

**Štefan Majtán**

Ekonomická Univerzita v Bratislave

# **MODERN TRENDS IN COMMERCIAL MARKETING IN SLOVAKIEN COMPANIES**

## **Introduction**

Despite the fact, that we do not dispute other important processes in the current period, which have a significant impact on marketing, we incline to the opinion of most marketing experts, that the most important modern trend in marketing during the last period is associated with the rapid development of the use in modern information technologies, especially in marketing communication, simply called internet marketing. In this paper we present the actual state of Slovak companies. Information is the result of several investigations in our department – currently covered by a grant project of the Scientific Grant Agency supported by Slovak Ministry of Education, Science, Research and Sport and the Slovak Academy of Sciences with no. 1/0100/13 “Exploring the impact of current phenomenon to the world economy marketing activities of companies”.

## **1. Internet marketing and its tools**

Rather than identifying the specific findings of the survey, we briefly outline the theoretical basis. We have identified them with the idea that “the internet can be used not only as a means of transferring data and information, but also as a direct selling tool and interactive medium of marketing communication”<sup>1</sup>. It has evolved as a new way of marketing and communication, called the internet marketing. The term – internet marketing by Stuchlík and Dvořáček “means the use of internet services for the implementation and support of marketing activities”<sup>2</sup>. Mohammed extends this definition; internet marketing is “the process of

---

<sup>1</sup> H. Machková, A. Sato, M. Zamykalová: Mezinárodní obchod a marketing. Grada Publishing, Praha 2002, s. 53.

<sup>2</sup> P. Stuchlík, M. Dvořáček: Marketing na Internetu. Grada, Praha 2000, s. 16.

building and maintaining customer relationships through online activities order to facilitate the exchange of ideas, products and services that meet the objectives of both parties”<sup>3</sup>.

Definition, the number and classification of internet marketing tools is not uniform, so we created our own list of the most frequently reported and the most used tools in practice. Some instruments are mutually interconnected and they are classified into different subcategories, depending on perspective, which are closely related. To simplify and facilitate the understanding we only present the list of them and we start from the breakdown of the English terms, under which these tools are generally known and increasingly normalized in Slovakia. For the most important online marketing tools we consider:

- Search Engine Marketing,
- Social media Marketing,
- Banner advertising,
- Affiliate Marketing,
- Email Marketing,
- Viral marketing.

Except referred the internet offers many additional opportunities for commercial marketing. Public relations of company might be built up by the online publication of press releases, technical case studies, articles etc. Company can use not only its own but also other websites or be actively represented through the online media as a form of promotion. Variety of online seminars or workshops can be effect via internet. Various consumer’s internet competitions can be used as a form of sales promotion. Higher number of company’s website visits could be achieved by applying for various catalogues, while several are for free. Moreover, internet provides relatively easier and faster market research.

## **2. Applications of internet marketing in Slovak companies (survey results)**

The aim of this survey is to determine the extent to use of selected Slovak company’s opportunities of internet marketing and how they are perceived them. In view of limited range of this paper we present only brief information about the sample and methodological procedures of the survey and its evaluation, emphasizing that this research has been adequately addressed so that we can consider the findings as relevant.

---

<sup>3</sup> R. Mohammed: Internet Marketing: Building Advantage in the Networked Economy. McGraw-Hill/Irwin, New York 2002, s. 4.

The companies operating in Slovakia were the object of the survey. Two basic criteria have been determined for basic set of questionnaires: companies must be registered in Slovakia and must represent one of the forms of companies or cooperatives. Some of other characteristics of the examined companies (size, ownership, industry, target markets, etc.) that might affect the specific relationship to the internet marketing are evident from the findings presented below. The questionnaire survey we conducted on the sample by 147 companies, which represent the basic set. We choose regional selection method, where we set the basic statistical units and sorted them into groups (areas) according to the selected criteria (economic activity) and intra we subsequently applied a simple random selection of those statistical units. The aim was to achieve a more representative research sample than using just random. Respondents were approximately 1,300 companies and only 11.31% was a rate of return.

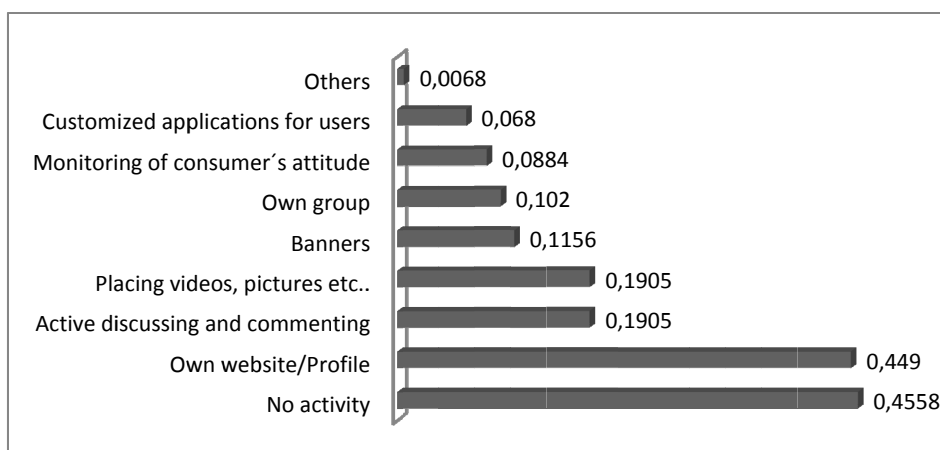
Quantitative methods were used for an evaluating the empirical survey, in particular: economic mathematics, statistics and economic statistics. In the processing of questionnaires and its evaluation we primarily used Excel software, where apart from basic mathematical and statistical functions, we applied the filters and to increase the transparency we used a table (simple and contingent) and graphs for the presentation of results.

The following is a short summary from the findings of the investigated questions in the area of internet marketing.

Having the company's website is fundamental for the use of a number of marketing internet tools. In the survey sample there are 90.48% of the companies present on the internet via own website. Websites do not have implemented 20% of micro and 7.32% of small companies, while larger companies have it implemented all of them. Similarly, the website is not implemented only from 2.70% of companies with significant impact of foreign owner, compared to 11.82% with domestic majority owner. Dependence on whether companies operate only in Slovakia or abroad has not been confirmed.

Very important for a business website is its location at the top positions on the search engines while one from the option is search engine optimization (SEO). This tool is implemented in 47.62% of the interviewed companies. Examine SEO is meaningless in companies that have not implemented own websites. Of those who have it implemented, use SEO just 52.63% of companies. From the test of independence we could observe that there is no relationship to any of the identifying characteristics of companies. We observe moderate tendency in the ownership, where there is about 15% of more SEO companies with a strong influence of foreign-owned companies as the majority owner.

In other two questions we have examined in which social media companies are present and its activities. Companies could also select from multiple options, depending on how active social media use. The most popular are Facebook and is slowly catching up to its younger social network Google+. Other social media are relatively used just not often. On the other hand, almost half of the companies do not use social media generally and perform nor activity. Most companies have own profile or website on social media. From the active approaches an active discussing, commenting and placement of multimedia (images, videos ...) content leads intended to sharing.

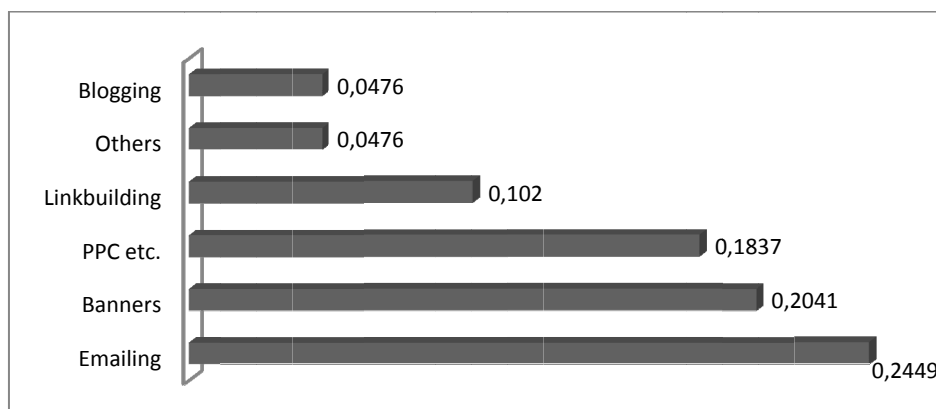


Gráf 1. Activity on social media

Source: Own survey.

During the examination of the relationships by using the social media with selected characteristics of companies we have detected that using of social media is at least by small companies (41.46%), and about half of micro, followed by medium-sized companies and the most active are large companies (77.27%). Dependence is not according to the activity level on foreign markets.

In other question we investigate how other companies use internet marketing tools, while they could select again from multiple options. More than half of the companies (54.42%) chose none option and other responses can be observed in graph 2. It is interesting that none of the tools use up to 59.77% of companies which are focused on the consumer markets while from the number of companies oriented on organizations market is less than half. On the other hand, those companies with the target customers of consumers prefer to use a wider spectrum of internet tools simultaneously. Any of other associations were not confirmed, but the results indicate that the large companies and companies operating globally in this area are more active comparing to other categories.



Graf 2. Exploitation of other internet marketing tools

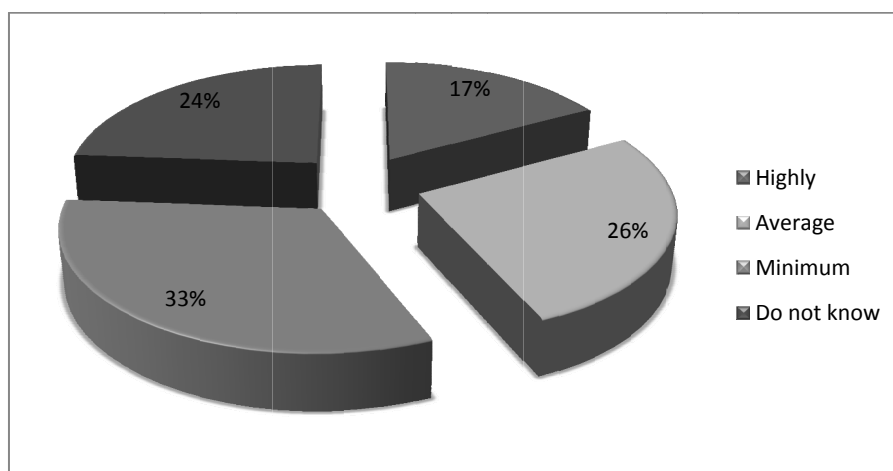
Source: Own survey.

We also investigated a rate of business activity in terms of how frequently companies update the information provided on the internet. More than half of the companies (52.38%) update this information unplanned or exceptionally, therefore only in case of unexpected needs. Monthly 18.37% of companies, 12.24% weekly and 17.01% on daily base update their information on the internet. Regularly 72.73% of large companies update their information, while only 87.27% of micro companies update their information irregularly on the internet. Only 2.17% of the manufacturing companies update the information weekly, compared with 15.48% of service companies. On the other hand, only 67.39% of companies update only exceptionally the information on the internet, and in service companies, it is about 20% less. We can conclude that service companies are more active in this area. Updating data on the internet is also related to the level of activity on foreign markets. The 86.96% of companies operating only in neighboring countries update the information on the internet irregularly, while 54.55% of companies operating worldwide access to continual updating of information.

We also monitored the activities of companies in market research. Marketing research on the internet implement only 11.56% of companies, thus remaining 88.44% are not. Interesting are also findings with regarding to certain characteristics of companies surveyed. Marketing research on the internet provide only 5.13% of companies operating only in Slovakia and 18.84% companies operating in abroad. In more detailed analysis we observe the disproportions in the second category, according to the further division. Companies operating only in neighboring countries have not implemented this survey at all, 25.00% from

companies that are focused on wider area of Europe implement it and the most active are companies which operate globally (active in this area 31.82%). We can observe uniquely trend in terms of business size, wherein with the increasing size also increases the level of using the internet survey (from 5.45% of micro companies to 31.82% of large companies). Similarly, the results indicate that companies with a strong influence of foreign owners are more active in this area.

Graph 3 represents whether internet marketing assists the companies to gain new customers, respectively develop long-term relationships with them. Service companies experience this benefit more than production companies. Statistical dependence between companies oriented in consumer markets versus markets of organization has been not confirmed. However, we could observe certain difference. Significant or moderate benefit of internet marketing experience only 9.09% of companies with the orientation in national markets. Difference is also observed in companies operating globally, which up to 68.18% of them perceived internet marketing as a very or moderate helpful tool, while the other categories of these figures are significantly lower.



Graph 3. How companies perceive the benefits of internet marketing

Source: Own survey.

The next question we have investigated, what are the main advantages of internet marketing. Respondents could choose from the three answers as a maximum and pointed them according to their importance, as well with other questions of this type. Evaluation of individual responses and consideration of weights are displayed in Table 1. More than half of the companies considered relatively low cost of implementation, speed of updating information and obtain

feedback as the main advantages of internet marketing. A ranking of these two benefits mutually draped after considering assigned weights. The third place belongs to the multimedia character of the internet within the response rate, but in terms of the significance it even decreases to 4th place.

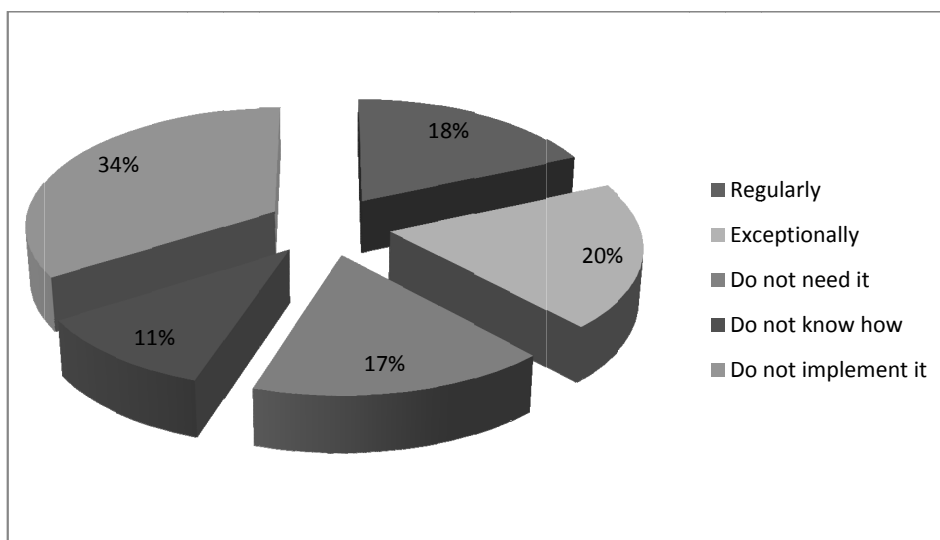
Table 1

The advantages of internet marketing

Advantages of internet marketing	Share of companies (%)	Absolute ranking	Share of points (%)	Weighted ranking
Relative low costs	54,42	2	24,28	1
Interactive communication	29,25	5	10,5	5
Greater focus and more accurate targeting	30,61	4	14,44	3
Velocity of feedback and information updates	55,1	1	22,44	2
Multimedia character	36,05	3	13,91	4
Measurability of efficiency and the results obtained	15,65	6	6,04	6
A simpler entry into new markets	15,65	6	5,64	7
Others	4,76	8	2,76	8

Source: Own survey.

We also investigated how many companies access to effectiveness analysis of internet marketing, and we also focused on the reasons why the companies have not used it. Various responses are captured in the graph 4. Summarily only 38.10% of companies deal with success analysis of internet marketing tools and 51.79% of those companies deals with it irregularly. However, if we exclude companies which have not implemented the internet marketing (34.01%) only after recalculation we would find out that more than half of the companies (57.74%), which use internet marketing manage their effectiveness too. Service companies use this effectiveness analysis three times more irregularly, but also a little more regularly, compared to manufacturing companies. The primary reason why manufacturing companies do not investigate percentage of internet marketing is because by almost half the cases are not implemented (47.83%), but only by 23.91% of the companies is supposedly needed (in service companies only 9.52%). We may also observe some differences by size of companies. Most active in this area are large companies (59.09%), then small companies (43.90), followed by medium sized (34.48%) and finally micro companies (27.27%). Surprisingly, 18.18% of large companies do not evaluate internet marketing because they do not know how. The second phenomenon, which is observed, is that the companies with a strong influence of foreign owners analyze the effectiveness of internet marketing by 17.71% more than domestic companies with majority owner.



Gráf 4. Analyzing the effectiveness of internet marketing

Source: Own survey.

To the internet marketing 23.13% of companies attaches the high and 48.30% of companies an average merit, according to the summary for 71.43% of companies are meaningful to deal with this area of marketing. On the other hand, 16.33% of companies have internet marketing at low importance and for 12.24% even none. For 32.14% of service companies are this importance high level and therefore this opinion has only 8.70% manufacturing companies. For businesses operating globally, we have found that only 45.45% of companies perceive internet marketing as very important tool.

In the last examined question we have identified, how is internet marketing of company implemented. By means of external companies the internet marketing has secured 12.24% of companies, while at their own it has been implemented by 25.85% and to mix of this two forms it has been carried by 29.25%. Up to 32.65% of companies indicate that they have not implemented any form of internet marketing.

## Conclusion

This paper shows quantum of results, discovered by using comprehensive marketing survey, about the current state of internet marketing usage in Slovakia. We assume that these data will be used as a comparative basis in other simi-



lar internet marketing researches and surveys in other countries. It also allows other researchers to make conclusions which are generally valid and applicable during the current time period. It is undeniable fact that total internet usage continues growing, so its importance rapidly grows across all business sectors and industries. We managed to establish within the analysis of internet marketing that its contribution to commercial marketing activities is indeed beneficial. It is relatively inexpensive form of marketing, which is more or less opened to all businesses. Companies which are actively using these tools, benefit from it significantly more than companies with passive attitude towards it. Internet marketing can be therefore considered as a modern trend in today's commercial marketing practice.

## References

- Machková H., Sato A., Zamykalová M.: Mezinárodní obchod a marketing. Grada Publishing, Praha 2002.
- Mohammed R.: Internet marketing: Building Advantage in the Networked Economy. McGraw-Hill/Irwin, New York 2002.
- Stuchlík P., Dvořáček M.: Marketing na Internetu. Grada, Praha 2000.

## MODERN TRENDS IN COMMERCIAL MARKETING IN SLOVAKIEN COMPANIES

### Summary

Generally, the most dynamic trend in marketing for the last period is the radical development of information technologies – especially in marketing communications, called internet marketing. This paper presents the results of a survey that provides a comprehensive view on the current situation in Slovak companies according to their internet marketing development process. The introductory part of this paper contains the summary of basic theoretical knowledge about modern internet marketing. We used this knowledge also as a basic basis for the following practical research. We based this research on the assumption that the most significant online marketing tools are Search Engine Marketing, Social Media Marketing, Banner Advertising, Affiliate Marketing, Email Marketing and Viral Marketing. Despite the findings that in several areas of internet marketing Slovak companies are still below the average of modern economies, it becomes clearly recognized modern trend of marketing also in our market environment.