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MARKETING COMMUNICATIONS' EFFECTIVENESS IN POLAND – LESSONS FROM THE BUSINESS IN INFORMATION SOCIETY

Introduction

Huge advances in communication technologies enable companies the use of original solutions for marketing communications. An increasing number of usable channels of communication and more and more advanced techniques of creating messages stimulates the need to pay more attention to assessing effectiveness and efficiency of such activities. Studies in the field of marketing communication (both theoretical and methodological research) include usually considerations regarding communications' campaigns, with creative aspects, media selection process and specific communication techniques. The field of effectiveness and efficiency of marketing communications is usually overlooked or described quite shortly and generally. The aim of the article is to present how business perceives marketing communications' effectiveness and efficiency and to evaluate the effectiveness and efficiency of companies. The study is made on the base of field research results in companies in Poland.

1. Marketing communications' effectiveness – dilemmas

In general, marketing communications can be defined as a set of devices and procedures for exchanging information about the company and its offer, which should contribute to achievement of the basic objectives of the organization. The marketing communication should, on the one hand, ensure the dissemination of

information, and on the other – should enable to obtain the feedback to assess effectiveness and therefore to obtain better match to the requirements of target market in the future. In such defined marketing communications, we can distinguish:

- Internal communication – communications in the organization,
- External communication – communication with customers / consumers (end-buyers),
- Communications with other market players (suppliers, dealers, etc.).

Effectiveness is understood as the degree to which the objective is achieved. From marketing communications' point of view it relates to level of performance assumed in the plan of communications. The effectiveness of marketing communications means the level of performance in the action plan including relations between investment and the results obtained. If the effect (result) of the communication campaign is to increase sales, it should be kept in mind during evaluation process. The problem is that not only sales affects marketing communication, but there are also many other factors (for example, activities of the distribution range, the actions of competitors and other events taking place in the business environment). Besides, not always the goal of marketing communications is to increase sales (for example, during the introductory phase of the production the market this can be associated with the creation of product knowledge and building a positive image brand, which is not transmitted directly to the increase in sales, but it is a necessary condition for sales increase).

All this dilemmas are related to following factors:

- Marketing communication is multidimensional (advertising, personal promotion, sales promotion, public relations) and multi-level (internal communications communication with the environment) and therefore the costs and effects these actions are determined by many factors.
- The effectiveness and efficiency of marketing communication can be analyzed in the following areas:
 - the impact of marketing communications on the level of knowledge about the company and its offer;
 - the impact of marketing communications on the attitudes and preferences of customers to the company and its offer;
 - the impact of marketing communications on the purchasing behavior of customers.

2. Methodological issues

The research was carried out in two phases (Table 1). In the first stage there was a qualitative regional study of companies (40 in-depth interviews in companies selected deliberately in Silesian province the end of 2011 year). In the second stage there was nationwide quantitative survey of 600 intentionally selected companies – the beginning of 2012 year. The criterion for selection of companies was a type of activity (manufacturing, trade and services), market activity (consumption, investment) and the size of the enterprise (small, medium and large). Research was conducted in the form of personal interview using a questionnaire.

Table 1

Field research of effectiveness and efficiency of marketing communications – methodological assumptions

Specification	Research stages	
	Stage 1	Stage 2
The aim of research	Perceptions and understanding of marketing communication by managers; Perception and understanding of the efficiency and effectiveness of marketing communications by managers	Methods for measuring the efficiency and effectiveness of marketing communications; Cooperation with research agencies and advertising; Spending on marketing communication; Effects of marketing communications
Research subject	Companies	
Research type	Qualitative	Quantitative
Research method	IDI	PAPI
Research technique	Interview scenario	Questionnaire
Geographical scope of research	Silesia province	Nation-wide (Poland)
Sampling method	Purposive	
Sampling criteria	Companies operating in Silesian province	Profile of activity Market of activity Company size
Sample size	40	600

The aim of qualitative research was to identify the perception and understanding of marketing communications and its effectiveness and efficiency.

Quantitative studies were performed in 600 companies in 6 deliberately selected Polish cities (and vicinity) – Warsaw, Katowice, Gdansk, Poznan Wroclaw, Krakow – in every region about 100 direct interviews.

Quantitative research conducted among businesses served to identify (among others) the ways of measurement of the effectiveness and efficiency of marketing communication, the scope of cooperation with research and advertising agencies in the field of research on the effectiveness and efficiency of marketing communications, and allowed us to identify the objectives, costs and benefits of marketing communication.

About 40% of researched companies have production profile and almost the same – a service profile. Every fifth company is trade company. Surveyed companies are mainly private companies and Polish ones. Every third company operates in the international market and the other on the local / regional and national levels. In the sample 40% of all businesses are small (up to 49 employees) and the 30% – medium and large. More than half of companies surveyed (56%) operate on the B2C market, and the other – the market B2B. Over 60% of the companies assess their position in the market as a strong or very strong, and one third of them describes this situation as the average.

3. Marketing communications' effectiveness – research results

Qualitative research results analysis indicate, that for managers there is no significant difference between marketing communications' effectiveness and efficiency – they perceive both terms in more or less similar way (Figure 1). Managers state, that marcomm is just the communications with clients and the environment. They say, that sort of activity is very important for the company. Still for researched managers marketing communications' effectiveness almost equals to marcomm efficiency.

The results of the quantitative research show that in the studied companies marketing communication includes mostly advertising (72%), personal promotion (67%) and sales promotion (54%). For the half of the surveyed companies marketing communication is classified as internal communication, and for 45% – as public relations. Only every fifth researched company marketing communications includes marketing research to marketing communications system (Figure 1).

Table 2

Marketing communications' effectiveness and efficiency – managers' perspective*
(N=40, in numbers)

Specification	Characteristics
Marketing communications this is...	<ul style="list-style-type: none"> • Communications with clients (17) • Communications with the environment (11) • Advertising (5) • Promotion (2) • Feedback (2) • Image building (2) • Internal communications(1)
Marketing communications is like...	<ul style="list-style-type: none"> • Good for company, important, necessary for company's development (25) • Multichannel (5) • The way of catching the clients(3) • Direct (2) • Complicated, difficult (2) • Easy (1)
Marketing communications' effectiveness this is...	<ul style="list-style-type: none"> • Goals' achievement (11) • A larger number of clients (6) • Reaching customer (4) • Sales increase (3) • Ratio of input and output (3) • Company's effects (2) • Building company's awareness (2) • Improvement company's image (2) • Building interest in company's offer (2)
Marketing communications' efficiency this is...	<ul style="list-style-type: none"> • Increase of revenues, sales, profits; better financial results (10) • Goals' achievement (9) • A larger number of clients (4) • Good offer presentation (4) • Customer satisfaction (3) • Outputs larger than inputs (3) • Good advertising (3) • Better market position (3) • Building interest of clients in company's offer (2) • Company's recognition (2) • Appropriate use of resources (2)

* sentence completion test results.

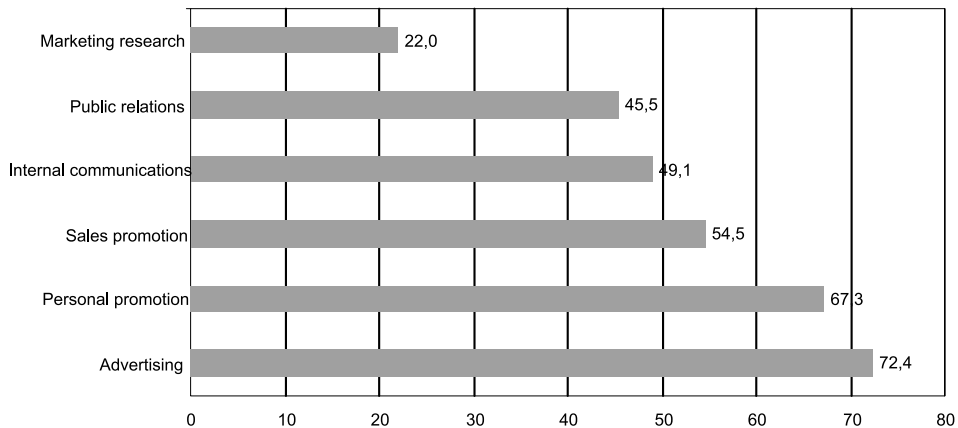


Figure 1. The scope of marketing communications in research companies (N = 600, in %).

Declarations of representatives of the surveyed companies suggest, that firms often conduct measurements of the effects of communication with customers (over 60%). To a lesser extent they concentrate on the measurement of other entities' communications' efficiency (42%) and an internal communications (43%).

Almost 90% of respondents say that the communication activities in their company marketing is effective, however, the analysis of the declaration for the purpose of marketing communications and the degree of implementation shows that the activities in the field of marketing communications are rated as effective in every second tested company. A similar situation exists for assessing the effectiveness of marketing communications. Almost 90% respondents claim that the actions in this area are effective, while the analysis comparing the effects claimed and expenditures on marketing communications show, that actions are effective in about 70% of the surveyed companies. At the same time, every third company declares that as a result of activities in the field of marketing communications has achieved positive results / effects that were not intended in the action plans.

The results show that the communication costs in the surveyed companies generally include expenses related to their own website, rebates and discounts and costs associated with the marking of buildings and vehicles, and the cost of gadgets (Figure 2).

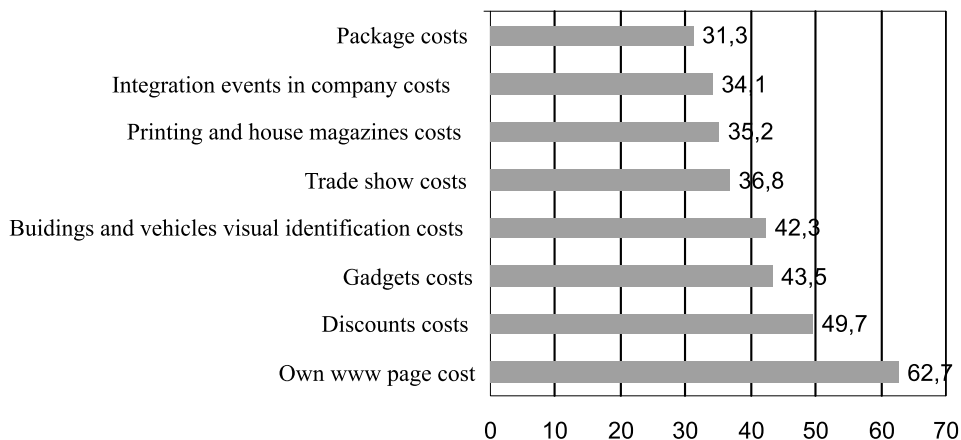


Figure 2. Major costs related to marketing communications in researched companies (N = 600, in %)*

* Costs pointed at least by 30% of respondents are included.

Cost accounting of marketing communications is concluded mostly as the cost of advertising or marketing. One in five surveyed companies have in the system consisted of the cost for separate marcomm costs (Figure 3).

The surveyed companies declare, that they usually set a budget using task – objective method and affordable method (as much as needed to achieve the objectives set out in the plan of marketing communication) – about 33% and 31%. Every tenth company does not release specific budget for marketing communications (Figure 4).

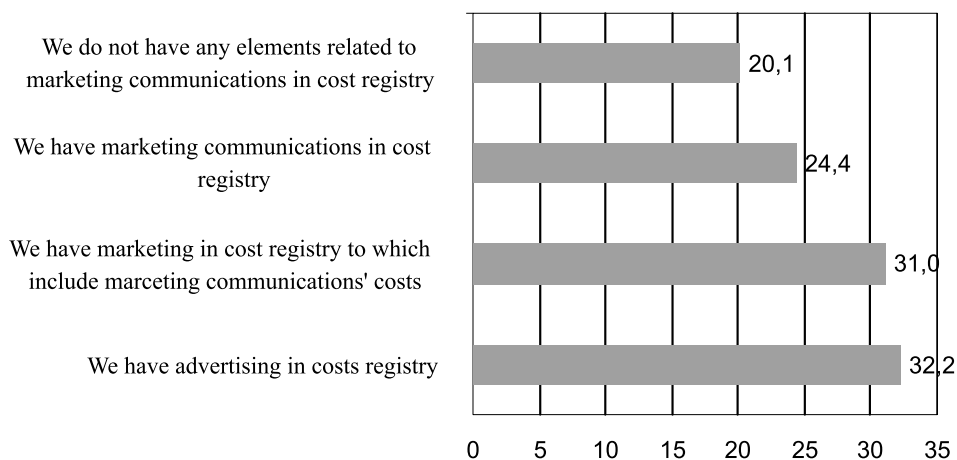


Figure 3. Marketing communications' cost registration (N = 600, in %)

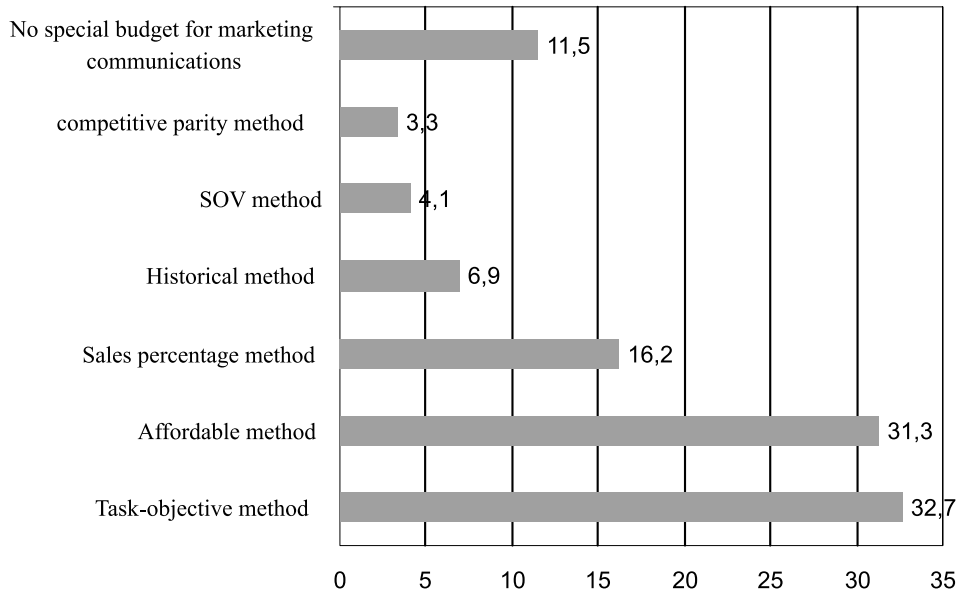


Figure 4. Methods of setting marketing communications budget – managers' declarations (N = 600, in %)

The results indicate that the most commonly measures used for the impact of communication in the studied companies are: an increase in sales (74%), increase the number of clients (57%) and profit growth (48%). These measures are considered simultaneously in the surveyed companies to be the most important. About 4% of the surveyed companies do not use any measure of the impact of marketing communication (Figure 5)

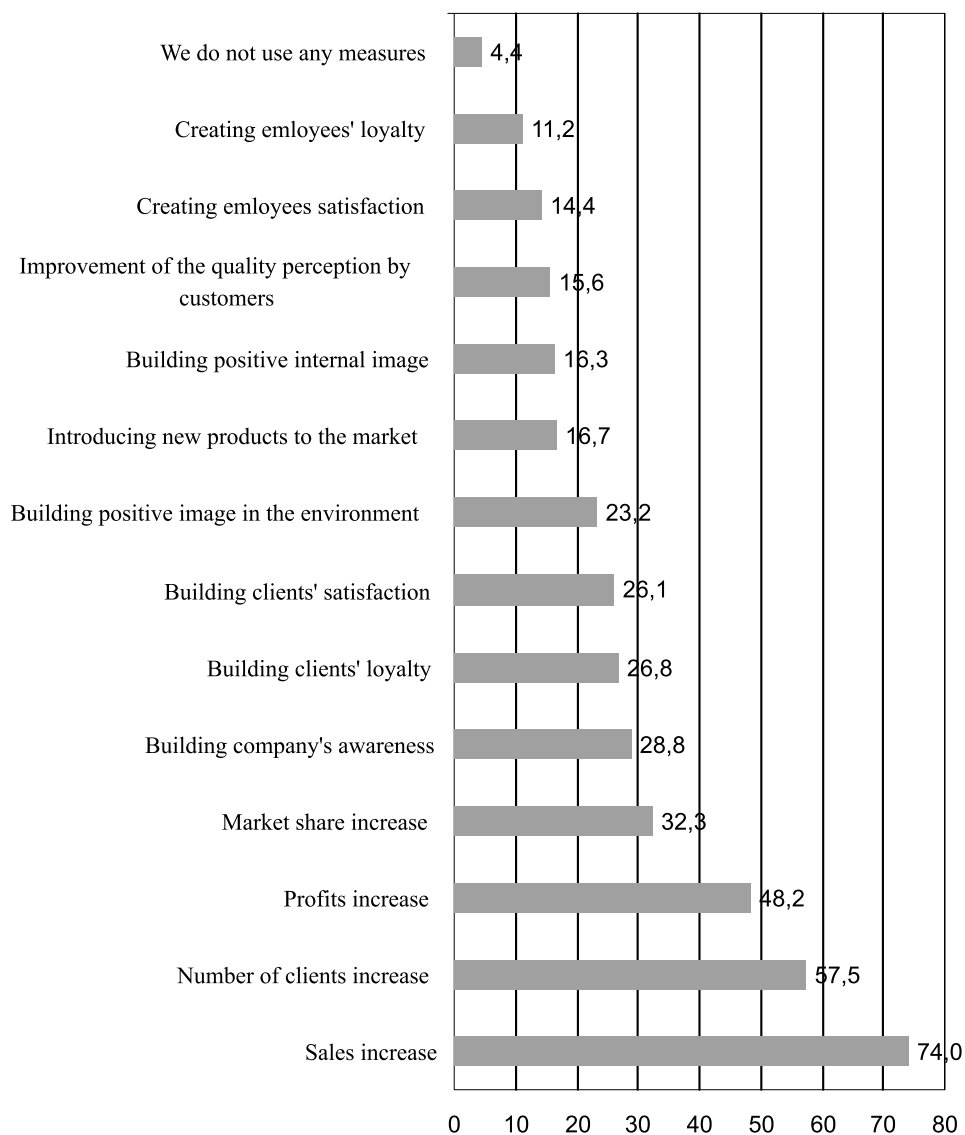


Figure 5. Measures used to evaluate marketing communications – managers' declarations (N = 600, in %)

Almost half of the surveyed companies cooperate with advertising agencies in the field of marketing communications, and every fifth take the advantage of the services of research agencies in assessing the effectiveness and efficiency of marketing communication. Almost 50% of companies not conducting any studies on the effectiveness and efficiency of marketing communication.

Conclusion

Although in marketing communications literature we can find a different approaches to marcomm effectiveness and efficiency, for business it seems to be the same thing. The most important for managers is, that marketing communications is successful and generates some positive financial effects (sales, profits, revenues etc.).

Surveyed companies perceive their marketing communications activities as effective and efficient, but the deeper analysis shows, that the relations aims/results and inputs/outputs is not satisfactory in around 1/3 of enterprises.

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Summary

The aim of the article is to present dilemmas related to marketing communications' effectiveness from practical aspect. In the article the field research results on marketing communications conducted in enterprises in Poland are presented (both qualitative and quantitative). The aim of the article is to present how business perceive marketing communications' effectiveness and efficiency and how they evaluate marketing communications.

Keywords: marketing communication, effectiveness, efficiency