.

12  CLARK, D.: *Characterizing cyberspace: past, present and future,* p. 1, p. 4.

13  CALLEJA, G.: *Digital Games as Designed Experience. Reframing the Concept of Immersion.* Wellington : Victoria University, 2007, p. 38. [online]. [2015-11-05]. Available at: <http://www.gordoncalleja.com/GordonCalleja_Digital_Games_as_ Designed_Experience.pdf>.

14  As D. R. Koepsell notes, virtual reality is specific for the cyberspace, but makes just a small aspect of the cyberspace. KOEPSELL, R. D., RAPAPORT, W. J.: *The Ontology of Cyberspace: Questions and Comments*, 1995, p. 2. [online]. [2014-11-16]. Available at: <http://www.cse.buffalo.edu/~rapaport/Papers/cyber.pdf>.

15  Regarding technology of multi-using, we can speak of a network based virtual reality. BREY, Ph., SØRAKER, J. H.: *Philosophy of Computing and Information Technology.* 2009, p. 48. [online]. [2014-11-16]. Available at: <http://www.idt.mdh.se/kurser/ comphil/2010/PHILO-INFORM-TECHNO20081023.pdf>.

16  WHITWORTH, B.: *The Physical World as a Virtual Reality.* Massey University, Albany, Auckland, New Zealand : CDMTCS-316, December 2007, p. 2. [online]. [2015-11-05]. Available at: <arxiv.org/ftp/arxiv/papers/0801/0801.0337.pdf>.

technically generated forms of virtual (graphical, auditory) worlds. We can say that information and communication technologies (media) re-produce virtual existence or reality of "artificial" nature. This artificial, technically constructed reality is available for humans especially through computer terminals. It is evident that elements of technologically/electronically produced world, or media reality, do not belong to the "naturally" physical elements, therefore they are not elements we identify (also physically) as "real". Then the question is what these elements – present also in digital games – are, what is their nature? For Brey and Sørak, they are software constructions with which computer users interacts and which, as these authors point out, exist "virtually" rather than physically or really. In this context, they speak of virtual entities, non-physical, software-generated objects and space with which computer users interact. Virtual entities are represented as a part of user interface found in computer programs. It is a specific class of software objects, nowadays usually in a graphical form. They represent virtual objects as common objects that can be manipulated physically.[17] The above-mentioned authors see the virtual reality as a specific sort of graphical user interface that represents computer-generated three-dimensional interactive scenery that is accessible for those who use this technology and that is capable of being manipulated with.[18] In different theoretical approaches however, virtual reality in not a (simple) product of technical advance in computer graphics. Here, we need to find the "source" of virtuality in human. For example, as T. Lenoir points out, Mark B. N. Hansen understands that virtual reality is based more on biological potential of human existence – it is attainable for the body and brain. The source of virtual is not based on technology, but biology, on the process of adaptation to gain new technological extensions that the new media offer.[19] Similarly, according to J. Lanier, "the principle of virtual reality lies in the very sharing of imagination, experiencing the graphical and auditory worlds that are mutually presented".[20] We can also say that it is a state of mind, while in the first case virtual reality is not a product of thinking process.[21] Without virtual reality, there would be no specific cyber-experience, regardless of whichever of its dimensions we would take into account – technological or anthropological/biological, accepting its "accessibility" by either independent or multi-using of technology/computer. This virtual reality is relevant in the so-called cyber-experience in the context of playing digital games. How specific is cyber-experience in the context of playing digital games? What attractions does it offer?

17  BREY, Ph., SØRAKER, J. H.: *Philosophy of Computing and Information Technology.* 2009, p. 48. [online]. [2014-11-16]. Available at: <http://www.idt.mdh.se/kurser/comphil/2010/PHILO-INFORM-TECHNO20081023.pdf>.

18  Ibidem, p. 48.

19  HANSEN, N. B.: *New Philosophy for New Media.* Cambridge : MIT Press, 2006, p. 24.

20  HORROCKS, Ch.: *Marshall McLuhan a virtualita*. Praha : Triton, 2002, p. 36.

21  Also for example CALLEJA, G.: *Digital games as Designed Experience. Reframing the Concept of Immersion.* Wellington : Victoria University, 2007, p. 38. [online]. [2015-11-05]. Available at: <http://www.gordoncalleja.com/GordonCalleja_Digital_Games_as_Designed_Experience.pdf>.

## 2 Cyber-experience in the virtual world of digital games

Technologies serve as intermediate agents for our experiences and with their rise in the world, they also change our experience. At the same time they amplify some of the aspects of experience and reduce the others.[22] We need to add however that they change human experience and cognition fundamentally.[23] As W. Welsch warns, some people suppose that with the birth of artificial electronic worlds our experience simply broadens and enriches. He however believes that invention of something new always brings changes in the old.[24] Cyber-experience therefore does not only enrich our everyday experience, but also brings massive changes here. This transformation is indeed caused by our phenomenon of the so-called "virtualisation."

### 2.1 Virtualisation – immersion – presence

We may see virtualisation as a form of existence that relates to transformation of time and space.[25] It inter alia means precisely a general attack against the principal coordinates of our everyday reality – time and space. In this context we have to point out that time and space are among the principal coordinates that constitute our everyday reality, existence or experience. The thing is, these are rejected by telecommunication, or at least become something marginal in experience.[26] We may state here that a part of cyberspace, especially in the context of digital games, is represented in a broad spectrum of experiencing, or experiences bound to virtualisation. It appears that it is the "novelty," "otherness" of electronic virtual worlds, their specific characteristics or "virtual" phenomenon that in the context of digital games address and attract human. W. Welsch believes that it is also simplicity, freedom of movement, readiness for change, mutation and innovation, game with dimensions and shapes. In electronic space, as this author points out, it looks as if these objects were deprived of their physical features such as inertia, firmness, resistance and mass, they move in a bizarre and fascinating way. Everything that is in this electronic

22  FALLMANN, D.: *The New Good: Exploring the Potential of Philosophy of Technology to Contribute to Human-Computer Interaction*, 2011, p. 7. [online]. [2014-11-16]. Available at: <www.researchgate.net/publication/221514378_The_new_good...>.

23  BREY, Ph., SØRAKER, J. H.: *Philosophy of Computing and Information Technology.* 2009, p. 7. [online]. [2014-11-16]. Available at: <http://www.idt.mdh.se/kurser/comphil/2010/PHILO-INFORM-TECHNO20081023.pdf>.

24  WELSCH, W.: *Umelé rajské záhrady? Skúmanie sveta elektronických médií a iných svetov.* Bratislava : Soros Center for Contemporary Arts, 1995, p. 4.

25  CALLEJA, G.: *Digital games as Designed Experience. Reframing the Concept of Immersion.* Wellington : Victoria University, 2007, p. 50. [online]. [2015-11-05]. Available at: <http://www.gordoncalleja.com/GordonCalleja_Digital_Games_as_Designed_Experience.pdf>.

26  WELSCH, W.: *Umelé rajské záhrady? Skúmanie sveta elektronických médií a iných svetov.* Bratislava : Soros Center for Contemporary Arts, 1995, p. 5.

space could also be different.[27] The so-called cyber-experience in the context of digital games is about subjective sharing of these graphical and auditory virtual worlds, subjective imagination and experiencing. We will mention in this context that in subjective experiencing of one's own activities when playing digital games the anthropological aspect of consciousness or awareness of time is substantial. It is apparent that it is subjectively "different" consciousness, perception, feeling of time, other than in our "natural" living world. We may say that the cyberspace of digital media permits a specific and, it seems, appealing "unnatural" (cyber) experience of virtual reality along with (relative) "freeing" from the flow of (physical) time, feeling the time and relative (non) corporality or "different body form" of the given subject.

Feeling, experiencing of the "different," virtual body form in the context of digital games is inevitably accompanied by specific determining phenomena of the so-called presence and immersion.[28] These are mental phenomena based on perceptive illusion. We need to say here that presence, the feeling of present time, or immersion, the feeling of submerging – whether caused by an avatar or the causal effect of "Hand of God" – may be understood as essential.[29] As S. Buček outlines, the feeling of immersion that the subject experiences and that is caused by a medium/media and constructed upon perspective illusion means that the world of the medium or digital game revolves in his mind, the subject is capable of figuring not only material world, but also emotions. Immersion, or the feeling of being there, is triggered through actions of the subject, his communication and relations with the others.[30] This is a mental form of physical presence in the virtual surroundings, in which the participant's body – physically located in a different place – is a part of perceptual illusion of non-mediated experience. Mediated experience feels to be non-mediated. Participants of digital game, even though they think, feel, hear and behave as if they were in a real world, more or less know that the scene they see, hear and feel is not real and set in the physical world.[31] It seems that an important and major factor that

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27  Ibidem, p. 2-3.

28  "Immersion" can be understood theoretically as objective or technological consistency in appraisal of the mediated experience, while "presence" as subjective consistency in appraisal of mediated experience. AHN, S. J.: *Embodied experiences in immersive virtual environments: Effect on pro-environmental Attitude and behavior.* [Dissertation Thesis]. Stanford University, 2011, p. 22. [online]. [2015-11-05]. Available at: <https://vhil.stanford.edu/pubs/2011/ahn-embodied-experiences.pdf>.

29  BUČEK, S.: Typologie her nezaložené na herných mechanikách. *In Mediální Studia III*, 2013, p. 324, p. 327. [online]. [2015-11-05]. Available at: <https://medialnistudia.files.wordpress.com/2013/12/ms_2013_3_web_bucek.pdf>.

30  Ibidem, p. 326-327.

31  FARROW, R., IACOVIDES, I.: *"In the game"? Embodied Subjectivity in Gaming Environments.* In 6th International Conference on the Philosophy of Computer Games: The Nature of Player Experience, January 2012, Madrid, p. 4. [online]. [2014-11-16]. Available at: <oro.open.ac.uk/33357/1/82-Farrow-Iacovides_FINAL.pdf>; also

influences the feeling of immersion, or feeling of reality, is the game mechanics or ludic elements of gameplay. When playing in the interactive surroundings, the player is forced to react to the game almost constantly, which is a basic assumption for more intimate relations. The player can directly influence the outcome, which is a special reward that games offer.[32] We point out in this place that also in the context of digital game we should not forget the fact that complete immersion into virtual reality, when one tries to be fully transferred and thus become a part of virtual reality (for instance using special technical equipment), is impossible.[33] The idea of a digital platform enabling a complete sensory immersion remains purely science fiction. It is appropriate to speak, in this regard, of various types of immersion (sensory, challenge-based, and imaginative). It is de facto gradation of immersion (engagement, engrossment, immersion (presence is total immersion)), or of the sensation of presence at the same time (engagement, immersion, presence) – presence in gaming is, in fact, also gradual. It may be outlined that total immersion relates to a great extent of attention, yet this is something that only some players can achieve. It is therefore empathy and atmosphere of interaction that induce the more of less real feeling of existence in virtual reality in the subject. There are certain human, computer and contextual barriers that prevent total immersion, some authors claim that it is, in fact, impossible to reach the state of total immersion and total experience or presence.[34] We may state that effects of experiencing in the context of digital games are generally attractive, especially thanks to the extent of transformation by "virtualisation." Apparently, it is this attractivity that constitutes certain basis for experiential production and marketing. How do they see digitally based experiences?

## 2.2 Experiences in the context of digital games in the point of view of production

For experiential production, a phenomenologically based view is quite acceptable – in general it sees experience as a subjective, or individual process with temporary character. Also individual life experiences are unique, in this respect.[35] With this perspective, experiential production favours addressing an

JENNET, Ch., COX, L. A., CAIRNS, P.: Being "In the Game" In GUNZEL, S., LIEBE, M., MERSCH, D. (eds.): *Conference Proceeding of the Philosophy of Computer Games.* Potsdam : University Press, 2008, p. 210, p. 211. [online]. [2014-11-16]. Available at: <file:///C:/Users/fmk/Downloads/digarec01%20(2).pdf>.

32  BUČEK, S.: *Typologie hier nezaložené na herných mechanikách*, p. 324-327.

33  SAMOYLOVA, E.: Virtual World of Computer Games: Reality or Illusion? In *Procedia – Social and Behavioral Sciences*, 2014, Vol. 149, p. 843. [online]. [2015-11-05]. Available at: <ac.els-cdn.com/S187704281405037X/1-s2.0-S187704281405037X-main.pdf?>.

34  See and compare: FARROW, R., IACOVIDES, I.: *"In the game"? Embodied Subjectivity in Gaming Environments*, p. 3-4; JENNET, Ch., COX, L. A., CAIRNS, P.: *Being "In the Game"*, p. 210-222.

35  VALLIUS, L., MANNINEN, T., KUJANPÄÄ, T.: *Sharing Experiences – Playing Together in Experimental Collaborative Computer Games*, p. 54.

experiential product to its consumer, to a "guest" (a guest is more important than a customer, client, spectator ...) promoting individual qualities of experience. The "guest" is invited to experience something on a personal basis.[36] We may see various and yet fusing concepts of understanding of experiences. Usually, also from the point of view of experiential production, it is understanding of (life and commerce-based) experiences as multi-sensory, significant, positive emotional experiences that can lead to personal change in the subject, person. These are special experiences, seen also as a significant occurrence, happening, episode or meeting. It is something that occurs in human's mind, something that is accompanied by feeling, emotions... However, experiences are also understood as skills, practices, know-how, which – just like wisdom and knowledge – shape human life and which may also be communicated.[37] Here we may say that commerce-based experiences themselves, being products of industry, are different from other, everyday experiences, for example because they introduce contrast (start/end), they are different physiologically, mentally, emotionally... However, as such, they are not understood as isolated but as existing in relations – linked in sequences of experiences in human life. The fact is that even in the point of view of experiential production, we, people, live constantly through experience, from the moment when our brain starts developing, from the beginning of our sensual perception. Our experiences are conscious but also unconscious (when we sleep). The conscious ones are those we learn from, reflect to and remember. They can be meaningful and significant for our life.[38]

Computer game as a mean of entertainment, for example, has a great potential to bring strong and meaningful experiences.[39] We may say it is exactly this fact that the current dominating cultural and social ideas, as well as expectations from playing digital games, refer to. In the current rise of experiential production we can see hopes for enrichment of human lives. This experiential production offers a multilateral view of meaning of experiences. Existence of different kinds of experiences or their categorisation, as we can see, corresponds with this. In the light of subjective user participation, we recognise for example entertaining, educational, aesthetical and escapist experience. It needs to be said that for a perfect experience-oriented product the experience itself is crucial, but the primary dimension of experiential production should apparently be in attracting the "guest" in the experience.[40] We can say here that experiences in the context of worlds of digital games are apparently different from non-digital experiences.

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36 GELTER, H.: Towards an Understanding of Experience Production. In KYLÄNEN, M. (ed.): *Digital Media & Games. Articles on Experiences 4.* Rovaniemi : University of Lapland Press, 2007, p. 32. [online]. [2015-11-05]. Available at: <houseoflapland.fi/wp-content/uploac/2014/06/Articles-on-Experiences-4-Digital-Media-Games.pdf>.
37 Ibidem, p. 32-34.
38 Ibidem, p. 35-36.
39 VALLIUS, L., MANNINEN, T., KUJANPÄÄ, T.: *Sharing Experiences – Playing Together in Experimental Collaborative Computer Games*, p. 52.
40 GELTER, H.: *Towards an Understanding of Experience Production*, p. 36, p. 39-41.

Gaming worlds are often products of fiction and do not correlate with real life.[41] Though we could assume they are inferior when compared to real world and real life, modern human's attitude to them confesses something quite different. Regarding the fact that was already mentioned, we could present a question here: Are experiences in the context of "living world" of digital games, or cyber-experience and "virtual things" possibly better and more valuable to modern human that those that are "natural" in our "natural" non-electronic world?

## 2.3 Evaluation of cyber-experience

As was already mentioned, it seems that the effects of experiencing digital games, especially virtualisation and immerse, are in general appealing. Apparently, human existence likes to be settled in the virtual surrounding of games. It appears that this setting might be attractive, but also beneficial. The asset brought by cyber-experience, especially in the context of digital games, is in entertainment, relax, cleansing of emotions, freedom… A positive feature is also in encouraging of sensorimotor development, fantasy, improvisation, thinking …The world of virtual reality is most importantly easily understandable and very attractive. Perhaps also because everything is easily accessible, but also under control of the user, open to his manipulation since there are no limitations represented by material world. Technology of virtual reality, virtual world, can be attractive simply by offering a way to shape it according to one's will.[42] In contrast, in the natural world, reality requires demanding (and sometimes impossible) adaptation of the individual to the imperfect reality. In cyberspace, in contact with virtual reality the perfect electronic world adapts itself to suit human's needs.[43] What about risk or negative impacts of cyber-experience? Humans think and act in the context of cyberspace, especially in digital games, which introduces a risk of addiction instead of freedom, but also logical and logocentric, as well as creative atrophy,[44] creativity. It may be appropriate here to mention the fact that every cyber-experience, including that of computer games, takes its toll on relation with reality in our "naturally" experienced world. J. Bystřický for example says that every new invention made in the field of technologies gradually leaves its traces in personal worlds and social systems, imprints its shape of perspective into the map of individual and collective perception. It seems that we will pay for increasing performance of techno-science by reducing some of the dimensions of the world we live in.[45]

41   FARROW, R., IACOVIDES, I.: *"In the game"? Embodied Subjectivity in Gaming Environments*, p. 3.
42   KIEPAS, A.: *Člověk a dilemy filozofie techniky.* Žiar nad Hronom : Aprint, 2002, p. 102.
43   HEREC, O.: Prieskumník virtuálnej reality. In *Filozofia*, 2003, Vol. 58, No. 9, p. 642. [online]. [2014-11-16]. Available at: <www.klemens.sav.sk/fiusav/doc/filozofia/2003/9/636-655.pdf>.
44   GÁLIK, S., GÁLIKOVÁ TOLNAIOVÁ, S.: Influens of the internet on the cognitive abilities of man. Phenomenological and hermeneutical approach. In *Communication Today,* 2015, Vol. 6, No. 1, p. 10.
45   BYSTŘICKÝ, J.: *Elektronická kultura a medialita.* Praha : FHS UK, 2007, p. 81.

We see opening of the question of interiority of subject in cyberspace, its coherence in time, its identity. As J. Bystřický points out, on one hand media reality as relation reality brings a new paradigm into development phases of extension of the very ME, on the other hand it also comes with the risk or excessive similarity to other, borrowed models and constructive methods of the social, mental and aesthetic. Relation character of reality can imply multiphrenia, fissure of the individual in non-homogeneous fragments or it can multiply his own private investments into empty and non-functional forms of self-presentation as false mirrors of purely hypothetical possibilities of individual development.[46] We can probably change nothing about possible risks brought by digital games, about the "toll" that is linked to their relation to our "natural" non-electronic world. However, also another means of assessment of (cyber) experience can be used. W. Welsch, for example, points out that along with enriching our experience with electronic (cyber) experience, also our "natural" experience of reality – or traditional forms of experience that cannot be grasped by electronic media – revalidates complementarily. This, W. Welsch notices, is not completely reflected. It means, according to Welsch, that it is the contrast brought by electronic media that triggers new interests in those qualities that cannot be offered by electronic cyber-world, qualities that are grasped exclusively by forms of non-media-based reality. For example, basing on electronic hyper speed, we are learning again to appreciate inertia, basing on universal instability and change, we are learning about the value of stability, we see the contrast between free, aimless playing and endurance or, determination, floating in the air contrasting massiveness, changeability versus constancy or reliability.[47]

## Conclusion

Human is "homo ludens" and today we apparently live in a period in which we will perhaps keep on playing until we drop dead, as N. Postman notices.[48] Postmodern culture is – speaking metaphorically – thoroughly saturated with the game phenomenon that intervenes even with such traditional and honourable activities as science and education. And it is digital game that has a special status in the postmodern culture. In this view, we witness a growth of experiential gaming industry and marketing. What are the cultural and social visions and expectations of digital games and experiential industry? It seems these expectations and visions see the potential in bringing meaningful experiences, significant in human life. Experiential industry then seems to be offering

46  BYSTŘICKÝ, J.: Mediální realita. In MAGÁL, S., MISTRÍK, M., SOLÍK, M. (eds.): *Masmediálna komunikácia a realita I.* Trnava : FMK UCM in Trnava, 2009, p. 15.

47  The author describes opposing tendencies that he believes can be jointly described by words such as matter, individuality, uniqueness. In fact, it is the unique and not interposed that is important. We can praise our imperfect, ageing bodies. WELSCH, W.: *Umelé rajské záhrady? Skúmanie sveta elektronických médií a iných svetov*, p. 7-8.

48  POSTMAN, N.: *Ubaviť sa k smrti.* Praha : Mladá Fronta, 2010.

a variety of such experiences, experiences that positively determine quality of life.[49] We may state here that modern man likes to be settled in a virtual world, especially that of digital games. Presumably, by entering the world of digital games, we can enjoy attractive experiences that come with the phenomenon of virtualisation. Cyber-experience seems to be not only as attractive, but also beneficial for human. On the other hand, in order not to be overwhelmed by optimism, it is necessary to speak also of certain risks it brings. Here we dare to mention, together with Falmann, that today we probably suspect that the virtual worlds in which people start to live their lives (for example Second Life, World of Warcraft, Facebook) are not sufficient alternatives to the first, real world.[50] Yet, the above-mentioned does not lead to denial of attractivity offered by virtual reality or denial of human's obsession with this reality. It is not about rejecting our obsession with electronic worlds, cyberspace or rejecting cyber-experience. It is more accomplishing of complementarity that we should be interested in.[51] We share W. Welsch's belief that we should learn to live in both of these realities: We should enjoy walking around in the electronic worlds, but also in our "older" worlds and perhaps even "future" worlds. Transfers between these worlds are possible. When we have learnt to exist in these worlds, our life will be more complete and more exciting.[52] Ability to move like this should clearly be understood as a moral challenge. That is, "entering" the cyberspace has some ethical implications that we should not forget.[53] It is a challenge to perform ethical approach to the cyberspace of, but not only, digital games, which is a condition for a really human quality of all human experiences. In the light of this we believe that taking in account the "what constitutes the "good" of user's experience" (for example in design)", is a pro-active step.[54]

49  THIJSSEN, T., BOSWIJK, A., PEELEN, E.: Meaningful Experiences & Cross Media Communication*. In KYLÄNEN, M. (ed.): *Digital Media & Games. Articles on Experiences 4.* Rovaniemi : University of Lapland Press, 2007, p. 113-115. [online]. [2015-11-05]. Available at: <houseoflapland.fi/wp-content/uploac/2014/06/Articles-on-Experiences-4-Digital-Media-Games.pdf>.

50  FALLMANN, D.: *The New Good: Exploring the Potential of Philosophy of Technology to Contribute to Human-Computer Interaction*, p. 1.

51  WELSCH, W.: *Umelé rajské záhrady? Skúmanie sveta elektronických médií a iných svetov*, p. 9.

52  Ibidem.

53  Games are and ethical object, players are moral agents. It is about complex responsibility and moral duties. SICART, M.: *The ethics of computer games.* London : The MIT Press, 2009, p. 3. [online]. [2015-11-05]. Available at: <https://mitpress.mit.edu/sites/default/files/titles/content/9780262012652_sch_0001.pdf>.

54  FALLMANN, D.: *The New Good: Exploring the Potential of Philosophy of Technology to Contribute to Human-Computer Interaction*, p. 2-8.

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# GAMIFICATION IN CSR COMMUNICATION

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**Abstract**
Communication with stakeholders is an important process in organization. However, many organizations feel lack of good solutions. Corporate managers wanted to find an efficient way to communicate their CSR activities to stakeholders without creating a boomerang effect. Bad solutions in CSR communication strategy and achievements presentations sometimes create resentment instead of being good incentives for stakeholders. A good alternative to traditional channels is offered by social media channels due to low cost, space for interactions and, in consequence, reduction of the likelihood of the boomerang effect. However, using social media communication for CSR purposes challenges managers to attract followers to those social media channels. The use of gamification and gaming features (mechanisms) in the CSR communication is a promising but difficult way to improve the communication process. Good practices presented in the paper illustrate how gamification can be used to improve social media-based CSR communication of organizations with their stakeholders.

**Key words:**
Communication. Corporate social responsibility. Gamification. Social media.

## Introduction

Even though communication plays a significant role in organizations functioning, many of them struggle with the implementation of the process of communication with their stakeholders. This refers also to the CSR context and communication with both, internal and external stakeholders. The onset of the 21st century can be characterized by "information overload" (as described by A. Toffler, sociologist and author of the 1970 publication "Future Shock") and, simultaneously, lack of time. Internet access and development of media technologies caused information – which used to be a deficit good – to become the good (resource) available too abundantly, which in turns leads to the experienced overload (excess). The breakthrough in the ways people and organizations acquire information and knowledge, and communicate that took place in the recent years due to the development of ICT, has only intensified this trend. Generating the new communication culture, especially among young people, new media – due to their plurality, diversity and intensity of use – generate additional difficulties. It happens all the more as the abundance of data, defined as the big data, and the dynamics of changes occurring in social media are enormous. Moreover, for many people it is time, not information as it used to be, that has become a limited, valuable asset. Thus, spending it in a possibly pleasant, satisfactory way has become more important. For many people, gaining experience, "collecting experiences/sensations" is becoming more valuable than acquiring

full information.[1] Fun, entertainment and spending time through participation in various games has become their recipe for life.

One of the new business phenomena is the growing popularity of game platforms, used not only for socializing and leisure purposes but also to solve many complex problems of the social and economic world. This is the phenomenon organizations must get familiar with in order to use new computer-related and smartphone-related habits as a chance to improve communication/interactions with their stakeholders. In Gartner's opinion[2] (analytical company operating on the IT market), until 2015 over 50% of innovation management organizations would have gamified this process. Gamified marketing services become as popular as Facebook, eBay or Amazon, and more than 70% of the 2000 biggest world corporations will have at least one application based on the gamification concept. Review of the literature shows that game mechanisms (gamification) have been successfully implemented in many areas e.g. team building (project teams in particular), development of staff competencies, improvement of customer service quality, implementation of innovations, and many others.[3] No wonder that improving relations with stakeholders in the area of CSR seems particularly promising. More and more often CSR becomes the strategic component in management, as it is seen as the factor that determines stable performance of the organization. Thus, gamification may facilitate knowledge and communication management. In particular it can: strengthen the exchange processes between the stakeholders, tighten collaboration of teams involved in solving CSR challenges in organizations, improve the effectiveness of individuals and groups engaged in CSR activities, improve the process of gathering feedback from the stakeholders (external and internal). This paper presents the perspectives of gamification in CSR communication. The aim of the text is to present the selected good practices of applying gamification in communication between organizations and their stakeholders in the CSR area. Descriptions of good practices in certain cases of gamification of CSR communication are introduced by pointing out to the conditions of CSR communication strategy and problems of management of communication with stakeholders as well as game mechanisms which can be used in CSR communication and rules governing gamification design. They are useful in the evaluation of good practices in the selected cases of CSR gamification.

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1 TKACZYK, P.: *Grywalizacja. Jak zastosować mechanizmy gier w działaniach marketingowych.* Gliwice : Helion, 2012, p. 136.
2 *Czym jest gamifikacja i skąd ten szum dookoła niej.* [online]. [2015-09-12]. Available at: <http://polygamia.pl/blogi/ozzie1973/2011/12/czym_jest_gamifikacja_i_skad_ten_szum_dookola_niej>.
3 GRAY, D., BROWN, S., MACANUFO, J.: *Gamestorming, Gry biznesowe dla innowatorów.* Warszawa : ABC Wolters Kluwer business, 2013, p. 77-105. ZICHERMANN, G., CUNNINGHAM, C.: *Grywalizacja. Mechanika gry na stronach WWW i w aplikacjach mobilnych.* Gliwice : Helion, 2012, p. 93-104.

## 1 CSR communication strategy and challenges in management of communication with stakeholders

In the business world, in the traditional communication model which has been slowly becoming obsolete, a producer was at the same time a message sender, while a client was only its passive receiver.[4] In the Internet era, social media in particular, recommendations from friends are more important than the information from products manufacturers or service providers. Therefore, interaction with clients has become important for entrepreneurs and customers' loyalty is no longer won in the traditional, linear way.[5] Customers, as one of the organizations external stakeholders groups, have ceased to follow the provided information; instead they are looking for experiences and corresponding emotions and memories. The model of communication with other groups of stakeholders (i.a. employees, vendors, media etc.) looks similar – unilateral communication initiated by organization does not yield the expected results. Only bilateral emotional involvement may strengthen relations between an organization and its stakeholders, and support the fulfillment of objectives set in CSR communication strategy. Therefore, managers show a growing interest in gamification; the latter is understood as the method of building and sustaining long-term relations and involvement between an organization and its stakeholders. In this context it is understandable that managers in modern organizations focus on stakeholders relationship management in order to achieve tangible benefits, such as: minimized risk of conflicts, increased loyalty or product innovations. Engagement of employees and other gropes of stakeholders is one of the crucial factors that determine whether the implementation of social responsibility strategy in organizations is successful.[6] Management of collaboration with certain stakeholders groups requires from organizations to carry out their communication activities in a responsible manner and with an open attitude towards the dialogue with their environment. Responsible organizations communicate with their stakeholders not only to pass on information but first of all to create a common value, to search for solutions serving common good. Even though communication management plays a very important role in organization functioning, many of them struggle with the implementation of the process of communication with their stakeholders.

4    OLEJNICZAK, A.: *Reklama — psychologiczne aspekty wpływu marketingowych sztuczek.* MINIB. Marketing instytucji naukowych i badawczych, Zeszyty Instytutu Lotnictwa 2012, No. 2, p. 139-140.

5    WRONA, K.: Grywalizacja i gry oraz ich potencjał do wykorzystania w strategiach marketingowych. In *Marketing i rynek*, 2013, No. 10, p. 25-31. [online]. [2015-12-16]. Available at: <http://www.pwe.com.pl/files/1276809751/file/wrona_mir_10_2013.pdf>.

6    JONKER, J., RUDNICKA, A., REICHEL, J.: Nowe horyzonty. Przewodnik po społecznej odpowiedzialności i rozwoju zrównoważonym. Łódź : Centrum Strategii i Rozwoju Impact, 2011, p. 57-58, p. 152-155.

It is obvious that stakeholders involvement is one of the main goals, both in communication about CSR activities and in communication within CSR activities. This is because no project carried out within the social responsibility strategy can succeed without the real dialogue and collaboration with the stakeholders. Communication experts (practicians and theoreticians) emphasize the numerous benefits that result from the properly realized communication activities in this area. The main opportunities provided by the effective communication about CSR and within CSR projects are the following:
• education on what CSR is,
• promotion of the CSR idea,
• encouraging stakeholders to undertake socially responsible actions,
• building relationships with stakeholders,
• benchmarking of the CSR activities,
• exchange of opinions between stakeholders in order to create a common value,
• increase in product/process/service innovation,
• shaping organization's image.

However, despite full awareness of their importance, communication about CSR [7] and communication activities often are not tailored to stakeholders' expectations. The study research on CSR communication – conducted in 2012 by the "Effective PR" Agency and PIN radio station among companies and the audience of the radio's BIZON broadcast – indicate that communication tools used by enterprises are still insufficiently adapted to the channels from which the receivers derive information[8]. Moreover, as it was shown in the report, there is also the problem of the right choice of CSR messages audience and of addressing the right information to the specific groups of stakeholders. According to the research, businesses most often communicate their CSR activities to employees, then owners, shareholders and media, while customers are as far as on the fifth place. Thus, we can assume that the awareness that CSR communication builds brand reputation and creates its positive image among customers is still very low. Paula Owen in her book "How Gamification Can Help Your Business Engage With Sustainability"[9] warns that, at present, information about the activities within the corporate social responsibility and sustainable development, provided through the traditional channels, does not evoke positive emotions among the receivers and this way it does not support stakeholders' involvement. That is why the author tries to solve the problems of the effective CSR communication by introducing into the communication process the mechanisms used hitherto in games (gamification). She thinks that applying gamification to the

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7  For 70 % of the managers communication about CSR operations is not necessary, for the remaining 30 % it is essential. In *Komunikacja działań CSR w Polsce. Raport.* [online]. [2015-09-30]. Available at: <http://effectivepr.pl/Image/pdf/komunikacja-dzialan-CSR.pdf>.

8  *Komunikacja działań CSR w Polsce. Raport.* [online]. [2015-09-30]. Available at: <http://effectivepr.pl/Image/pdf/komunikacja-dzialan-CSR.pdf>.

9  OWEN, P.: *How Gamification Can Help Your Business Engage With Sustainability.* London : Sedition Publishing LTD DoSustainability, 2013.

communication activities of organizations may help to avoid the boomerang effect, that is, discouragement and boredom instead of interest and involvement in the CSR Digital Age activities offered to the stakeholders[10]. Well-chosen game mechanisms which evoke positive emotions and stimulate the desired behavior of the receivers may help CSR managers to educate stakeholders in the fields of social responsibility and sustainable development as well as to engage them in CSR activities undertaken by organizations.

Undoubtedly, proper development and implementation of CSR communication strategy requires the selection of such channels and tools that allow the right message to be delivered in the right time to a certain stakeholders group and to produce the desired effect. In the CSR communication which is a multilateral process and takes on the dialogue form feedback received by organization and stakeholders during the exchange of messages is extremely important. This necessary interactive character is nowadays ensured by the social media tools such as: Facebook, Twitter or Instagram – even if they have some disadvantages and do not always guarantee the success of the planned communication activities. Sometimes the result of communication activities is completely different from what was expected. Nevertheless, it seems that it is social media that allow full implementation of game mechanisms in order to fulfill the abovementioned CSR communication objectives ("opportunities"). When managing a modern organization, one needs to be aware that employees belonging to the so called Millennials (born between 1980 and 2000) constitute already a high percentage of the workforce. For these people – who had spent over 10000 hours playing video games by the time they reached the age of 21 – mechanisms like overcoming challenges, reaching goals or awarding are rooted in their way of thinking and motivations.[11] By applying the mechanisms known to employees, one can influence and reinforce the positive, desired behaviors and attitudes, also when it comes to staff morale or building effective teams. More, we need to remember that for modern societies time is the most valuable asset, therefore it is important to spend it in a possibly pleasant and satisfactory way. And it is gamification that makes it possible. Well designed game causes players to return to it more willingly – taking actions that sometimes seem to be completely absurd and detached from reality, and experiencing the so called "flow", that is, the state of being "utterly into the game"[12]. Stakeholders would rather "catch", collect such experiences than to absorb information.

10   COOMBSW, T., HOLLADAY, S. J.: Two-Minute Drill: Video Games and Social Media to Advance CSR. In ADI, A., GRIGORE, G., CROWTHER, D. (eds.): *Corporate Social Responsibility in the Digital Age (Developments in Corporate Governance and Responsibility).* Bingley : Emerald Group Publishing Limited, 2015, Vol. 7, p. 127-142.

11   GOODCHILD, L.: *Three Trends in Employee Engagement in CSR: Mobile, Personalization, and Gamification.* [online]. [2015-10-12]. Available at: <https://www.sustainabilityprofessionals.org/three-trends-employee-engagement-csr-mobile-personalization-and-gamification>.

12   ZICHERMANN, G., CUNNINGHAM, C.: *Grywalizacja. Mechanika gry na stronach WWW i w aplikacjach mobilnych.* Gliwice : Helion, 2012, p. 28-29.

## 2 Game mechanisms in communication

The literature of the subject provides us with two terms: game (including serious game) and gamification. Gamification is the implementation of game mechanisms to the real world in order to enhance users' engagement or behavior change in the course of solving various problems.[13] The fundamental difference between the traditional (classic) games and gamification is in the goals for which game mechanisms are created and applied to gamification. Games were designed in such a way that they would provide entertainment and fun. In gamification entertainment (mechanisms functioning in games) is used to achieve previously set objective (e.g. to increase customer loyalty, build a working team, rise interest in a product).[14] Dutch historian and anthropologist, author of the book "Homo Ludens" – J. Huizing described play as a " free activity standing quite consciously outside "ordinary" life as being "not serious", but at the same time absorbing the player intensely and utterly. It is an activity connected with no material interest, and no profit can be gained by it. It proceeds within its own proper boundaries of time and space according to fixed rules and in an orderly manner". Similarly, J. Schell, professor at Carnegie Mellon, author of "The Art of Game Design: A Book of Lenses", described game as "a problem-solving activity, approached with a playful attitude".[15] Contrary to other human activities, games are different from "ordinary" activities, both in terms of time and place. When we begin to play, we enter another space where rules of ordinary life have become "suspended" and replaced by the game rules. For a new player to enter the game, he/she must accept the temporary suspension of the reality.[16] Game is a free act, so accepting its rules is the essential condition of the existence of the game world. If the rules are violated, the player is subject to punishment (sanctions). On the other hand, players may receive awards – exemptions and profits, which allow them to skip some of the rules.[17] Gamification does not necessarily have to function on voluntary basis.

13    MARCZEWSKI, A.: *Gamification: A Simple Introduction* [e-book], [online]. [2015-12-10]. Available at: <https://books.google.pl/books?hl=pl&lr=&id=IOu9kP jlndYC&oi=fnd&pg=PA3&dq=MARCZEWSKI,+A.:+Gamification:+A+Simple+I ntroduction&ots=kHNr2MkMV&sig=lgN0t3RuUVkyxhM3MF1726jbn24&red ir_esc=y#v=onepage&q=MARCZEWSKI%2C%20A.%3A%20Gamification%3A%20 A%20Simple%20Introduction&f=false>.The term was first time used in 2002 by Nick Pelling and meant the set of activities inscribed in the video and computer games world, which were to be adapted to other areas

14    SIADKOWSKI, J.: *Grywalizacja. Zrób to sam!* Warszawa : Fundacja Orange, 2014, p. 9.

15    TKACZYK, P.: *Grywalizacja. Jak zastosować mechanizmy gier w działaniach marketingowych.* Gliwice : Helion, 2012, p. 14-27.

16    GRAY, D., BROWN, S., MACANUFO, J.: *Gamestorming, Gry biznesowe dla innowatorów.* Warszawa : ABC Wolters Kluwer business, 2013, p. 21.

17    WRONA, K.: Grywalizacja i gry oraz ich potencjał do wykorzystania w strategiach marketingowych. *Marketing i rynek*, 2013, No. 10, p. 27. [online]. [2015-12-16]. Available at: <http://www.pwe.com.pl/files/1276809751/file/wrona_mir_10_2013. pdf>.

Game mechanisms are the mechanics and dynamics of the game. Mechanics are the game functional components. Dynamics are the players interactions with the mechanics. Properly constructed makes the game attractive to players led by various motivations. Sometimes these terms are used interchangeably. The basic game mechanisms, according to G. Zichermann and Ch. Cunningham[18] are: points, badges, levels, challenges, rewards. More detailed comparison of game dynamics and corresponding mechanics is presented in the book „Mechanika gry na stronach WWW i w aplikacjach mobilnych" (*Implementing Game Mechanics in Web and Mobile Apps*). The authors listed the following components of game mechanics:

(1) points and feedback (rewards),
(2) levels (status),
(3) leaderboards (competition),
(4) badges (achievements and challenges),
(5) training (introduction),
(6) social engagement loops,
(7) customization (self-expression),
(8) gifts (altruism).

Getting involved in a game, players follow various motivations. R.A. Bartle in „Games People Play" notices four main incentive factors[19]: (1) exploring the game world, (2) in-game achievements, (3) contacts with other players, (4) influence on others. Exploring the game world is important for those who like to tour the virtual world and learn about the rules governing it. In-game achievements matter for players who consequently reach the goals set in the game and want to be the best. Making contacts with others is crucial for those who like contacts, conversations, which then can be transferred to the reality, whereas exercising influence on others is important to those who like chaos, challenge others, steal and kill. In reference to the above types of behaviors, Bartle defined four basic player categories: (1) explorers, (2) achievers, (3) socializers, (4) killers. Explorers collect experiences, discover the game world, want to get to know it as much as possible. Their symbol is the spade (digging the world to find knowledge). Achievers collect points, they like games with leaderboards and levels. The most important for them is the most precise completion of tasks, they want to be better than others and failure most often causes them to loose interest in the game. Their symbol is the diamond (collecting riches). Socializers collect social experiences, for them game is an introduction to long-term social interactions. They value other players and the game itself is the background to initiate interesting relationships. They are represented by the hearts (empathy is a pleasure). They are the most numerous group of players. Killers are interested in other players' loss. They play to rule over others. Their symbol is the clubs

18 ZICHERMANN, G., CUNNINGHAM, C: *Grywalizacja. Mechanika gry na stronach WWW i w aplikacjach mobilnych.* Gliwice : Helion, 2012, p. 43-56.
19 BARTLE, R. A.: *Hearts, Clubs, Diamonds, Spades: Players who suit MUDs.* [online]. [2015-10-12]. Available at: <http://mud.co.uk/richard/hcds.htm>.

(having weapon gives pleasure to the game). This is the smallest group. Most players reveal all types of behaviors concurrently, with one or two dominating.

Each area of activity, including CSR communication, has the potential to be approached in the gamification categories. The factor determining whether a certain area can be gamified and whether the game is interesting and entertaining, is not the motif (content) itself but the well-selected game mechanisms. It is due to those mechanisms (game mechanics and dynamics) that players can be kept longer and their interest sustained.[20] It seems reasonable to design games for stakeholders in the CSR communication. Just as advergames inform about the organization's brand, help to create its positive image and allow the receivers to interact with it longer through the Internet or other platforms, the games of similar type should allow to build strong relations with stakeholders by providing the latter with knowledge and experiences. They also allow to build stakeholders data bases and will be an important component of contests. By means of games one can win fans in social media, collect players' e-mail addresses, educate and even integrate members of groups or industries, engaging them in i.a. solving social problems.

## 3 Gamification for CSR communication

Game mechanisms may be applied to CSR communication in various ways both for educational purposes (to raise awareness of the nature of social responsibility) and to enhance engagement of different stakeholders groups in specific activities connected with the realization of social responsibility by an organization. Gamification facilitates reaching with the information (e.g. about CSR or socially responsible actions undertaken) to the internal stakeholders (employees) and external stakeholders (i.a. local communities, contractors, vendors, media but also organization's stakeholders in wider approach: society, institutions, schools, universities). The most important element in implementation of the CSR concept – stimulating a dialogue and stakeholders' engagement – is also possible through the application of game mechanisms. The possibilities of the use of gamification in CSR communication are the following:

1. Gamification in communication about CSR – universities, schools, media, institutions, NGO to society.
2. Gamification in communication about CSR – business to employees – awareness rising, education, sharing knowledge and experience, motivating, engaging.
3. Gamification in CSR activities:
   a) addressed to employees (HR, CSR, internal PR),
   b) addressed to external stakeholders (local communities, contractors, suppliers).

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20    ZICHERMANN, G., CUNNINGHAM, C.: *Grywalizacja. Mechanika gry na stronach WWW i w aplikacjach mobilnych.* Gliwice : Helion, 2012, p. 27-42.

Organizations that wish to improve significantly their communication with stakeholders and allow them to share experiences by active use of social media, will increase stakeholders engagement if they select proper incentives for each player type and game dynamics. In order to implement CSR one needs to identify the situation that is to be transformed into a game and then design the game, remembering that it is players' motivation that determines the game's final result. G. ZICHERMANN and Ch. Cunningham[21] show the main reasons why people are motivated to start playing: to master, to get rid of stress and to have fun. By finding out as much as possible about the potential players and their needs, it is easier to design the game in such a way that their actions would correspond with the desired behavior.Gamification brings in a huge potential which can be used in CSR operations. Thanks to adaptation of gamification one can show the stakeholders how valued their comfort is, entertain them and gave them fun. And thanks to these emotions and engagement the stakeholders will stay with an organization longer, they can also change their social behaviors and attitude. Commitment creates a close relationship between an organization and its stakeholders. If we transfer social media indicators into the CSR area, we can measure the strength of engagement through[1]:

• frequency of appearance,
• frequency of interactions,
• duration of interactions,
• readiness to propagate,
• assessment.

The use of gamification may help organizations to gain competitive advantage in the market. If we begin to think of stakeholders as players, a symbiotic relationships based on entertainment and pleasure is formed. Despite appearances, the theme (content) itself is not the most important in creating the sense of pleasure. It is the game mechanics that can keep the player with a brand or organization for longer.[22] Benefits from applying gamification in CSR communication and activities are presented below:

• improvement of communication with stakeholders,
• education of stakeholders about CSR,
• increase of engagement – if incentives are properly chosen for each player type and for the gamification system dynamics,
• creation of the sense of belonging to a group by forming a community around certain CSR activity – services and forum members – loyalty – sharing opinions and information, inviting friends, notifying friends about the rewards – advertisement of a company,
• motivating employees/stakeholders to perform certain actions,
• stimulation of creativity of employees/stakeholders, encouraging innovations,

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21   Ibidem, p. 35-38.
22   WRONA, K: Grywalizacja i gry oraz ich potencjał do wykorzystania w strategiach marketingowych. In *Marketing i rynek*, 2013, No. 10, p. 25. [online]. [2015-12-16]. Available at: <http://www.pwe.com.pl/files/1276809751/file/wrona_mir_10_2013.pdf>.

• building long-term relationships with stakeholders,
• reinforcement of collaboration mechanisms.


## 4 Challenges of designing gamification in CSR communication

Authors of the manual "Grywalizacja. Zrób to sam!" (*Gamification. Do it yourself!*)[23] proposed a five-step model of gamification development: (1) define the problem, (2) identify the desired behavior, (3) describe players and their motivation, (4) introduce the element of fun, (5) describe game rules. According to the authors it is particularly important that during the gamification development process enough consideration is given to the proper selection of game elements that belong to the three main categories: mechanics, dynamics and components. Selection of elements that fit one another, properly enhance fun and complement it, is the key to successful gamification. In the process of game design, once the problem and the desired behavior are defined, the motivation of players should be considered in order to encourage them to participate in the game and to exercise greater effort and engagement. Experiences in the online communities formed for customers of a certain brand, enterprise or organization prove that games successfully enhance clients' loyalty. Players may express it by sharing information, inviting friends or notifying them about the received rewards. Thanks to that the brand associated with the game is being talked about in the cyberspace (and not only there). This allows to stand out of the crowd and gives a chance to become the market leader. Service members form the community of brand followers, what gives them a sense of belonging to the group of fans and a sense that they will be listened to by the company's representatives and receive answers to their questions. Gamification of contacts with customers and other stakeholders may help the company to gain market advantage in times when customers can choose from several or more similar – in terms of properties, price and availability – products or services. Seeing customers as players changes the approach towards the brand and assumes a long, symbiotic collaboration based on the features characteristic for games: pleasure and fun.[24]

Mechanisms similar to those applied to customers may be used in case of other stakeholders. Of course, they have to be adapted to the group specifics and its needs. Games may not only stimulate the growth of customer loyalty and promote the brand. The range of application is much wider – from motivating employees to perform certain actions to stimulating their creativity what, in turn, leads to stimulating innovations. Transfer of players into another reality happens by means of a complex narrative structure which is supported by (physical,

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23   SIADKOWSKI, J.: *Grywalizacja. Zrób to sam!* Warszawa : Fundacja Orange, 2014, p. 18.
24   WRONA, K.: Grywalizacja i gry oraz ich potencjał do wykorzystania w strategiach marketingowych. In *Marketing i rynek,* 2013, No. 10, p. 27. [online]. [2015-12-16]. Available at: <http://www.pwe.com.pl/files/1276809751/file/wrona_mir_10_2013.pdf>.

sometimes only virtual) game objects such as pawns, chess pieces, bottle caps etc., to which higher than usual value is assigned. One of the three main narrative types can be employed in the process of designing CSR communication[6]:

1. story-telling – the audience remains passive, is an observer, there are no interactions; this type of narrative is not typical for games,
2. shaping the story – typical for chess games; players construct the story themselves,
3. wandering through the story – typical for social media portals; all you have to do is to enter and immerse yourself in the virtual world by engaging in social interactions.

According to J. Banister – the owner and the president of the consulting agency SpectrumDNA – narrative program consists of five basic elements. They are as follows[25]:

1. context – rules, principles ensuring the structure of the narrative and at the same time imposing limitations,
2. content – what we perceive with our senses,
3. community – interactions between players,
4. trade – exchange of values,
5. instruments, code – limitations resulting from the employed technology, the game motor.

Game designers face many challenges. In the design process one of them may be taking advantage of certain rituals, daily habits that players may associate with a given situation. In "The Ritual Masters" study published in 2007 by BBDO agency, rituals are categorized as follows[26]: (1) preparing for battle – facing the daily challenges after leaving home, family nest, (2) feasting – the pleasure of eating together, often after overcoming the hardships and challenges of the day, (3) sexing up – taking care of health, appearance and physical condition, (4) returning to camp – customers return home, office after a busy meeting – stress is replaced by relax, (5) protecting yourself for the future – ensuring safety before going to bed. Another challenge is to construct a proper gamification system. It should fit into customers' lifestyle. The biggest challenge in gamification design is to create a coherent and overall game experience. It involves the development of the coherent narrative layer (story) as well as creating names for certain procedures and components of the gamification system.[27] Thanks to properly

25  TKACZYK, P.: *Grywalizacja. Jak zastosować mechanizmy gier w działaniach marketingowych.* Gliwice : Helion, 2012, p. 18-19.
26  JANKOWSKI, J.: *Rozwój advergames i gier w marketingu, Raport Game Industry Trends 2012.* Nowy Marketing, 2012, p. 30. [online]. [2015-10-30]. Available at: <nowymarketing.pl/raport/1,raport-git-2012-gry-i-grywalizacja-praktyka-w-marketingu>.
27  WRONA, K.: Grywalizacja i gry oraz ich potencjał do wykorzystania w strategiach marketingowych. In *Marketing i rynek*, 2013, No. 10, p. 30-31. [online]. [2015-12-16]. Available at: <http://www.pwe.com.pl/files/1276809751/file/wrona_mir_10_2013.pdf>.

designed gamification that fits stakeholders' individual needs one can shape social attitudes, promote healthy lifestyle and popularize education. It is because gamification may influence the behavior of players in their daily life.

## 5 Good practices of game mechanism application in CSR communication

B. Rok[28] thinks that modern CSR – CSR 3.0 – involves interactions, joint action and collaboration of certain people and institutions, that build the common social and economic space. Therefore, gamification seems to be the best instrument to implement CSR activities, create a shared space for them and build the dialogue between organizations and their stakeholders. The following examples of gamification in CSR communication and actions illustrate the approach to this issue of Polish and foreign businesses and organizations, that implement the idea of social responsibility:
a) Board game "Fair play" for DB Schenker Logistics employees,
b) Contest "Dances with Pallets" ("Tańczacy z paletami") for fork lift operators (warehouse workers) in Raben Group,
c) Gamification module in intranet platform – Spectrum Health in West Michigan,
d) Ecoinomy,
e) Game "Your Family Budget" ("Twój Budżet Rodzinny") by Bank Zachodni WBK,
f) USLP in Action.

DB Schenker Logistics has developed employee training program in the form of a board game **"Fair Play"**[29]. It has been created to strengthen ethical behavior among the company's staff. The game is played in teams of 5 and it checks and consolidates the knowledge of company's compliance rules regarding e.g. anti-corruption policy, conflict of interest or business-like behavior towards competitors. The game involves answering three types of questions that allow to evaluate participants' knowledge and level of ethics in reference to past and future, potential situations. Example questions: What do you know? – referred to DB Schenker Logistics compliance guidelines; Share your experience! – involved giving answers based on one's own experiences; What would you have done? – referred to different situations and dilemmas that might occur. The goal of gamification of the **"Dances with Pallets"**[30] contest was to promote safe behaviors in Raben Group warehouses. The contest consisted of 2 stages. First round – local – was divided into two parts: theoretical and practical. The next stage involved fork lift navigation – here it was precision and safety that

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28 ROK, B.: *W kierunku CSR 3.0.* [online]. [2015-10-12]. Available at: <http://odpowiedzialnybiznes.pl/artykuly/w-kierunku-csr-3-0-debata/>.
29 *Program szkoleniowy Fair Play.* [online]. [2015-10-12]. Available at: <http://odpowiedzialnybiznes.pl/dobre-praktyki/program-szkoleniowy-fair-play-db-schenker-logistics/>.
30 *Raben tańczy z paletami.* [online]. [2015-10-12]. Available at: <http://www.kampaniespoleczne.pl/csrcrm,7600,raben_tanczy_z_paletami>.

mattered. The winners of local editions met in the final held in the Raben Group central warehouse. Three best fork lift operators in Poland received a crystal pallet and financial awards. **Spectrum Health**[31], a nonprofit health system in West Michigan, instead of using gamification as a direct part of CSR efforts to engage customers, aims to use it to identify customer-facing CSR leaders within the company. Spectrum launched the intranet platform Jive with gamification modules. The aim was to develop a group of community relations ambassadors, and gamification principles were to help to recognize people taking on that role within the company. Participants are able to earn honors and to show those on the intranet, such as having the community relations ambassador designation, the number of community hours served, and more. Once identified, ambassadors help to tell the CSR and brand story, but they also get "vital feedback" from the communities in which they serve.

**Ecoinomy**[32] provides eco-gamification platforms and mechanics to companies to engage staff on environmental actions. They have partnered with a utility company, who used the system to motivate employees by promising a portion of monetary savings to community causes chosen by them. Each employee had their own online account and could submit eco-saving opportunities as they came up, like carpooling. The amount of money and $CO_2$ emissions saved by the action were logged. Results were impressive, and over 25 percent of the staff joined with the pilot scheme. The project helped save the utility £41000 in costs and 66 tones of $CO_2$. An annualized estimate of the savings for each employee active in the scheme came to £350, which translates to a potential £7 million in savings if every employee took up the challenge in the future. As a result, over £8000 was donated to local causes and nearly 5000 actions undertaken. The game called **Your Family Budget**[33] is a gamification project available on **Bank Zachodni WBK** webpages, which introduces to the world of home budget planning and saving. Players take on the role of a young couple just starting out their life together. They have a small apartment bought on credit and with the support of their family. They dream about furnishing the apartment, buying a car, having a baby and a bigger apartment in the future. The game helps to realize what types of bank credits suit best certain types of purchases and family decisions. It also contains an educational quiz with questions regarding personal finances. The right answers to questions about such terms as "charge back" or practical knowledge about the functioning of credit cards abroad are awarded extra game-money. By the end of 2014 the web had 33000 registered players. **Unilever Polska** has launched the intranet platform **USLP in Action**[34] which

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31  *The Valeu of Gamified CSR.* [online]. [2015-10-12]. Available at:
    <http://www.prweek.com/article/1314544/value-gamified-csr>.

32  OWEN, P.: *Can Gamification Help Enhance The CSR Credibility of Your Company.*
    [online]. [2015-10-12]. Availbale at: <http://www.csrwire.com/blog/posts/757-can-gamification-help-enhance-the-csr-credibility-of-your-company>.

33  *Twój budżet rodzinny*. [online]. [2015-10-12]. Available at:
    <http://twojbudzetrodzinny.pl>.

34   *USLP in Action – Unilever Polska*. [online]. [2015-10-12].

were to educate employees and increase their knowledge about the principles of "Sustainable Living Plan". USLP in Action is a tool to engage employees into a discussion on company's sustainable development strategy. Each week the users were invited to take part in a new challenge. For 6 weeks they were, for example, taking quizzes on the issues connected with implementation of sustainable development idea in daily life and work. Each challenge was scored. At the end of the campaign employees who scored best received awards.The characteristics of the presented gamification solutions is shown in the table below.

**Table 1: Characteristics of selected examples of CSR gamification**

| Gamification | Gamification objective | Players | Form | Mechanisms | Results |
|---|---|---|---|---|---|
| "Fair Play" DB Schenker Logistics | Education in workplace ethics. Strengthening employees ethical behaviors. | Employees | Board game – training | Fun Competition Scoring Taking challenges Gratification | Rising awareness of ethical behaviors among staff |
| "Dances with Pallets" Raben Group | Education in observing safety-compliance rules during work in the company warehouses (workplace). | Employees | Contest | Fun Competition Reaching next levels Awarding the winners | Increasing safety level during work in company's warehouses |
| Spectrum Health | Identification of corporate CSR leaders Education of employees about CSR | Employees | Game module on the intranet platform | Fun Scoring Results lists published Awarding | Identification of trained CSR ambassadors – leaders of future CSR operations |
| Ecoinomy | Motivating to and engaging employees in ecological activities | Employees | Eco-games platform | Fun Scoring Collaboration Results lists published Awarding | Real involvement of staff in ecological behaviors Savings from introducing ecological solutions in the company Realization of social projects financed from the money saved through ecological behaviors |

Available at:
<http://odpowiedzialnybiznes.pl/dobre-praktyki/uslp-in-action-unilever-polska/>.

| | | | | | |
|---|---|---|---|---|---|
| USLP in Action Unilever Polska | Education of employees and expanding their knowledge about the principles of company's "Sustainable Living Plan". | Employees | Intranet platform – game | Fun Competition Scoring Taking challenges Gratification | Employees involvement in the discussion on sustainable development Information about the "Sustainable Living" project |
| "Your Family Budget" BZWBK Bank Zachodni | Education of customers in personal finances management | Existing and prospective customers | Internet game on the Bank website | Scoring Reaching next levels Improving players self-assessment Awarding | Increase the level of customers' knowledge about personal finances, presentation of bank's credit-related products, rising awareness on benefits from multiplying savings |

Source: Self-study based on:
*Program szkoleniowy Fair Play*. [online]. [2015-10-12]. Available at:
<http://odpowiedzialnybiznes.pl/dobre-praktyki/program-szkoleniowy-fair-play-db-schenker-logistics/>.
*Raben tańczy z paletami*. [online]. [2015-10-12]. Available at:
<http://www.kampaniespoleczne.pl/csrcrm,7600,raben_tanczy_z_paletami>.
*The Valeu of Gamified CSR*. [online]. [2015-10-12]. Available at:
<http://www.prweek.com/article/1314544/value-gamified-csr>.
OWEN, P.: *Can Gamification Help Enhance The CSR Credibility of Your Company*. [online].
[2015-10-12]. Availbale at: <http://www.csrwire.com/blog/posts/757-can-gamification-help-enhance-the-csr-credibility-of-your-company>.
*USLP in Action – Unilever Polska*. [online]. [12.10.2015] Available at:
<http://odpowiedzialnybiznes.pl/dobre-praktyki/uslp-in-action-unilever-polska/>.
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## Conclusion

Gamification may be employed to solve complex corporate problems by transferring game mechanisms and solutions into the daily life of various stakeholders groups. This should be done in such a manner that it would increase the involvement of the target group, motivate its members to undertake certain actions which, in turn, will result in loyalty and attachment to a given organization. CSR communication is one of the areas where gamification can be applied. Game mechanisms may be used in CSR communication both for educational purposes and to increase engagement of different stakeholders groups in specific activities connected with following the social responsibility strategy by an organization. Thanks to that reaching with the information

(e.g. about CSR or socially responsible actions undertaken) to the internal (employees) and external stakeholders (i.a. local communities, contractors, vendors, media but also organization's stakeholders in wider approach: society, institutions, schools, universities) will become easier. The most important aspect of CSR implementation – namely, prompting dialogue and stakeholders involvement – is also possible through application of game mechanisms. In the process of developing gamification in the area of CSR communication, not only the problem and the desired behavior should be defined, but also the motivation of players should be considered in order to encourage them to enter the game and to prompt them to a greater effort and engagement. Thus, gamification designers face many challenges. In the design process one should take advantage of the certain rituals and daily habits which players may associate with a given situation. Besides, it is necessary to establish the proper gamification system embedded in customers lifestyle. However, the biggest gamification challenge is to create a coherent and overall in-game experience. It involves the development of the coherent narrative layer (story) as well as creating names for certain procedures and components of the gamification system. So, thanks to properly designed gamification that fits stakeholders' individual needs one can shape social attitudes, promote healthy lifestyle and popularize education. It is because gamification may influence the behavior of players in their daily life. The analysis of the selected solutions presents good practices in gamification development. They can be a good inspiration to create new solutions.

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# IN-GAME ADVERTISING WITHIN ALAN WAKE AND ITS PERCEPTION (CASE STUDY)

*Zdenko Mago – Jarmila Knapcová*

**Abstract**

In-game advertising as a mean of advertisement placement within digital games represents one of recent ways of how to reach potential consumers in current digital era. The aim of the study is to determine the difference in perception between digital in-game and non-digital print advertisements of the same product. The digital game *Alan Wake* represents an ideal research material because it contains various types of in-game advertising. A quantitative content analysis of the game examines occurrence rates of particular types of in-game advertising placed in it. Afterwards, we investigate using semantic differential the difference in perception between in-game advertising and corresponding print advertising as a form of „traditional" advertising. Reduction of prejudices or aversion towards in-game advertising is also a partial goal of the study.

**Key words:**

Alan Wake. Comparison of in-game and traditional forms of advertising. Content analysis. Digital game. In-game advertising. Perception.

## 1 In-game advertising and Alan Wake

In current digital era, the importance of digital games in understanding of media as well as a marketing communication is still gaining its significance. Despite the existing criticism of digital games (e.g. in form of stereotypes, prejudices, aversion) or the use of digital media in general[1] they represent a novel way of reaching potential consumers.

In the digital games environment, in-game advertising as a placement of various advertising forms inside digital games that have not been originally created for promotional purposes is one of such marketing tools. According to DFC Intelligence – a video game and entertainment research company – the in-game advertising market will have globally grown to 7.2 billion USD by 2016[2]. In-game advertising can use any form of traditional advertising in form of its virtual analogies – virtual billboards are the most common[3], while it is possible to find posters, replicas of real shops and cars, even TV spots and more creative forms of advertising.

1  SPLITZER, M.: *Digitální demence*. Brno : Host, 2014.
2  *Games: In-Game Advertising.* [online]. [2015-03-10]. Available at: <http://www.theesa.com/wpcontent/uploads/2014/11/Games_Advertising-11.4.pdf>.
3  MAGO, Z., MIKULÁŠ, P.: The Use of Computer Games for Promotional Purposes. In *Journalism and Mass Communication*, 2013, Vol. 3, No. 1, p. 55-56.

Many authors (G. Marolf[4], M. Svahn[5] and others) distinguish only between a *static* and a *dynamic* in-game advertising that means between a permanent part of game and the option to change inserted promotion through the online connection and based on time terms. Besides, there exist more complex classifications. B. Klein[6] divided in-game advertising into four types: *associative*, *illustrative*, *demonstrative* and *value placement*. *Associative in-game advertising* is the only one that has the character of pure product placement – it means peripheral integration of audial and visual placements (e.g. billboards). The other three types are considered as plot placement. *Illustrative* type is described as an interaction with the placement without precise details about promoted products / brands. *Demonstrative* type includes an interaction of the target players with the best possible features of the placed product / brand. *Value placement* represents the highest form of advertising integration inside digital games. An interaction with this type of placement gives gamer additional benefits.

Typically, only one or two different types of in-game advertising are applied in a single digital game, most often it is the form of associative in-game advertising. However, exceptions can be found as we can see in the case of *Alan Wake* we are focusing on.

*Alan Wake*[7] is a psychological survival horror game (sometime labeled as an action psychological thriller) originally created by Microsoft Games Studios only for consoles Microsoft Xbox 360 in 2010. Two years later, in 2012, Microsoft came up with another version for PCs to expand gamers base that later proved to be a smart move because only 48 hours after game release on Steam studio got its investments back[8]. Besides high rankings received from gaming portals (IGN, GameSpot, Eurogamer, etc.), game also gained numerous awards (including Best Horror Game) and nominations in 2010.

The game story focuses on the main character, Alan Wake, a famous thriller author, who is having a writer's block. He and his wife decide to change an environment and go for a vacation to the Cauldron Lake near small town of Bright Falls. The first evening Alan's wife Alice is kidnapped by mysterious

4    MAROLF, G.: *Advergaming and In-Game Advertising: An Approach to the next Generation of Advertising.* Saarbrücken : VDM Verlag Dr. Müller, 2007, p. 93-97.
5    SVAHN, M.: Future-proofing advergaming: A systematisation for the media buyer. In PISAN, Y. (ed.): *The Second Australasian Conference on Interactive Entertainment. Conference proceedings.* Sydney : Creativity & Cognition Studios Press, University of Technology, 2005, p. 187.
6    KLEIN, B.: *Zur Werbewirkung von In-Game-Advertising: Theoretische Fundierung und empirische Erkenntnisse.* Mníchov : FGM-Verlag, 2009, p. 12.
7    *Alan Wake (Microsoft Windows version 2012).* [Digital Game]. Redmond : Microsoft Game Studios, 2012.
8    YIN-POOLE, W.: *Alan Wake PC makes money back in 48 hours.* [online]. [2015-10-29]. Available at: <http://www.eurogamer.net/articles/2012-02-20-alan-wake-pc-makes-money-back-in-48-hours>.

powers. In a quest to find her Alan has to experience the story of his own latest novel he doesn´t remember. To survive in a dark world full of shadows where the flashlight becomes a powerful weapon is the only way to save his wife.

Apart from undoubtedly great gameplay and storytelling experience, gamers are also exposed to a large amount of in-game advertising (except for specific game genres like racing or sport games[9] requiring advertising placement in order to seem more realistic). *Alan Wake* contains almost all existing types of in-game advertising.

Energizer company created a comprehensive marketing campaign throughout this game in order to promote its new batteries – Energizer Advanced Lithium. In the game gamers can use Energizer flashlight to fight enemies, find couple of billboards and also collect common and Advanced Lithium packed real-looking Energizer batteries, which are used as "ammo" for flashlight (see Picture 1). An interesting notion highlighting the abilities of new Advanced Lithium batteries and definitely classifying this in-game advertisement in the category of value placements is the fact that using them in game restores four spare batteries, while using the standard Energizer battery pack replenishes only two of them. After spending 100 batteries gamer gains "Energized!" achievement.



**Picture 1: Energizer in-game advertising within Alan Wake**
Source: *Alan Wake (Microsoft Windows version 2012).* [Digital Game]. Redmond : Microsoft Game Studios, 2012.

Branded cars (Ford, Lincoln, Mercury) from Ford Motor Company can be driven by Alan Wake and it is possible to use their headlights as weapons against shadows. However, these cars do not bring additional bonuses in comparison with other non-branded cars in the game, therefore it can't be classified as the value placement, but it represents an illustrative and demonstrative example of in-game advertising. Moreover, Ford Mustang TV spot playing in virtual television is an example of possibility to use basically any type of traditional media and/or advertising in their digital version (see Picture 2).

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9    ŠISLER, V.: Krásný nový svět virtuální reklamy. In *Level*, 2005, No. 123, p. 30.

**Picture 2: Ford Motor Company in-game advertising within Alan Wake**
Source: *Alan Wake (Microsoft Windows version 2012).* [Digital Game]. Redmond : Microsoft Game Studios, 2012.

Verizon is another brand inserted to this game. Alan Wake uses Verizon cell phone several times during the game progress (mostly during the game cutscenes), there is a couple of billboards promoting Verizon company and a 30 second long TV spot (see Picture 3). Game also provides some occasions for self- and cross-promotion. Ford Sync powered by Microsoft, Microsoft Xbox 360 console and packaged game, poster promoting *Death Rally*[10]game from Remedy Entertainment and several references to *Alan Wake* game itself.



**Picture 3: Verizon in-game advertising within Alan Wake**
Source: *Alan Wake (Microsoft Windows version 2012).* [Digital Game]. Redmond : Microsoft Game Studios, 2012.

It is necessary to separately underline the usage of functional interactive QR codes linking the game with other parts of Alan Wake and Remedy universe (e.g. official Facebook page) and cooperation of the Old Gods of Asgard songs in the game soundtrack with visual references of the band in gameplay – vinyl LPs, posters and replicas of awards.

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10  *Death Rally (DOS version).* [Digital Game]. Garland : Apogee Software, 1996.

## 2 The range of in-game advertising within Alan Wake and its perception compared to the traditional printed form of advertising

All aforementioned examples of advertising in *Alan Wake* show only ways of in-game placements, but do not represent the full range of in-game advertising implemented in the game. Therefore, with the aim to find out the extent of promotion inside *Alan Wake* to be able to determine an overall exposure to advertisements during whole gameplay of main story, the first research question is:

*RQ1: What is the extent of in-game advertising within the game Alan Wake?*

The following part of research deals with attitudes towards in-game advertising in the game called *Alan Wake*. A comparison of these attitudes with attitudes towards corresponding print advertisements could show a difference in the perception of these distinct ways of promotion and reduce possible prejudices towards in-game advertising.[11] The second research question is formulated as:

*RQ2: What is the difference in the perception of traditional and in-game advertising of the same product / brand?*

### 2.1 Method and limitations

The quantitative content analysis is applied to quantify the extent of different types of in-game advertising in *Alan Wake* game. Visual placements of products / brands in the game, including those displaying within game cutscenes represent units of analysis and are divided into two categories: *1.) brand category*, *2.) types of in-game advertising according to B. Klein´s classification*[12]. Audial placements (e.g. songs of the Old Gods of Asgard) are not taken into account. Next, semantic differential in the form of online questionnaire survey (via Google Forms) is used to investigate the difference in perception of occurring in-game advertising and corresponding print advertising as a form of the traditional advertising. Semantic differential, as a psycho-social method used to measure subjective feelings of the individual and the psychological perception of certain concepts or objects[13], with 12 pairs of bipolar adjectives on a 5-point scale was constructed

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11 The online survey was carried out by J. Knapcová in 2014. Methodology as well as results and findings are a part of her bachelor´s thesis. (For more information, see: KNAPCOVÁ, J.: *Analýza reklamnej kampane vyuţívajúcej in-game advertising.* [Bachelor´s Thesis]. Nitra : Filozofická fakulta Univerzity Konštantína Filozofa v Nitre, 2014, p. 30-41).

12 KLEIN, B.: *Zur Werbewirkung von In-Game-Advertising: Theoretische Fundierung und empirische Erkenntnisse.* Mníchov : FGM-Verlag, 2009, p. 12.

13 CHRÁSKA, M.: *Metody pedagogického výzkumu.* Praha : Grada Publishing, a.s., 2007, p. 221.

while adjectives represented three dimensions according to C. E. Osgood[14]: *evaluation*, *activity* and *potency*. The remaining part of the questionnaire contains items regarding demographics, frequency of playing digital games, previous experiences with Alan Wake game and previous exposure to examined Energizer print advertisements. The limitation of the questionnaire is the presentation of in-game advertising only in a form of images captured from game, thus not presenting its full interactive potential.

## 2.2 Material and participants

The whole gameplay of *Alan Wake* became a research material for our content analysis. A couple of captured in-game advertisements for Energizer Advanced Lithium batteries (one billboard, one batteries pack) and corresponding print advertisement *Energizer: Hot bikini models[15]* designed by TBWA\Chiat\Day Los Angeles agency in 2008 were compared with semantic differential. The target group of both campaigns was the same, because both were made with the purpose to reach rather younger audience, even though Energizer Advanced Lithium batteries promotional campaign used different channels to reach wider audience. Despite the fact that the print campaign was not designed for the Slovak market, due to the usage of English text it is understandable to a global audience and it could easily get to the Slovak recipient – via the Internet. As for *Alan Wake*, the game is available to Slovak market either in form of physical copies or using providers of digital licenses like Steam or Origin.

The research sample of 84 Slovak respondents (35 male, 49 female) in the age of 18 – 45 years participated in questionnaire survey in 2014. 12 participants (14.29 %) were in the interval of 15 – 20 years of age, 71 (84.52 %) were in the interval of 21 – 30 years of age and only 1 participant (1.19 %) belonged to the group of 31 – 45 years. 75 % of all participants were students. The rest of research sample was represented by employed people. 29.76 % of participants stated that they were *often* playing digital games, 47.62 % *occasionally* and 22.62 % *did not play games*.

## 2.3 Results

Total of 175 in-game advertising implementations were found within the entire gameplay of the main story (without DLCs). Energizer products represent more than half (60.57 %) of all in-game advertising (battery pack, flashlights, billboards). Rest of promoted products consists of Ford Motor Company products (9.14 %), Verizon (3.43 %), the Old Gods of Asgard (5.14%), Microsoft (2.29 %) and forms of self-promotion (19.43 %)[16]. Regarding the second

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14    OSGOOD, C. E.: On the whys and wherefores of E, P, and A. In *Journal of Personality and Social Psychology*, 1969, Vol. 12, No. 3, p. 194-199.

15    *Energizer: Hot bikini models.* [online]. [2015-03-10]. Available at: <http://www.coloribus.com/focus/selected-best-batteries-ads/12414905/>.

16    The self-promotion includes all QR codes, billboards, books, posters and stands

category of quantification, mainly thanks to Energizer battery packs, the share of *value placement* is even 57.14 %. *Associative* in-game advertising shows the second highest frequency of occurrence (37.14 %) and both *illustrative* and *demonstrative* in-game advertising reach the same small share (2.86 %). 7.45 % of entire in-game advertising is implemented into game cutscenes. Summary of all content analysis findings shows Table 1.

**Table 1: In-game advertising within the game Alan Wake**

| In-game advertising within the game Alan Wake | | Brand | | | | | | | | | | | | Total |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | Energizer | | Ford Motor Company | | Verizon | | Old Gods of Asgard | | Micro-soft | | Self-promo-tion | | |
| | | in-game | cutscene | in-game | cutscene | in-game | cutscene | in-game | cutscene | in-game | cutscene | in-game | cutscene | |
| Type of in-game advertising | **Associative** | 4 | 2 | 6 | 3 | 3 | 3 | 7 | 2 | 3 | 1 | 29 | 2 | 65 |
| | **Illustrative** | | | 5 | | | | | | | | | | 5 |
| | **Demonstrative** | | | 2 | | | | | | | | 3 | | 5 |
| | **Value placement** | 100 | | | | | | | | | | | | 100 |
| | **Total** | 104 | 2 | 13 | 3 | 3 | 3 | 7 | 2 | 3 | 1 | 32 | 2 | 175 |
| | | 106 | | 16 | | 6 | | 9 | | 4 | | 34 | | |

Source: Own processing

Only 2 participants (2.38 %) had seen research print advertisement prior to this research, 42.86 % remembered other ad for Energizer Advanced Lithium batteries and 54.76 had not seen neither remembered any other Energizer advertising. Similarly, only a few respondents (8.33 %) had played the game *Alan Wake* before and 9.52 % had watched another person playing this game.

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displaying Alan Wake name or appearance including materials promoting Alan Wake's fictional novel. (Remark by Z. M. and J. K.).
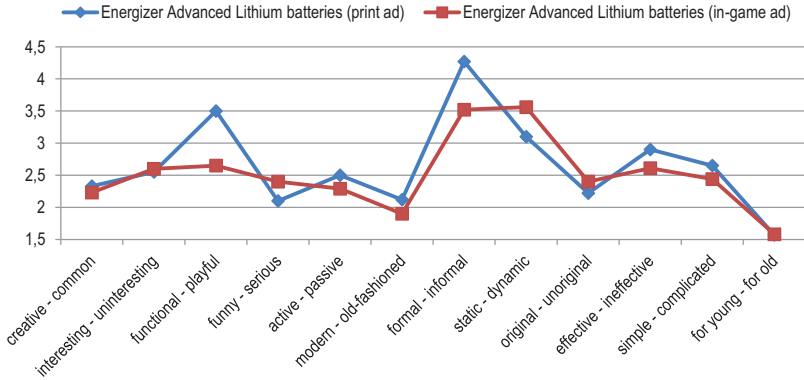
**Chart 1: Semantic differencial chart of print and in-game advertising perception**
Source: Own processing

Visually, both curves of semantic differential profiles seem to be very similar what means that research subjects perceived both presented forms of advertising in a similar way. More significant divergences are reflected only within two pair of adjectives: *functional – playful*, *formal – informal*. In-game Energizer advertisements are considered as slightly more modern than print ad and, surprisingly, more functional than playful. Semantic differential chart (see Chart 1) shows participants' attitudes toward print and in-game advertisements based on specified dimensions. The value of Q-correlation is $Qr = 0.84$ ($p < 0.005$)[17] meaning that profiles are significantly related, thus there is significantly similar perception of print and in-game campaign of Energizer Advanced Lithium batteries.

## 2.4 Discussion

With the aim to find out the extent of promotion inside *Alan Wake*, the quantitative content analysis revealed that total of 175 in-game advertisements were placed in the game. Given the average length of the gameplay, 11 hours and 12 minutes[18], it means that gamer is exposed to the advertising messages every 3 minutes and 50 seconds. Even though some commercial intentions are indisputable, according to the statement of Remedy Entertainment on the game discussion forum, their main goal was to make the world feel more real rather than to put ads into gamer's face[19].

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17   Q-correlation value was compared with table of critical values of Spearman rank correlation coefficient. (For more information, see: WAGNER, S. F.: *Introduction to statistics.* New York : Harper Collins Publisher, 1992, p. 361).

18   *Alan Wake.* [online]. [2015-10-30]. Available at: <http://howlongtobeat.com/game. php?id=319>.

19   *Product placement – well done and not over-the-top.* [online]. [2015-10-29]. Available at: <http://community.remedygames.com/forum/games/alan-wake/3995-product-

Related to the previous research of Mago and Mikuláš[20], there were promoted a lower number of different brands whilst the rate of advertising was high. More than 60 % of all in-game advertising was for the Energizer brand that handily applied their ads into corresponding *Alan Wake's* game environment and mechanics – the flashlight as a weapon, batteries as ammo. A. Sonder links a plot integration of in-game advertising with reaching of the premium advertising effect, while other ways are mainstream[21]. Moreover, this form of the interactive value placement, bringing additional bonuses to gamers, should aid not only gaining gamer's conscious attention and engagement, but also forming a positive attitude towards object of placed advertising. Despite the fact that value placement is one of the most difficult implementation type of in-game advertising, because their implementation requires a close cooperation with developers during the game development (even agencies providing in-game advertising services like RapiFire mostly use its associative form[22]), its wider usage could boost efficiency of promotion inside digital games.

The second research question focused on the difference in perception of traditional and in-game advertising for the same product / brand. Overall, both examined advertisements were perceived in a similar way, except for minor divergences. Participants considered presented print campaign as more playful than in-game advertising campaign that seem to be strange at first sight, because digital games are primarily intended to playing thus they are playful by their very nature. Nonetheless, the reason may lie in a way of presentation. The print campaign consisted of funny cartoon text rather than serious writing, and therefore could evoke the impression of playfulness. In addition, respondents could not play the game to experience the in-game advertising by themselves. Only less than 18 % of participants, who had played or watched others while playing, could really assess the benefit of Energizer Advanced Lithium batteries for a gameplay and grasp the advantages of value placements. Chart 2 shows slightly greater differences in perception of in-game ads between these participants and those with no prior experience with the game *Alan Wake* ($r_{in\text{-}game}$ = 0.88) than in perception of print ads ($r_{print}$ = 0.94).

placement-well-done-and-not-over-the-top?amp;postcount=11>.

20   MAGO, Z., MIKULÁŠ, P.: The Use of Computer Games for Promotional Purposes. In *Journalism and Mass Communication,* 2013, Vol. 3, No. 1, p. 56.

21   MAROLF, G.: *Advergaming and In-Game Advertising: An Approach to the next Generation of Advertising.* Saarbrücken : VDM Verlag Dr. Müller, 2007, p. 98.

22   *Campaigns.* [online]. [2015-10-29]. Available at: <http://www.rapidfire.com/campaigns/>.
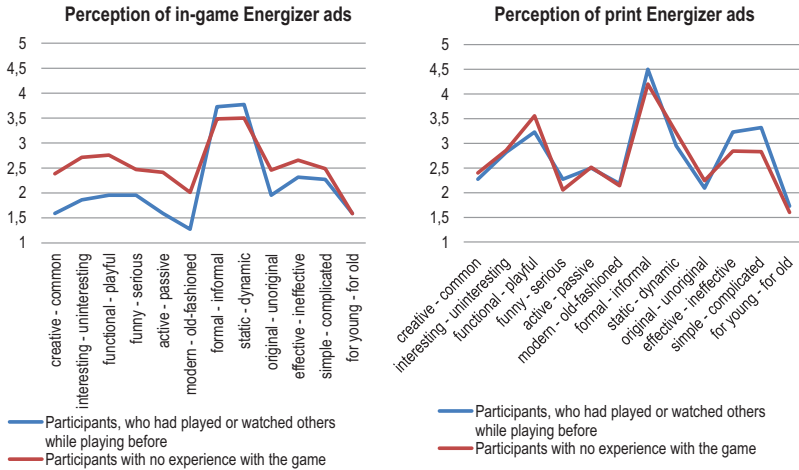
**Chart 2: Comparison of perception research ads due to prior experience with the game Alan Wake**
Source: Own processing

A great potential represents the finding that the comparison of semantic differentials showed statistically significant relation (Qr = 0.84, p < 0.005) between the perception of in-game and print marketing campaigns for Energizer Advanced Lithium batteries. Despite the fact that in-game advertising has not yet found its use on Slovak market (especially because of slower game development industry), Slovak consumers perceive in-game advertising campaign without negative attitudes even when it is related to digital games, and comparable to traditional print that proves itself as a marketing tool with actual potential[23]. It means that future implementation of in-game advertising could greatly enrich Slovak digital marketing practice.

## Conclusion

In current digital age, using the potential of digital games as media as well as promotional tools is a logical step. In-game advertising is one of such tools allowing promotion inside a digital game. Typically, only few different types of in-game advertising are applied within one digital game (associative in-game advertising is the most common and frequent), but there can be also found

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23    According to Gfk research from 2012, Slovak respondents perceived print advertising as the second most trustful (after TV advertising) and compared with other traditional media (TV, radio) the print media determine trends in many areas and provide more information. (For more information, see: *Finálna správa z prieskumov Efektivity printu a reklamy v printe.* [online]. [2014-10-04]. Available at: <http://www.vydavatelia.sk/files/ studie/GfK-sprava-vyber-konferencia-MM-1.pdf>).

some exceptions, in our case a psychological survival horror *Alan Wake*. Except for undoubtedly great gameplay and storytelling experience, gamers are also exposed to the large amount of in-game advertising.

The aim of the study was to investigate the extent of in-game advertising within the game Alan Wake (RQ1) using a quantitative content analysis and then to determine the difference in the perception of traditional print and in-game advertising for the same product / brand – Energizer Advanced Lithium batteries (RQ2).

The quantitative content analysis revealed that total of 175 in-game advertisements were placed in the game (on average, gamer is exposed to the advertising message every 3 minutes and 50 seconds), 60.57 % of all in-game advertising was sponsored by Energizer. Due to the promotion of Energizer battery packs, the share of value placement was high – 57.14 %. Except for minor divergences, the comparison of semantic differentials showed statistically significant relation (Qr = 0.84, p < 0.005) between the perception of in-game and the perception of print marketing campaigns for Energizer Advanced Lithium batteries. These results indicate that Slovak consumers perceive in-game advertising campaigns as comparable to traditional print that has already proven itself in Slovak marketing practice. With another future development of gaming industry, in-game advertising could be important acquisition to Slovak digital marketing communication.

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# GAMIFICATION AS A STIMULATOR
# OF A FULL-FLEDGED USE OF ONLINE SERVICES

*Peter Murár*

**Abstract**

Gamification is a relatively new way of motivating people towards a desired behaviour through elements well-known from computer games. These elements can have significant impact on the desired behaviour, especially in the field of web design and UX design. They can lead to an increased activity of visitor's engagement and help them to fully benefit from the website. This paper identifies some websites with perfect implemented gamification. It also presents a gamification concept designed for the Slovak academic portal. We believe the gamification might boost visitors' activity and increase valuable user ratings.

**Key words:**

Behaviour psychology. Computer games. Gamification. User experience. Webdesign.

## Introduction

The web development was considered a technical issue for a long time. Establishing a web usability in the late 90s was the first sign that the era of taming the internet is definitely over. Experts[1],[2],[3] begun to draw attention to the importance of eliminating the obstacles hindering the ease of using and access to the websites. This area has developed considerably over time, as reflected in the quality of the web pages. They speculated that the usability is not enough, a few years ago. Anderson points out that increasing motivation is the equally important (Picture 1).[4] Furthermore, the internet is a very competitive environment, where similar websites (or tools) are only just a few clicks away. Anderson[5] created the analogy of Maslow's hierarchy of needs, which represents the levels of advancement of the product. (Picture 2)

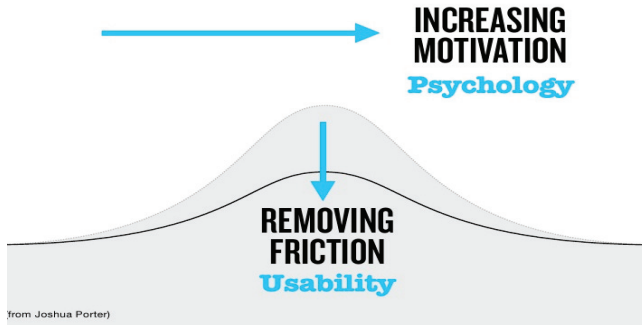1 NIELSEN, J.: *Designing Web Usability: The Practice of Simplicity*. Berkely : New Riders, 1999.
2 KRUG, S.: *Don't Make Me Think! A Common Sense Approach to Web Usability*. Berkely : New Riders, 2000.
3 GARRET, J.: *The Elements of User Experience: User-Centered Design for the Web*. Berkely : New Riders, 2002.
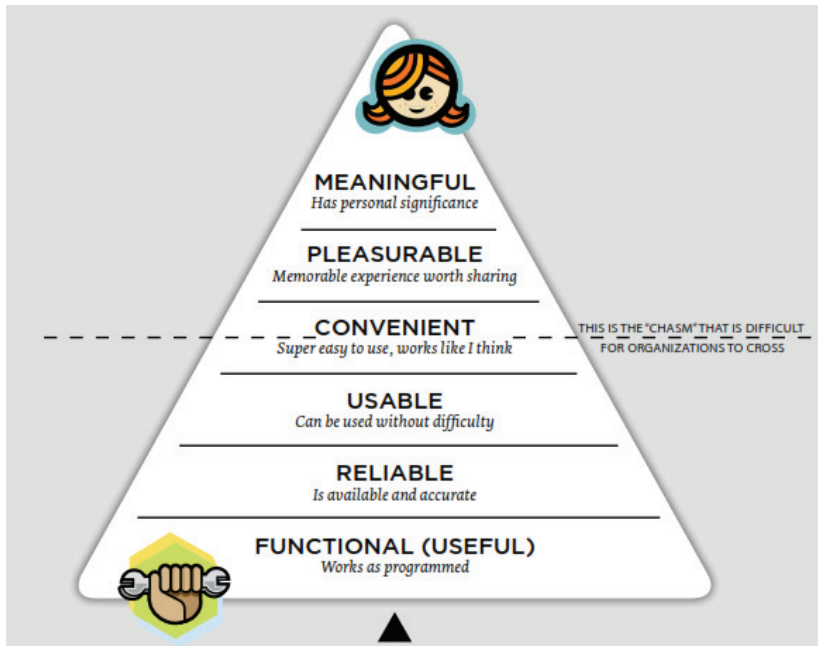4 ANDERSON, S.: *Seductive Interaction Design*. Berkely : New Riders, 2011, p. 10.
5 Ibidem, p. 12.

**Picture 1: Usability and Psychology in webdesign**
Source: ANDERSON, S.: *Seductive Interaction Design.* Berkely : New Riders, 2011, p. 10



**Picture 2: UX adaptation of the Maslow' hierarchy**
Source: ANDERSON, S.: *Seductive Interaction Design.* Berkely : New Riders, 2011, p. 12.

## 1 Parts of game mechanics

Sarah Smith-Robbins mentions the three basic parts of the game: 1) a goal, 2) obstacles, 3) collaboration or competition.[6] Anderson, in the context of gamification, lists four principles of game design: 1) game features and challenges (e.g. take the perfect score, stay alive, etc.), 2) conflict and choice (limited resources, necessity to choice, etc.), 3) feedback (continuous or overall) and 4) goals and rewards (e.g. pass to the next level, obtain a badge, etc.).[7] The elements of the game are very diverse. The most frequent mentioned are the same as Anderson's list: points, levels, leaderboards, achievements, quests.[8] It is necessary to mention one more thing: the game mechanism might be attractive, but it is still just an amplifier. A gaming mechanism is not able to substitute for absent usefulness of the website or application. The game elements don't work if we try to make users do something boring or useless. Fogg claims the behaviour is determined by three factors: motivation, availability and triggers (Figure 3).[9] According to Fogg's behaviour model, if our motivation is high, we are more willing to do something despite the obstacles. Conversely, if we do something boring or unimportant it must be really very easy to do. If we apply these ideas to the internet environment, we can replace the availability by UX (user experience). If the users are attracted by something interesting, they are willing to do it despite the poor UX. Or vice versa: If we force the users do something uninteresting the UX must be really perfect. Both cases are subject to the right triggers. The following are some conclusions for web developers:
• to simplify the performance of the expected behaviour,
• reinforce the incentive to perform the expected behaviour,
• increase a number of expected behavioral triggers.

6     SMITH-ROBBINS, S.: This game sucks: How to improve the gamification of education. In *Educause Review*, 2011, Vol. 46, No. 1, p. 58-59.
7     ANDERSON, S.: *Seductive Interaction Design*. Berkely : New Riders, 2011, p. 154.
8     Ibidem, p. 190.
9     FOGG, B. J.: A Behavior Model for Persuasive Design. In *Proceedings of the 4th international Conference on Persuasive Technology*. ACM, 2009, p. 40.
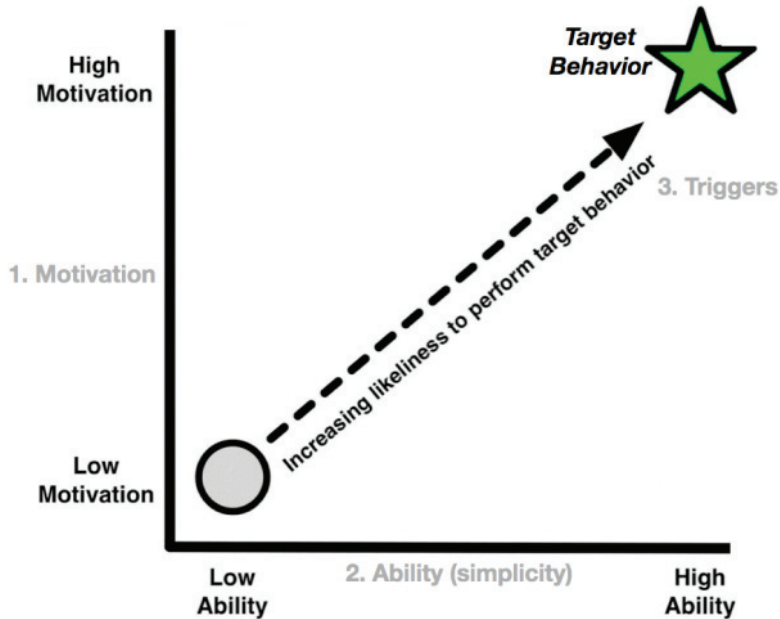
**Picture 3: Fogg Behaviour Model**
Source: FOGG, B. J.: A Behavior Model for Persuasive Design. In: *Proceedings of the 4th international Conference on Persuasive Technology*. ACM, 2009. p. 40

The Ventrice mentions three mechanics of the gamification on their blog: gaming mechanism, reputation mechanism and the social mechanism.[10] Game mechanism is the basis of every gaming system. The main idea consists in the distribution of the user behaviour to partial, measurable steps; in the tracking and evaluating these steps and in the catchy representing the progress. Usual forms to implement the points, milestones, badges and missions. Reputation mechanism consists of elevating a user's status. It describes the results of the label to define its quality. The 100 XP is just a number, it may be the very best or the very worst score. By assigning the labels Hero or Rookie makes this information more valuable. It is essential to understand what users want to hear about themselves. The main forms of reputation mechanism are status, victory, accomplishment. The third, last mentioned mechanism is social mechanism. It works as an enhancer score achieved and putting the results into the wider context. The fact is that, the isolated reputation is not interesting in the long term. Its value is rapidly disappearing. Sustainable value requires constant comparison of the results with the other people. According to the Ventrice, the main forms of these activities are

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10   VENTRICE, T.: *Distinguishing Between Game, Social, and Reputation Mechanics.* [online]. [2015-10-12]. Available at: <https://badgeville.com/distinguishing-between-game-social-and-reputation-mechanics/>.

streams, leaderboards, teams, status badges, followers and notifications, sharing and recommendations. Gamification with strong social mechanism is much more convincing than simply implementing game mechanics.[11]

## 2 Gamification the websites in action

Gamification – utilization of the gaming elements in a non-gaming environment – is the popular term of recent years. Although it is sometimes considered to be a buzz word, the fact is the only few fields may be as strong improved by gamification as a web development. They had created some websites that demonstrate nice examples of the utilization of gamification on the web.

### 2.1 LinkedIn

Popular social network of professionals use a lot of different gaming elements. The main problem with LinkedIn was the quality of diverse user profiles. There were a lot of negligently filled user profiles a few years ago. It was a big problem because the value of Linked In depends on the availability of personal information. Absence of relevant information jeopardizes the very essence across the network. The situation has improved after the introduction of a progress bar that displays the degree of filling a profile. Originally it displayed as a percent, later it was changed to display a chart with a group label (e.g. All Stars). Unlike the percentages, it leaves more room for future improvement. The Progress bar was complemented by notifications, so users can see some alerts to encourage them to add new skills, certificates, etc. The completing is easy, links in alert refer to corresponding inputs, so to update profile is a matter of one click. Another notification encourages the users to confirm their skills of the connected users. Endorsements and its authors are displaying next to the skill-list in the profile, so each user can to see who endorse certain skill of the user. With these forms LinkedIn has been able to dramatically improve the quality of user profiles and educate the users what information is relevant for business.

### 2.2 Stack Exchange

Stack Exchange is probably the best support forum on the web of recent years. It is focused mainly on people around web development: programmers, UX designers, WordPress developers, etc. The problem in the similar forums is their activity. Nobody guarantees the question will be answered. It may take an hours, days or a months – depends on a topic, number of users and actual total activity on a website. In this dismal reality Stack Exchange is a phenomenon. Up to 92 % of the issues are solved, within an average of just 11 minutes. This success is

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11   VENTRICE, T.: *Distinguishing Between Game, Social, and Reputation Mechanics.* [online]. [2015-10-12]. Available at: <https://badgeville.com/distinguishing-between-game-social-and-reputation-mechanics/>.

a cleverly designed gaming mechanism. All activities are awarded. The user may get points for adding a question, for answering a questions, for a voting for the best published answer, for a marking an answer as solved, etc. Points are reflected in the users' reputation; higher score denotes a higher reputation. Receiving the badges runs in the background, too. Intelligence of that mechanism is in the well-designed system of privileges. Anybody can ask a question, anybody can answer, but all other activities are dependent on the user's score. The creating of wiki posts requires a score 10, reducing the ads requires a score 200, creating the tags requires a score 1500, etc. It may seem trivial, but it works. The proof is the fact that Google displays Stack Exchange's discussions on the top positions in the SERP due to their high relevance.

### 2.3 LiveAgent

Web application Live Agent is one of the world's leading helpdesk system. It integrates a voice services, chat, email and social media posts into the one product. Despite the fact, the user interface is really well designed, in that the type of software it is likely that a first time user will miss many features. Also, an installation and configuration can be a problem for regular users. In a trial version of the software may be a key reason to deter users from buying the product. The main objectives of gamification was to make installation easier and highlight all the main features. Unlike Stack Exchange or LinkedIn, this level of gamification is much simpler. The main tool is a checklist which displays all steps necessary to fully-fledge using the application. The Checklist is intelligent. Every item shows a user-friendly instruction on how to complete it and displays a link for quick access to corresponding settings, too. Marking any item as checked increases the score on a progress bar, so the user immediately sees the current state of implementation. Live Agent is good example of how functional gamification need not be complex. Both, a reputation mechanism and a social mechanism are missing because they are redundant. The presence of these mechanics would have not helped to fulfil the goal. It keeps a system simple which is another rule of successful gamification.

## 3 Gamification concept for the PortalVS

Based on the positive experience we have started thinking about implementing a gamification into the PortalVS.sk, the Slovak academic portal. This website was established in 2005. Its main objective is to provide comprehensive information on studying at Slovak universities. It is also a gateway to a state academic projects. The primary target group are high-school graduates, secondary target audiences are the current university students and the academics. Since 2006, the website is working closely with the Ministry of Education, so it has the latest official information. Its sees about 3000 unique viewers per day. Almost two thirds (57 %) are new visitors. In our earlier work we redesigned its information

architecture to getting the information easier. Now, in next stage we can focus on optimizing user experience.[12] Although the PortalVS.sk is a most relevant website of its kind, there is a lot scope for further improvement. Currently, the website is mainly a source of information for prospective students. They are interested in viewing the website just a few weeks. There are no reasons to view it after submitting applications, so website viewers perceptibly decreases. One possibility of improvement might be increasing the off-season viewing. Another one is the promoting a rating module. This module was launched in 2014 with the intention of rating professors. Big scope for further improvement is in the social sharing. Currently all content (university profile, faculty profile, course profile) has Facebook like button, but these buttons are just self-serving. PortalVS.sk has no idea why visitors should want to like their university or a course. We think the gamification of the PortalVS.sk could improve these issues. Not least because a primary target audience are adolescents, naturally predisposed to playing various games. Overall, we identified the following objectives:

• to socialize the website,
• to encourage the users to rate their professors,
• to encourage the users to rate their universities and faculties,
• to increase the number of users of electronic application.

## 3.1 Idea concept

Our concept recommends integrating the social and gaming elements into the user profiles, university profiles and faculty profiles. Also, we recommend creating a sophisticated notification system as well. The profiles generally contain basic personal information (date of birth, address, etc.) and information about the university the users want to apply to. This data is required for completing an on-line application. They are visible for user only, after logging in. We propose to raise the profile on lists of friends grouped by a school they would like to study at. As with LinkedIn, conscientious completing is crucial. If the profiles are completed conscientiously, obtaining the information is easy. Therefore we propose and encourage users to update their profiles through different types of notifications and via progress bar, too. The main element of the social profiles of the universities' and faculties' should be the lists of the friends connected to the concerned university or faculty, as mentioned below.

## 3.2 Implementation

*Step 1: Encouraging the users to signup*
Creating an account will be based on Facebook or Google accounts. By this way we will obtain users' contact list and we will be able verify the users who have been registered already. It is a common practices, so users should have no problem with it.

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12    MURÁR, P.: University Courses As Goods: How To Optimize Portal Information Architecture Using Faceted Search. In *Communication Today*, 2015, Vol. 6, No. 1, p. 25.

*Step 2: Displaying clear To Do list*

A To Do list will be virtually a check-list that describes all the recommended profile updates and further on-site activities (completing the favourite universities, courses, etc.), including the sending an invitation to unregistered friends.

*Step 3: Incorporating the social list into the universities' and faculties' profiles*

We are thinking about two main lists: alumni and applicants. Each of these lists should display friends from Facebook contacts or Google contacts, who graduated at a given university or who want to submit an application.

*Step 4: Creating a notification system*

Notification system should include two kinds of alerts. The first kind should run on a website, during the browsing. The second one should alert the users via email, which is effective way to remind. As regards to content, some alerts should inform on the user activity, another ones should inform about the friends' activity.
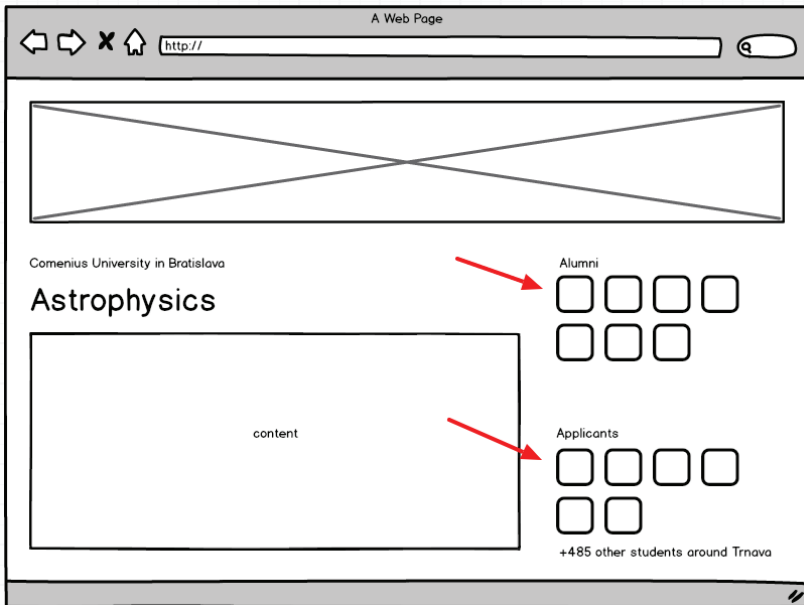


**Picture 4: Wireframe of course profile with implementaed social elements**
Source: Own processing
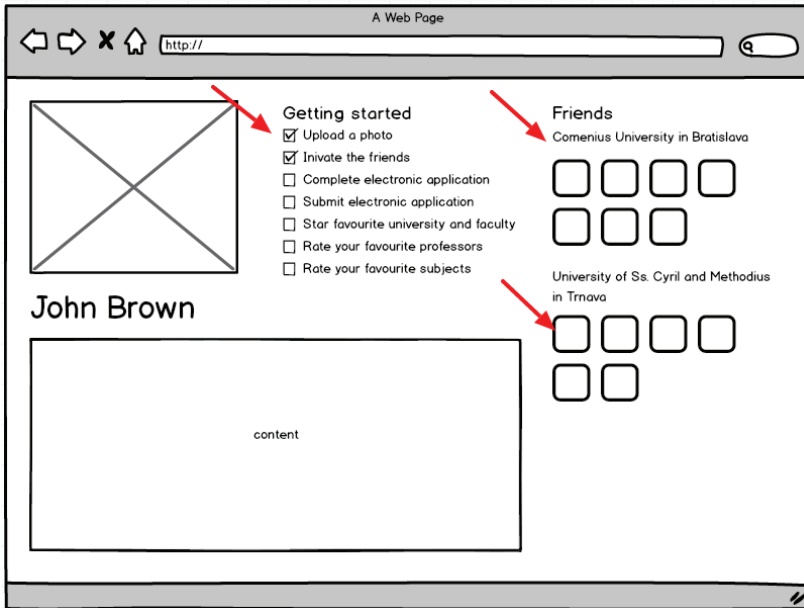
**Picture 5: Wireframe of user profile with implemented social elements and check-list**
Source: Own processing

## Conclusion

LinkedIn, Stack Exchange or Live Agent are perfect examples that gamification is not only a buzz-word, but really a functional concept that works. Well-designed and implemented game elements may significantly improve the quality of the user experience and motivate users towards desired activities. Based on positive experiences we have designed a solution for PortalVS.sk, Slovak academic portal. The website, albeit convenient and full of relevant information, is neither memorable nor pleasurable. It is just an information source, often disposable. We believe the implementation of gaming elements could significantly boost user experience and increase visitors' activity. In order to implement it as a system, the user profiles connected to visitors' Google or Facebook accounts are prerequisite. Visitors should be encouraged to conscientiously complete their profiles through progress bar, check-list and notifications. Subsequently, this will make it possible to display connected users from friend-list on universities' and faculties' profiles.

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SMITH-ROBBINS, S.: This game sucks: How to improve the gamification of education. In *Educause Review*, 2011, Vol. 46, No. 1, p. 58-59, ISSN 1527-6619.
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# PRE-PACKAGED FANTASIES, SIMULACRUM, AND VIRTUAL REALITY: IMPACT OF DIGITAL GAMES ON PRIMARY SCHOOL STUDENTS

*Kristína Somerlíková – Miroslav Horák*

**Abstract**
The main aim of this research is to assess the condition, and to what extent do the digital games influence everyday life of children attending primary school. Another aim of the research is to find out how children are familiarised with digital games and if there is any interest in the application of the games in the educational process. Twelve primary schools from Brno (6) and Brno-Country District (6) participated in the research. The on-line survey was carried out in the period from September to October 2014, and 599 respondents from 5th and 9th grade participated in the survey. The results of the survey disproved the hypothesis that digital games influence everyday life of children attending primary school. Factor analysis proved that students do perceive possible risks following excessive or imprudent gaming and are able to determine them dependably. However, less than 13% of them are aware that gambling can be a problem. The survey results further show that, primary school students are interested in using digital games in the educational process. Nonetheless, this software is not structured towards school curricula in the Czech Republic, and there is no responsible social policy implemented.

**Key words:**
Digital games. Primary school. Students.

## Introduction

The current phenomenon of massive gaming does not have precedent in the history of humanity. According to American Association of Pediatrics, today's children spend an average of 7 hours a day on entertainment media, including televisions, computers, phones and other electronic devices.[1] The increasing amount of time children spend on computers at home and school has raised questions about how the use of computer technology may make a difference in their lives—from helping with homework, causing depression to encouraging violent behaviour. Some studies confirmed that playing violent digital games may increase aggressiveness and desensitize a child to suffering, and that the use of computers may blur a child's ability to distinguish real life from simulation.[2] The simulated worlds created by digital games are expanding children's experiences from real life to virtual. Through games, children interact with simulated characters and

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1    PAGE, A. S. et al.: Children's screen viewing is related to psychological difficulties irrespective of physical activity. In *Pediatrics*, 2010, Vol. 126, No. 5, p. 1011-1017. BARLETT, N. D. et al.: Sleep as a mediator of screen time effects on US children's health outcomes. In *Journal of Children and Media*, 2011, Vol. 6, No. 1, p. 37-50.

2    SUBRAHMANYAM, K. et al.: The impact of home computer use on children's activities and development. In *Children And Computer Technology*, 2010, Vol. 10, No. 2, p. 123-144.

creatures and on the Internet they can assume multiple identities to interact with strangers and "bots" (i.e. a computer-controlled players or opponents) in the simulated worlds. Researchers have begun to examine how this shift from reality to simulation may influence children's development.[3] Existing research suggests that the social effects of children's computer use vary widely, depending on the amount of time spent, type of activity engaged in, and the nature of the content or information delivered. The concern among educators, clinicians, treatment providers and the industry with respect to underage gambling has continuously grown in recent years.[4] Considerable attention has begun to focus on underage gambling since the 1990s. During this period, the prevalence studies clearly revealed that children and adolescents viewed gambling as socially acceptable, found it entertaining, and participated in various legalized and non-legalized activities.[5] Not only was it discovered that youths were regularly gambling, but also that they were doing it at rates comparable to adults, with problem gambling rates higher than those of adults.[6]

## 1 Methodology

In order to contribute to public debate on the dangers of gambling in the Czech Republic, the primary data was recollected, and their statistical analysis was performed. The main objective of this research is to assess the impact of digital games in the daily life of primary school students. Furthermore, we wanted to find out the level of risk perception of children that play the games and if they would be interested in the application of digital game into the educational process. For the purpose of the research, 12 primary schools selected were participated in the survey. We selected six (6) primary schools from Brno and the other six (6) schools from the Brno-Country District. For the objectives of this contribution to be achieved, an online questionnaire was distributed to the primary school students within the period from September to October 2014. All parents signed informed consent and gave permission to include their children in the survey interview. Finally, 599 students from the 5th to 9th grade in total participated in the survey. For data processing, basic statistical methods were used: the level characteristics and variability calculation, as well as sorting data into frequency

3  TURKLE, S.: *Life on the screen: Identity in the age of the Internet*. New York : Simon and Schuster, 1995, p. 88-95.
4  DEREVENSKY, J. L., GUPTA, R.: The International Centre for Youth Gambling Problems and High-Risk Behaviors (Centre International d'étude sur le jeu et les comportements à risque chez les jeunes). In DEREVENSKY, J. L., MERRICK, J., SHEK, D. T. L. (eds.): *Youth Gambling: The Hidden Addiction*. Berlin; Boston : De Gruyter, 2011, p. 250.
5  GUPTA, R., DEREVENSKY, J.: The relationship between gambling and video-game playing behavior in children and adolescents. In *Journal of Gambling Studies*, 1996, Vol. 12, No. 4, p. 375-394.
6  SHAFFER, H. J., MARTIN, R.: Disordered gambling: Etiology, trajectory, and clinical considerations. In *Annual Review of Clinical Psychology*, 2011, Vol. 7, p. 483-510.

distribution tables. Qualitative data was collected, and its dependence was subsequently evaluated using contingency measures. One of the questions has been processed using the multi-criteria statistical method of factor analysis.

## 2 Results

Students begin playing digital games extensively before entering the primary school or simultaneously with the beginning of education. The average age when children begin to play games is 7 years.[7] Young students are sufficiently capable of understanding game controls. In general, children in rural areas tend to begin playing earlier, and the popularity of digital games among girls is significantly lower than boys. Calculations have shown that there is a correlation between the age, when children begin to play digital games and whether it plays games that are designed for his age group. Higher dependence was demonstrated between gender and age when children begin playing video games. Computers are used by students mainly for playing digital games and using social networks. These two variables are the most common used by primary school students (see Chart 1). There is a difference between boys and girls in this case. While the boys prefer digital games, girls are more interested in social networks. The "other" category consists of programming, the use of MS Word and video editing.
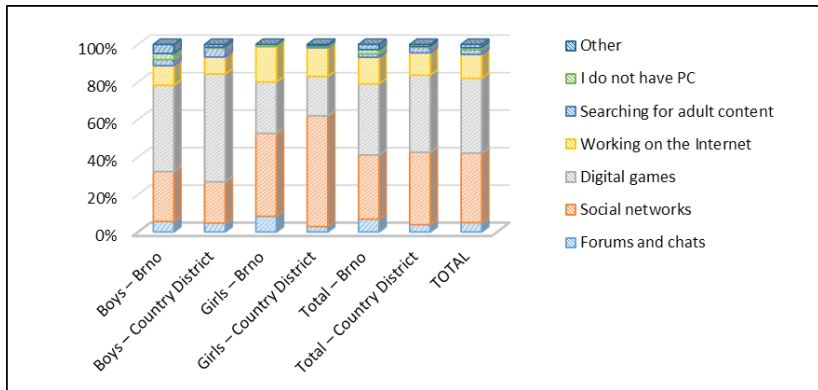


**Chart 1: Main reasons for using computers among primary school students**
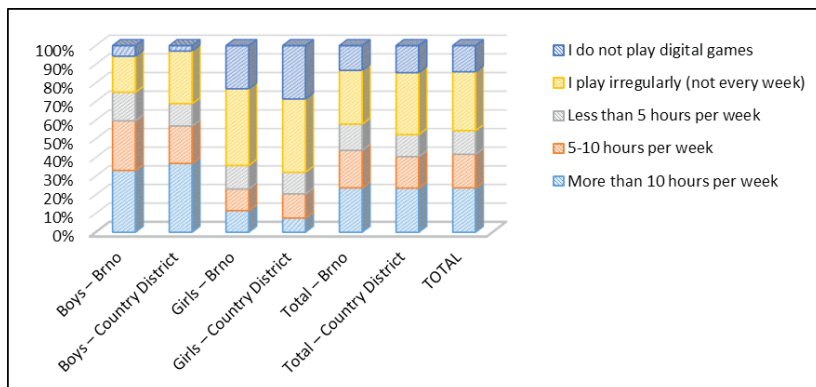Source: Own processing

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7    Jimenez-Murcia et al. provided an in-depth examination of the relationship between age of onset and severity of gambling problems, and found that earlier onset of gambling was associated with increased severity of gambling problems, whereas older age of onset was associated with higher levels of psychopathology such as depressive, paranoid, and psychotic symptoms. JIMÉNEZ-MURCIA, S. et al.: Age of onset in pathological gambling: Clinical, therapeutic, and personality correlates. In *Journal of Gambling Studies*, 2010, Vol. 26, No. 2, p. 235-248.

The popularity of different genres of digital games among primary school students is almost deployed constantly. While boys prefer more action games, fighting, or massively multiplayer online role-playing games (MMORPGs), girls like more logical games, sports, and strategies.[8] It would seem that boys play games, mostly to the discharge of aggression, while girls are developing their tactical skills, but this is a wrong notion. Current digital games are usually highly sophisticated, and their scenario often offers a combination of different game genres. There are logic elements and puzzles frequently inserted into the game and in order to make the game more attractive and complicated. So it is not just about mindless shooting, it is necessary to involve logical thinking as well. There is also a small group of players, who are strictly dedicated to one game genre only. They mostly combine digital games according to their mood. As expected, almost all respondents have either a computer or laptop at home. Game consoles and smartphones occur in almost half of the cases in comparison to computers. However, their occurrence is not insignificant. All of these devices occurred in 7% of households, only 2% was none of them.[9] The overall results from the Brno and Brno-Country District reach nearly the same values, there are no big differences. Despite the common belief, primary school students do not spend as much time playing digital games (see Chart 2). The results show that boys play more games girls. There is a medium correlation between gender and frequency of playing with digital games, but discrepancies between urban and rural children are not important in this context. Central dependence was also demonstrated between the gaming frequency and place of residence. Mainly rural children feel that they would reduce their gaming frequency if there were achievable spare time of their activities in their place of residence.

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8 ENTERTAINMENT SOFTWARE ASSOCIATION (ESA): *Sales, demographics, and usage data: Essential facts about the computer and video game industry*, 2015. [online]. [2015-10-02]. Available at: <http://goo.gl/V30osa>.

9 Rideout implemented a research in the USA, which demonstrated that there is still a significant gap in ownership of home computers and mobile devices such as smartphones and tablets, but children from all income levels spend about the same amount of time playing games on digital devices and engaged in other computer-based activities, including homework. RIDEOUT, V.: *Zero to Eight Children's Media Use in America 2013*. San Francisco : Common Sense Media, 2013, p. 31.

**Chart 2: Gaming frequency of primary school students**
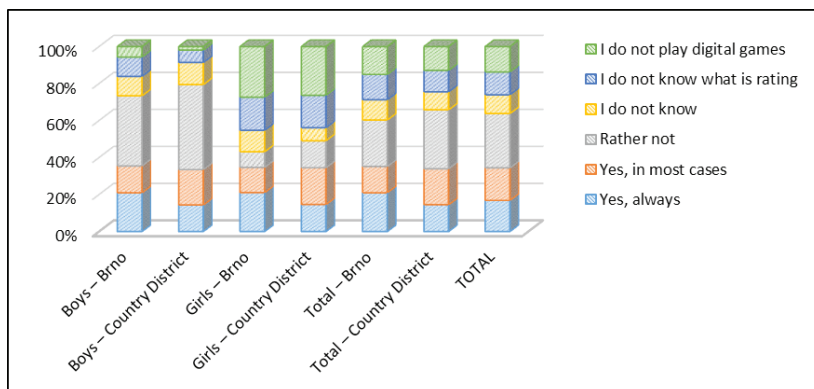Source: Own processing

There are also some financial consequences of digital games (e.g. games, the cost of consoles, peripherals, online access). However, these costs pale in comparison with the financial cost of gambling, but one has to keep in mind that these costs might seriously impact their financial well-being.[10] Primary school students spend negligible amount of money on digital games and hardware. Their average expenses do not exceed 62 CZK/month, which is the price of one lunch. Also, this amount is affected by extreme expenses of some players, because the median, in this case, was less than 2 CZK. Most of the girls do not spend any money on these products; urban children spend less than their rural counterpart. This can be influenced by several factors, e.g. the amount of pocket money, game piracy, accessibility of game stores. The relationship between financial expenditure and gender was moderate, as well as the relationship between the cost and the number of hours spent playing digital games. Calculated level characteristics are interesting. Children often download games from the Internet. It is not surprising if we consider their financial possibilities. Students from the city spend on digital games more, and they regularly buy them in the stores. Because boys play digital games more than girls, they naturally have more games at home. It is interesting that students from Brno-Country District own average digital games more than urban students. Nonetheless, the number of titles is not high, most often around four games per household. 11% of households do not own a digital game.

Online gaming is reported as the most popular way to play digital games. Over 90% of gamers play games online, and in the Czech Republic, the popularity of online gaming is the highest in Europe.[11] It is expected that due to improvements

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10   TURNER, N. E.: A comment on "Problems with the concept of video game 'addiction': Some case study examples". In *International Journal of Mental Health and Addiction*, 2008, Vol. 6, No. 2, p. 187.

11   MASKEL, P.: *Videogames in Europe: Consumer study Czech Republic*. Brussels : ISFE, 2012.

in the high-speed Internet coverage, the popularity of online gaming will continue to increase. Attractiveness of this type of game is mainly influenced by chance to compare the skills of gamers. Currently, it is possible to observe, how gaming clubs gradually disappear in Brno, partly because gamers are simply no longer interested in visiting them and, therefore, are not financially self-sufficient. The results of this research confirm that rating policy has no tradition in the Czech Republic. Only about 20% of primary school students always follow instructions on the package of digital game, i.e. PEGI label (see Chart 3). There is a public need to incorporate rating and to inform all concerned about its meaning. Rating may warn consumers against negative influences. It provides information not only about the age group for which a game is designed, but also include profanity, teaches and encourages gambling, features nudity or explicit sexual content (so-called AO-rated video games), describes drug use, material that supports discrimination, etc. A thorough reading of the package must become a principle that precedes consumer's decision to buy a digital game. There is a highly significant medium dependence, between respecting of rating and gender. Especially boys do not respect it.



**Chart 3: Playing games designed for the relevant age group**
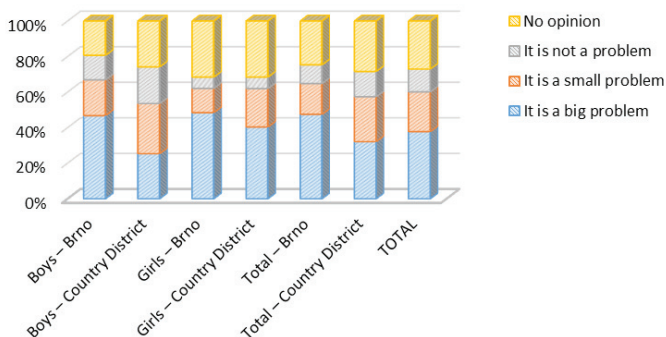Source: Own processing

In the second part of the research, an impact of digital games on the primary school students was examined. In most cases, games more or less contributed to the fact that they have learned basics of computing. In boys, the percentage is higher in this context. The total number of urban and rural children is not much different – digital game might motivate children to study, and some media has proven to be beneficial to older children. In any case, many products heavily marketed as educational make claims unsubstantiated by research. Digital games are attractive to students because they are perceived as funny and relaxing. However, in many cases they are also used to banish boredom, especially in girls. Only a minimum number of students play games to gain new knowledge and experience – it is not the main impetus for playing (see Chart 4).
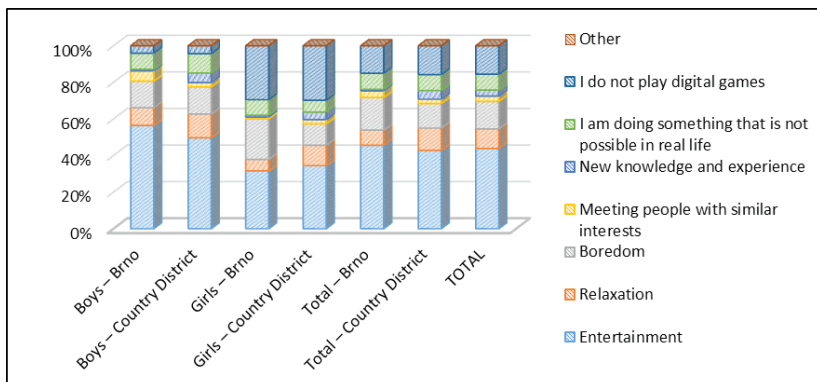
**Chart 4: The main reason for playing digital games**
Source: Own processing

The results of the factor analysis show that, primary school students are aware of the risks of gambling. Rural children declare greater benevolence to this problem. Urban students are more concerned about it. Overall, less than 13% of students are aware of that gambling can be a problem (see Chart 5). In comparison with the research on gambling among primary school students in Ostrava, the overall results are almost identical. Local students are slightly less concerned about its potential risks.[12] Highly significant low dependence was proved between gender and opinion on gambling. Girls consider it a bigger problem than boys.



**Chart 5: Risk perception of gaming addiction**
Source: Own processing

12  HLAVÁČ, J.: Vzdělávací program pro pedagogy ZŠ a SŠ v oblasti prevence sociálně patologických jevů. In *Konference Primární prevence rizikového chování*. Praha : Magistrát Hlavního města Prahy, 2010. [online]. [2015-09-30]. Available at: <http://goo.gl/npHinH>.

Digital games can influence the student's behaviour in everyday life. Especially, in case of boys coming from the Brno-Country District is clear that the game can motivate them to activities that are about their age inadmissible and can negatively affect their future development. 13% of rural boys tried smoking, 11% alcohol and 7% drugs due to the playing of digital game.[13] These percentages are not negligible and may be related to the rating of games that is mostly not taken seriously in local conditions. In girls, the percentage is much lower (see Chart 6). The overall results show that rural children are more influenced by digital games than those living in the city. Most students consider the digital game as any game in general and do not recognize its negative impact on everyday life.
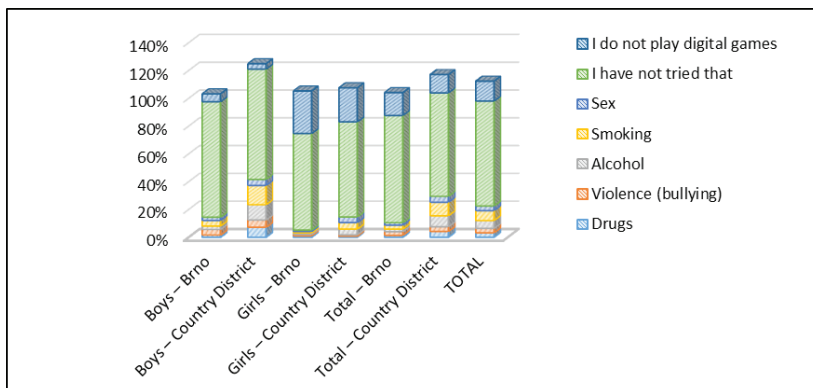


**Chart 6: Imitation of the activities featured in digital games**
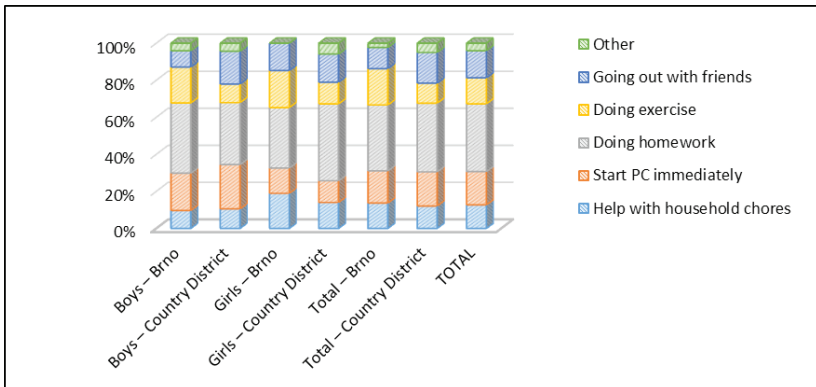Source: Own processing

Craving for a game most often results in staying up late and waking up in the middle of the night, especially in boys. In many cases, they also do not hesitate to get up early for gaming. Playing digital games is more attractive to students from rural areas, who are increasingly turning to this behaviour than urban students. Surprisingly, a negligible percentage of primary school students inclines to truancy because of digital games. The overall results show that a majority of pupils are not affected by the games to the extent that they would get up early, stay up late, skip school or steal (see Chart 7).

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13   There is an evidence of a high comorbidity rate of substance use and abuse among problem gamblers. It is believed that impulsive tendencies are partially responsible for these co-occurring disorders. CUNNINGHAM-WILLIAMS, R. et al.: Problem gambling and comorbid psychiatric and substance use disorders among drug users recruited from drug treatment and community. In *Journal of Gambling Studies*, 2000, Vol. 16, No. 4, p. 347-376.
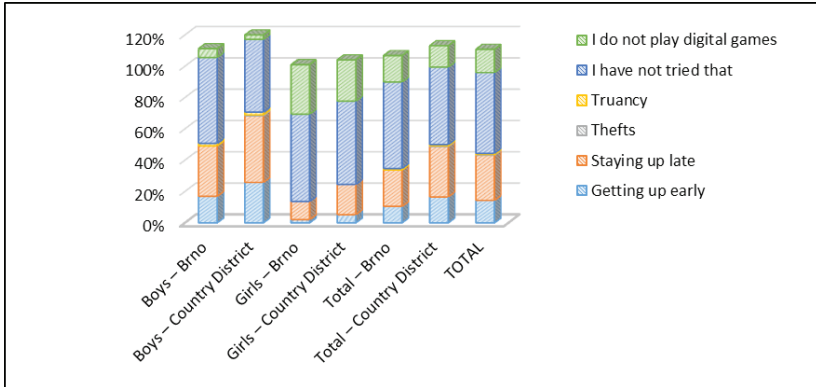
**Chart 7: Implementing of activities featured in games into everyday life**
Source: Own processing

Moreover, digital educational games (e.g. containing historical references) may provide educational value to the player. Particularly in boys the game is not just about thoughtless mouse clicking but gives them a certain added value that can later be applied in everyday life. Overall results demonstrate that games motivate them to learn and may help them to gain new skills. Nevertheless, responsible social policy and adequate methodical framework must be implemented before any game is introduced to students.[14]



**Chart 8: First thing students do when they come home from school**
Source: Own processing

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14   DEREVENSKY, J. et al.: Youth gambling problems: A need for responsible social policy. In DEREVENSKY, J., GUPTA, R. (eds).: *Gambling problems in youth: Theoretical and applied perspectives.* New York : Kluwer Academic/Plenum Publishers, 2004, p. 231-252.

## Conclusion

Primary school students are progressively active online. They use internet for social networking, recreation and education. Currently, it is an important issue to distinguish accurately between an intense but ultimately benign or even healthy interest and prioritisation of gaming, also called 'engagement', and digital game addiction.[15] The differences between the excessive digital game play and gambling addiction are interesting topics of research. The dynamics of gambling and digital games need to be examined to understand better the behaviors of the participants.[16] Excessive digital game players may be trapped in a cycle just like gamblers, but the fantasy of digital games may have limits. Digital gaming can produce an extraordinary realistic fantasy. However, unlike gamblers, gamers cannot gain from playing games, so perhaps it might be easier to break out of the loop (Turner, 2008: 188-189). More research is needed to determine the problems and dynamics of digital games, and minimizing the risks of excessive gaming for the healthy development of children.

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# GAME MECHANISMS IN MARKETING ACTIVITIES OF THEATRES

*Katarzyna Walotek Ściańska*

**Abstract**
The paper presents the new way theatres communicate with their audience in the area of social media. The author discusses game structures on theatres profiles as well as players-spectators awarding and incentive schemes. She also describes experiments in presenting theatres live on Facebook and playing "advise, comment, vote" game with the audience. Gamification causes the changes in the behaviours of consumers of theatre offer.

**Key words:**
Cyberculture. Gamification. Social media. Theatre.

## Introduction

Today we experience the phenomenon of shaping a new culture paradigm – the cyberculture. We can approach this process with distrust, yet a better way is to prepare the research strategies which would allow to present and explain the occurring changes. In the world of techno-cultural transformations the model of formulating, presenting and promoting cultural activities must also change. Social media is a powerhouse of ideas how to promote and develop culture institutions or what kind of cultural offer to prepare. Two-way conversation between culture institutions and their audience (possible in social media) stimulates the development of the former. 95% of young respondents declare that prior to visiting a culture institution they look for information about its projects on Facebook or other online community portal.[1] The network generation also does not agree on the passive consumption of one-way media. They do not want to reduce their role to be merely text decoders. They want to have an opportunity to express their opinions, be co-creators of various activities. This, in turn, requires a special creativity from the message senders and marketing activities facilitators. Young people would rather be prosumers than consumers.

## 1 Cultural institutions in social media

Cultural institutions should use young receivers' enthusiasm to undertake joint activities and create better services. More than 90% of the interviewed young people think that social media allow the effective promotion. None of the recipients thinks this is an ineffective marketing strategy. All respondents declared that they have a profile in an online community portal. 84% of them check or update their

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[1]     Author's own research study conducted among 500 students of Polish public and private university level schools.

profiles every day (more than 30% do this several times a day, once every two/ three hours, also at night). The managers of culture institutions need to be aware of the growing popularity of social networking services and cannot overlook them. A good way of on-line promotion are YouTube or Vimeo services. They provide an opportunity to make available the fragments of plays or the whole events, to present interviews, reports from film festivals, to advertise theatre workshops for school students. This way one can reach millions of recipients worldwide and practically costless. 40% of the interviewed young people often or very often watch plays and concerts via YouTube and 45% do that from time to time. Only 5% never watch such videos. So there is no doubt that these services have a great promotional potential. The research results indicate that all young people use social media, 98% of them are the users of content-based on-line communities and 40% enter the virtual game world. Much less of them follow blogs or micro blogs (8%). 85% of the recipients look for information about the offers and new events (35%) in the online community portals. 24% want an attractive consumer offer – they expect discounts or opportunities to participate in events for free. Young people want to watch movies, photographs (26%); they search for information about actors, authors (12%), they comment and review theatre plays (8%) or take part in discussions (8%). The research results clearly show that today a simple information about cultural offer is not enough to entice audience-spectators-consumers. It is worth to interact with network users in order to promote culture and create better services. Culture institutions may also apply gamification and – by means of games – introduce products of culture to the receivers and at the same time educate the society.

## 2 Gamification in theatre

More and more often theatre managers wonder whether a theatre is about playing on stage or playing with the audience. The main objective in using game mechanisms in theatres is to increase ticket sale, convince young people to spend their free time in the theatre and increase cultural competences. A game is to evoke emotions and provide satisfaction from performing certain, designated activities. It applies mechanisms such as rewarding, providing feedback, competing, winning and elements of surprise. The theatre is moved into the social media space. Facebook experiments provide examples of such activities. Actors, instead of occupying theatre stage, sit in front of computer screens. Novel/drama characters receive Facebook profiles. Narrator becomes an administrator. The character crucial to action development engages viewers in "advise – comment – vote" game. Before the live show begins, a few-second long video appears on Facebook. It shows a curtain, there is the sound of a ring bell and a sign saying: "Quiet! We won't start until the audience is quiet." Spectators-players may "like" this call, express their irritation or post a comment. During the show the registered users:
• follow changes in characters statuses (e.g. "moved from... to..."),

• receive invitations to events (e.g. "wedding with the baron"),
• can give advices (e.g. in choosing the wedding dress or writing a love letter),
• browse Google in search of e.g. duel weapon,
• can interfere in the action by suggesting details of the story.

"Characters' profiles" talk to one another through chat, audio podcasts and comments regarding their next actions. They kiss using emoticons (;-*).[2]

**Table 1: The theatre on Facebook**

| THE THEATRE "ACTS" ON FACEBOOK. | | | |
|---|---|---|---|
| DYNAMICS | MECHANICS | COMPONENTS | MOTIVATION |
| Element of fiction (play, actual screenplay, plot adopted from a novel) | Opportunities (to score points, uncover secrets of the virtual characters and real actors) | Rankings (of characters, actors, possible solutions) | Points awarded for activity and exchanged for tickets or meetings with actors or director |
| Emotions (more intense than in a theatre as receivers-players are co-creators of events, can change the course of action) | Collaboration on several levels (player – other players, player – play character, player – director) | Achievements (e.g. in solving the plot riddles, typing the characters responsible for certain actions) | Power – real influence on the course of events |
| Relations between the players (interacting e.g. mutual decision regarding the weapon a character should use in a duel) | Rewards (the more active players are in voting and group collaboration, the more points they get, which can be then exchanged for a ticket to the real theatre) | Avatars | Ranking of players who contributed the most to shifts in action |
| Increase of competences (becoming familiar with the play, information about the given culture institution, virtual tour through the theatre) | Competition and challenges – decoding the structure or the system of game levels | Gifts (e.g. points exchanges for tickets to the real theatre, the title of the "Friend of the Theatre" etc.) | |
| | | Unlocking the content (e.g. regarding characters' secrets) | |

Source: Own processing

2    See: https://www.facebook.com/groups/MGTOB/ (retrieved: 10.12.2014), http://wyborcza.pl/1,76842,11002732,Teatr

For the description of these activities we can apply the term "configuration" which allows a distinction between interactivity from productive entertainment.[3] A theatre game is not about "click, comment, vote" interactivity but about the productive entertainment during which players-receivers significantly interfere with the game world and the story. In the ancient theatre spectators were to experience catharsis, the purification of souls through artistic experiences. In the "theatre" game receivers-players immerse in the virtual world, experience emotions resulting from the deep, intellectual and physical involvement in both, the story and the game technology. Another significant difference is between participation in a theatre play and immersion in a simulated game world. One needs to discern between the specific subjectivity of a theatre play spectator-receiver and the subjectivity of a player. It is the simulation that is the key element pointing to the distinctness of these forms. *Simulation is hermeneutic. Other of narratives; the alternative mode of discourse, bottom up and emergent where stories are top-down and planned. In simulations, knowledge and experience is created by the players' actions and strategies, rather than recreated by a writer or moviemaker.[4]* Undoubtedly, through simulation one can gain knowledge about a theatre play and particular theatre. Computer game or activities involving game elements enforce the participation of users-receivers in the world of the play. Spectators cease to be simply consumers of the cultural offer. *Culture is not something ready-made which we "consume"; culture is what we make in the pracitces of consumption.[5]* Receivers-spectators-players actively create meanings, acquire the status of participants in the story being told. They have a real power of commenting and affecting the course of events. Consumers become prosumers.

## 3 Consumers of theatre offer

Today's consumers of cultural offer are often cinema or theatre audience who tweet during watching a movie or a play[6] – multi-screeners using several screens simultaneously.[7] They are not only passive recipients but also creative individuals

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3    Configuration is the term appearing in the works of Steve Woolgar. See also DOVEY, J., KENNEDY, H.: *Kultura gier komputerowych.* Kraków : Wydawnictwo Uniwersytetu Jagiellońskiego, 2011, p. 8-10.

4    AARSETH, E.: *Genre Trouble: Narrativism and Art of Simulation.* Cited after: DOVEY, J., KENNEDY, H.: Kultura gier komputerowych. Kraków : Wydawnictwo Uniwersytetu Jagiellońskiego, 2011, p. 13.

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6    Due to the commonness of this phenomenon the idea introduced by the Chinese movie theatres owners (which did not passed unnoticed by the world media in August 2014) to install additional screens for tweets — see, for example. ENGELKING, W.: *Tweety na ekranie kina. Najgłupszy pomysł Chińczyków.* [online]. [2014-09-12]. Available at: <http://natemat.pl/114055,tweety-na-ekranie-kina-najglupszy-pomysl-chinczykow>.

7    The research conducted by IAB Poland (Internet Advertising Bureau) indicate

who got the role of producers (prosumers[8]) and, at the same time, "socializers" who share – through social media – every important event with their network of friends.[9]

**Table 2: The characteristics of modern consumer – prosumer**

| PROSUMER | |
|---|---|
| CREATIVE | inventive, searching for new solutions, experimenting |
| INTERACTIVE ACTIVE COMMUNICATIVE | Communicating with other users, sharing own opinions, experiences, open to the dialogue with producers, business representatives, searching for information about products |
| INDIVIDUALIZED | looking for unique, personalized products that meet his/her own needs; aware of his/her expectations |
| INNOVATIVE | pursuing everything that is new, different, unique; valuing the latest technological solutions, willing to experiment, able to co-create new solutions |
| DEMANDING INELLIGENT AWARE | Knows the objectives of business marketing. Is familiar with the methods to achieve them. Has access to the world news (not only local information) and use them before purchasing certain products. Has high expectations towards the products. Is an aware purchaser and consumer. |
| INFLUENTIAL | Gives advise to other users and this way affects their purchasing decisions; creates products images and patterns of behaviors. Co-creates brand values. |

Source: Compiled by K. Walotek-Ściańska, M. Harasimowicz based on M. Samek: *Zmierzch ery konsumenckiej. Prosument w komunikacji marketingowej (The Decline of the Consumer Era. Prosumer in Marketing Communication).* In: *Nowe trendy w reklamie. Między nauką a praktyką (New Trend in Advertising. Between Science and Practice).* Ed. M. Wierzchoń, J. Orzechowski. Warszawa 2010, p. 177-180.

Modern technologies have a significant impact on the cultural practices. The following features begin to define culture: interactivity, virtuality, new status of receivers, new type of author-receiver relation. More and more often we encounter the cyberculture and gamification used to promote culture institutions.

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that 83 % of Polish Internet users aged 15 and more are multi-screeners — *TV+WWW=Razem lepiej. Raport z badania.* Lipiec : IAB Polska, 2014. [online]. [2014-09-11]. Available at: <http://iab.org.pl/wp-content/uploads/2014/07/20140714_IABPolska_TVWWW_raport_final.pdf>.

8    See e.g. SIUDA, P.: *Kultury prosumpcji. O niemożności powstania globalnych i ponadpaństwowych społeczeństw fanów.* Warszawa : Instytut Dziennikarstwa Uniwersytetu Warszawskiego, Oficyna Wydawnicza ASPRA-JR, 2012.

9    See WALOTEK-ŚCIAŃSKA, K., HARASIMOWICZ, M.: Advertising in the World of New Technology – an Overview of the Selected Issues. In *Zeszyty Naukowe Wyższej Szkoły Humanitas. Zarządzanie.*

## 4 The Theatre "Game"

Games can be studied by applying the methods of literature science and linguistics (narratology) or the opposite – one can decide that games are not static media texts but rather an activity, entertainment (ludology).[10] Is theatre game on Facebook becoming an entertainment? Can we call a spectator-receiver an agon who competes with other persons? Do such games contain also aleatoric elements (alea – games of chance) or the elements of mimicry (games of stimulation, role playing). We can also use other categories and try to describe Facebook theatre games as rule-based games (ludus) and at the same time creative and open-ended (paidia). We can apply the rhetoric of self (game permits the receivers to choose different avatars and experience esthetic satisfaction), rhetoric of imaginary (game allows to release creativity, improvisation), rhetoric of identity (game facilitates and sustains the identity of players community), rhetoric of progress (game serves the development of cultural competences).[11] The aims of launching a play on Facebook, a game played live with the network users are the following:

• To gather a group of people interested in the theatre – fans who comment, create videos, click "I like it", recommend us to others.
• To acquire information about what the receivers think and what kind of theatre offer they expect.
• To present the theatre building and theatre's achievements (during the theatre virtual tour).
• To increase ticket sales (points, rewards).
• To increase receivers' competences regarding creation process (education through fun).

Live theatre on Facebook is, on one hand, a theatre experiment. It opens a discussion about the understanding of the stage space, actor-spectator interaction in the Internet space etc., and about cyberculture in a broader sense. However it is more difficult to evaluate it unequivocally (also in terms of semiotics) if virtually played show, allowing the audience to decide on the characters fate (by means of Facebook mechanisms: sharing, "likes", or Google) is later performed on the real stage. So there will be the real meeting of spectators and actors. Thus both, virtual and real spaces will exist. It will also be more difficult to determine the subject of such theatre "game". Internet users (the most active during the theatre game) receive free tickets to real plays, the best seats in the theatre, opportunity to meet with the director, actors, to visit the backstage. Others are given tickets discounts. There is a ranking of "creators". And the most important for real theatres: they are "talking about this" on Facebook, young

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10    See more: DOVEY, J., KENNEDY, H.: *Kultura gier komputerowych*. Kraków : Wydawnictwo Uniwersytetu Jagiellońskiego, 2011, p. 27.
11    More about Sutton-Smith's rhetoric's in: DOVEY, J., KENNEDY, H.: *Kultura gier komputerowych*. Kraków : Wydawnictwo Uniwersytetu Jagiellońskiego, 2011, p. 36-38.

people "invite" others to take part in such undertaking. This, of course, translates to the ticket sale. Thus, we can state that theatre experiment is also a "marketing" operation. The general outline of Facebook live game is planned by its director in advance. But it is Internet users who will decide which character turns out to be e.g. a murderer. So they have what counts in the game – a real power. Besides, this power is given to the spectators in the real theatre environments. There are more and more plays in Poland, in which the audience (through their applause) decide how the play would end or what would happen in the second act. One can watch one show in three completely different versions (which is a very interesting experience). What is the point of such game with the audience? The same stage set, the same actors and play, yet some spectators – intrigued by the "game" – comes to watch the same show again hoping they would see its other version, another final (though it may turn out this does not happen). The audience take the risk tied to such game, they want to experience more intense emotions. This kind of experiment evokes discussion in media – is it allowed, does it not violate freedom of creativity, is it not just another advertising trick. There is the media buzz – and in case of movie and theatre productions it is the key activity. If the goal was to raise interest in theatre among the young people (network generation representatives) and to encourage them to visit certain theatre house and watch the play – this goal may be achieved.

## 5 Gamification mechanisms in marketing

The analyzed theatre marketing projects use various rewards (e.g. for the number of posts on a forum) and systems of achieving successive levels by collecting points (e.g. participation in dress rehearsal, invitation to premiere or meeting with play director). Players (consumers) compete with one another with the numbers of points collected. Social media publish rankings of players. The benefits from implementing gamification in the promotional campaigns are: involvement, loyalty and brand awareness. Gamification in social media also involves:
• contests in which one has to create advertising slogan of the show – the winner is the one that receives the most "I like it" clicks,
• inviting the biggest possible number of friends to take part in a show or sharing certain content on one's own notice board,
• receiving ticket discount e.g. for signing up for a newsletter,
• best show votes (stars, "I like it"), number of "shares" of a certain content in social media,
• rewards for inviting friends to like the theatre profile, e.g. on Facebook,
• ticket discounts for posting play comments-reviews etc.

There is also online ticket booking that includes the elements of gamification. In the Silesia Theatre in Katowice the booking process begins with the question: "What would you like?" It is the spectator that decides if he or she chooses

modern and bold productions or prefers more leisurely evening with a good comedy, or would rather see some highly acclaimed drama. Each play has its own special marking so spectators can quickly find out if certain play is a proposition for students, presentation for adults only or perhaps the stage bestseller. Spectators-players then make a choice if they would like to see it on the Main Stage, the Chamber Stage or the Mall Stage. On the next level they must answer the question when are they free and what time they will visit the theatre (they then receive the map of the theatre venue in order to avoid late arrival to the show). The last question at the end of the booking procedure is: "When will you come back?" Spectators receive via e-mails repertoire leaflets, invitation to follow the theatre's profile on community portals and a request to bookmark the theatre's website and to subscribe for the newsletter.



**Picture 1: Application of gamification in the ticket booking system. The Silesia Theatre in Katowice**
Source: http://www.teatrslaski.art.pl/bilety/miejsce
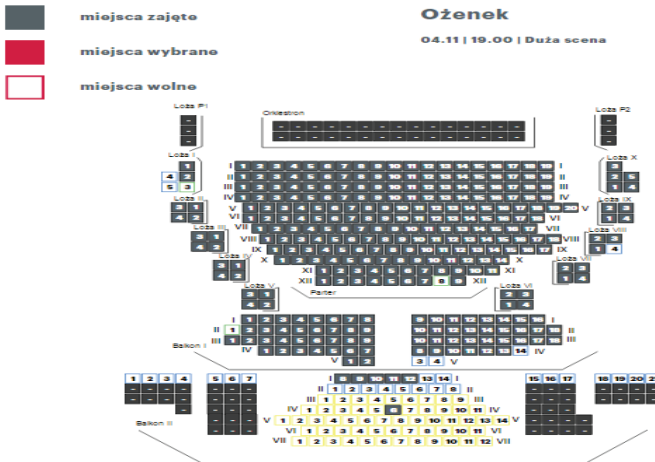


**Picture 2: Application of gamification in the ticket booking system. The Silesia Theatre in Katowice**
Source: http://www.teatrslaski.art.pl/bilety/miejsce

## Conclusion

In order to develop incentive systems that use gamification the concepts of behavioral psychology (conviction that behaviour may be changed by applying an adequate system of rewards and punishments) and cognitive science are applied. Collecting points and rewards is not the only way to motivate receivers-players. A lot of attention is given to emotions and inner motivation. Receivers-spectators may get involved in a project because they feel the need to increase their knowledge, they are curious about the world. Motivations depend largely on the demographic characteristic of the players, their lifestyle, life goals and cherished values. Apart from the material goods – points, discounts, vouchers, rewards – players have the power. They can make decisions on behalf of others or decide about the course of common affairs e.g. how the theatre play would end (by voting), when it will be presented, they can choose the best actor etc. Spectators-players also gain access to the unique resources or tools (in games it may be unlocking hidden levels or characters; in social media – access to photographs of actors, news about their life received only after completing a certain task). Their social status is determined, they are respected by other "gamers" (e.g. by awarding the title of "friend of the theatre", posting such information on one's social media profile). Culture institutions managers define the desired behaviours (encouragement to take part in cultural events, active promotion of those events by adding "likes" on online community portals, sharing information) and then they form an engagement loop (by providing players with feedback, encouraging to remain active). The experiences that increase players' engagement are: winning, collaboration, leisure, role playing, collecting, problem solving, being appreciated, creativity, discovering, learning, overcoming. It is worth to recognize the needs and motivations of the audience groups (also those connected with new technologies) in order to have a chance to create the model of spending free time with the art. Theatre is a play, pretending, mimesis, entertainment. Street theatre requires the maximum engagement from the audience. In theatre which does not separate stage from the audience the art is always interactive. Live Theatre on Facebook, gamification-based application, theatre profiles on online community portals are also the game of status, number of fans and "likes", number of positive comments and site entries. Creating a profile in social media (which would meet audience's expectations) may be a way to tell institution's history and to invite to the theatre world.

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