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## **INNOVATION IN MARKETING COMMUNICATION – CURRENT BUSINESS THEORY AND PRACTICE\***

**Summary:** Innovations are a phenomenon, that affects all areas of business activities, including marketing and its individual tools. This article briefly discusses the causes, that nowadays lead to innovation changes in the area of marketing communication; characterizes selected innovation solutions in marketing communication and presents the results of a research, that analysis and evaluates the use of innovations in marketing communication in business practices in Slovakia. In the conclusion the article summarizes the findings, points out the problems and their possible solutions.

**Keywords:** marketing communications, innovative changes, creative solutions.

### **Introduction**

Innovation is a phenomenon, that affects all areas of corporate activity, not excluding marketing and its various tools. On one hand, marketing is associated with innovation by representing business activities from which we expect creativity, flexibility and development. On the other hand, this connection is also

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given by changes in the marketing environment and the inflow of new technological solutions, which were liable to the modernization and upgrading of marketing and communication activities. Currently, marketing and marketing communications are marked by modernity and are changing more rapidly than ever before. In marketing communication it has therefore become a traditional implementation of changes in favour of the use of creative and innovative solutions has become a necessity and a prerequisite for a more effective achievement of the goals of positive change and increasing customer value and thus the competitiveness of the company.

The aim of the first part of this article is to briefly outline the causes, that lead to innovative changes and creative solutions in marketing communications. Then characterize selected innovative solutions in marketing communication, and highlight their importance and impact on business results (business performance). The aim of the second part of the article is to present the results of a survey, which analysis and evaluates the use of innovation in marketing communication in business practice in the Slovak Republic. A part of the analysis is also the confirmation of a hypothesis, that the use of innovation forms of marketing communication of a business depends on certain business characterizations – size, business area, market orientation, financing, the importance of marketing in the business. At the end of article summarizes the facts indicates problems and possible solutions.

## **1. Innovation in marketing communication of businesses**

Changes taking place in current marketing can be described as crucial and they are primarily related to the turbulent changes in the external environment of business. Some of the main changes include:

1. Fragmentation of markets – the shift from mass marketing to individual marketing, which is associated with the gradual shift away from mass communication to the need to communicate with smaller groups of customers or the need to communicate to a targeted group personally and individually.
2. Changes in buying behaviour of the customers – e.g. efforts to realize the right choice/purchase, interest in the impact of their purchasing decisions, the increase of customer's level of education level of customers, changes in attitudes, values, lifestyles. The customer selects the product carefully, looking for the best deal and therefore requires much more information, more accurate information, wants to be informed more rapidly, requires discussion and interactive forms of communication.

3. Economic development – which has an impact on the buying behaviour of customers, but at the same time leads to the reduction of expenditure of the enterprises. In terms of marketing communication, it therefore presents a task to look for with limited resources such forms of communication that can stimulate the customers affected by the recession to purchase, i.e. look for more economical and efficient solutions.
4. Technology development – the development of information and communication technologies, which is also constantly changing the form of marketing communication, its forms, possibilities and also bringing new means of communication. Rapid expansion of high-performance, broadband Internet connection, the development of digital video cameras and multi-purpose mobile devices tremendously affected and changed the way customers can obtain, but also process information today and forced marketers to change a number of traditional communication tactics.

Innovations in marketing communication are related in particular to changes in the communication mix, and the increasing importance below the line activities, particularly direct marketing [Majtán, Grančičová, Hrušovská, 2013]. The application of alternative forms of marketing communication, that are a possible solution to the increasing immunity of customers to traditional forms of marketing communication. There are alternative forms include mainly guerrilla marketing, viral and event marketing. Thus, the original implementation of communication campaign [Karlíček, Zmazalová et al., 2009] to be taken by the attention, provoke strong emotions and experience and consequently to give rise to communication between people themselves. Communication between each customer is currently considered the most effective tool of marketing communication. In the current marketing and marketing communication, therefore it addresses this issue and due attention and introduced to this form of the official name Word-of-Mouth (WoM). And finally, another shift, that is necessary to mention is an increase in the importance of Internet marketing communication companies. Today is often referred to as one of the fundamental and critical instruments and media.

In principle, it is possible innovations in the marketing communication divided into two groups. While one the innovation group is one of the categories of technology (Internet and the media – especially new forms of communication in Web 2.0), the second group has the character of the original creative communication approaches and methods, so-called alternative forms of marketing (guerrilla, viral and event marketing).

We can thank for most of the innovation in marketing communication to the great development of information and communication technologies, especially single medium – the Internet. There are several reasons. The crucial one is that

an increasing digital literacy and the Internet is now an integral part of millions of people and companies, who use it for communication, entertainment as well as business. The statistics show, that the number of Internet users in the world in 2015 was about 3,37 bln, which means that approximately 46,4% of the total population uses the Internet (in 2014 – 42,3%, 2011 – 28,7% and in 1995 only 1%). Slovakia is on the 18th place with 4,5 mln users and a penetration of 83,1% within the EU (in 2014 – 4,3 mln users and penetration 79,0%), of which 2,3 mln are users Facebook (Facebook penetration rate 42,4%) [Internet World Stats, 2016]. Regarding the use of various online activities, the Slovaks pay attention in a rate, which is similar to the European average (Europe direct). Further, advantages can be mentioned that the Internet provides, compared to traditional communication media among these should be emphasized in particular: directness, high penetration, interactivity, flexibility, low and simple measurability of results and assessment of the effectiveness of online campaigns.

In terms of internet marketing communication at the same time offers the full range of communication options, pages through a variety of services and tools – banners, text ads, websites, e-mail, sending newsletters etc. In addition to these options, which correspond to more traditional patterns, the internet communication also offers a number of possibilities of active communication with customers on the Internet, that the summary referred to the concept of Web 2.0. respectively social media. Scott social media defined as “a set of technologies and tools that enable online sharing content, exchanging opinions and ideas, and create a base of contacts. The fundamental difference between the two sides and the traditional media is that the content of social media may form, participate in it and comment on the user” [Scott, 2010]. It is therefore a new generation of services, applications, sites etc., additional and expanding the original Internet. Users not only use the Internet, but also help shape its content. In these media users can discuss, participate in various projects and belong to a certain community. According to multiple sources, customers decide on the purchase of certain products in accordance to opinions, references, recommendations or other Internet users posted through social media are becoming increasingly frequent source of information, that affect their buying decision. For all can be mentioned as the results of a study by Nielsen, stating that 90% of people believe recommendations from friends and 70% believe the website [Nielsen, 2009]. According to the IPSOS social media provides a chance to the reliability of products and services, learn about customers from their friends. Confidence in each brand is increasing in this regard and 38% of people recommended brand with which they have a good experience and they love [Wiltfong, 2012]. Monitoring social media, that can represent for businesses a competitive advantage – as a source of customer reactions, the

possibility of influencing communication between the users and the like. Social media also offer many forms/tools, and constantly is discovering new innovative services in this area, while others disappear or merge. It is therefore a very dynamically developing field of marketing communications. The most frequently reported forms/means of social media mainly include: blogs, networks for sharing photos and video (multimedia), forums, message boards, wikis, website evaluation, social networking, podcasting.

From the category of “creative innovative approaches in marketing communications”, which now becomes important we may be mentioned in particular: event marketing and “engagement” (event marketing and direct involvement of customers in marketing communication), guerilla marketing and viral marketing. A common feature of all three methods is selected experience, that attracts customers, profits and often convinces product purchases. They are used as a solution to the current problem of marketing, fight against increasing immunity customers against traditional forms of advertising and marketing communications.

Event marketing and engagement, namely the involvement of customers in marketing events heading to leadership in the world's fastest-growing form of marketing [Event & Experiential Marketing Industry, 2015]. Event marketing (experiential marketing) can be simply defined as a form of extraordinary experiences, which attracts attention and gives interested target group. The intention of staging experiences (events) within corporate communications is to induce psychological and emotional incentives, that promote the image of the company and its products, in order to maintain long-term relationships between a company and its target audience. Event strength lies primarily in the unique position of experience [Příkrylová, Jahodová, 2010]. Event marketing can take different forms (e.g. thematic conferences, including the accompanying social and cultural programs, corporate days, open days, social events, meetings – receptions, commencement of shops etc.). The importance of this alternative form of marketing both in terms of customer acquisition, as well as the impact on business performance results of the survey show Event Marketing Institute [Event & Experiential Marketing Industry, 2015]. The effect of event marketing to the buying behaviour of customers continues to grow. The reason and the main motivation to attend customers at events is that you can first try or to obtain samples of products, discounts, special offers also the opportunity to learn more about the product. Events and experiences also enhance the positive perception of the brand, e.g. 74% involved customers have on a company, brand, product, which have been graduated in this way much more positive view than before visiting the event. The survey results also point to the fact, that 70% of customers who bought the product on the basis of the event, later became regular customers. According to the

survey Event Marketing Institute, enterprises providing events indicate that sales in response to the increasing tendency of the event, have an increasing ROI – return on investment for event marketing campaigns, which in turn leads to an increase in the number of events and budgets in this area.

Guerrilla marketing as unconventional forms of advertising since its inception significantly shifted – to upgrade their character and especially the form in which it is practiced, mainly due to the development of markets, information and communication technologies. Today, thus represents an approach in marketing communication with the growing importance. In general, it is a form of marketing in order to generate maximum interest using a limited budget, with the result that the recipient pays attention to the campaign without ever being aware of the fact, that it is a marketing promotion [Levinson, 2007]. Guerrilla marketing is therefore now used mainly companies, both small and large, to realize the potential of creative marketing [Levinson, 2007]. First reasons why the guerrilla marketing are appropriate and effective is that it, uses a non-traditional advertising media, most of which Western civilization has taught successfully avoided. It is also inexpensive and works with human psychology, and has the ability to produce secondary publicity [Hacker, 2016]. And therein lie the power of this type of marketing communication. Guerilla marketing today also communicate with customers using a variety of specific communication techniques, which are also commonly called specific types of marketing, but also as a form of guerrilla marketing tool. For instance: Ambient Media, Ambush marketing, Buzz marketing, Astroturfing, Street art marketing, Viral Marketing also the most widespread. For the development of the right type of guerrilla marketing are important factors as: the size of the company, focusing its activities – nature of the products, the nature of the market – customers, fitness for a particular market segment, as well as from their relationship to the alternative media. Experience shows, that there is a very effective use of marketing guerrilla in relation to young age groups advertising in printed media or TV does not address enough. In their environment is the effect of guerrilla marketing increased by viral marketing, e.g. with spread through social networks.

Whether and to what extent is responsible marketing communications enterprises in Slovakia for mentioned innovative trends, solved our previous research, which the basic findings are presented in the next section of this post.

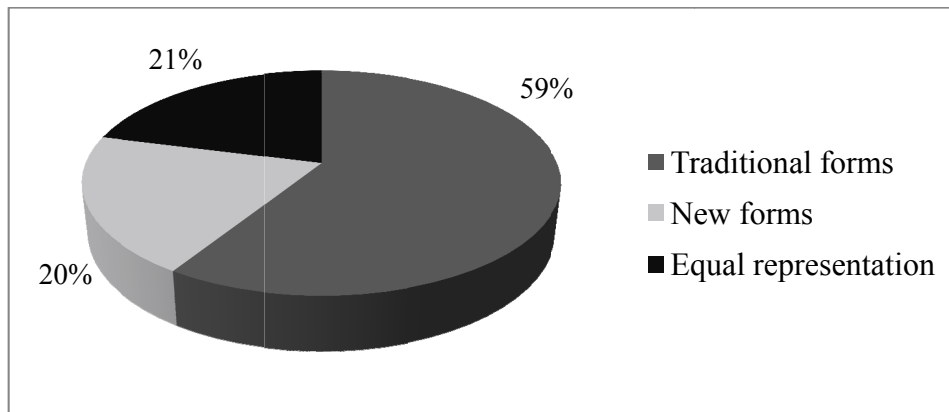
## **2. The use of innovative forms of marketing communication in enterprises in Slovakia – Survey Results**

Carried out research in the Slovak enterprises was aimed at assessing the level of marketing communication with emphasis on utilizing its innovative forms, namely the Internet and its means of communication and alternative forms of marketing – viral, event, guerilla marketing and so on.

Data mining took place from October to December 2013 in enterprises in Slovakia. The sample consisted of 323 firms included in the database. Was used simple random sampling, sampling units were enterprises. Survey was implemented through a structured questionnaire and it has been used in personal interviews and a part of the questionnaire was sent electronically.

A sample of business surveyed are characterized in terms of legal status, ownership/funding, number of employees, size of turnover, sector, market focus. These approaches verified also the existence of the marketing department in the company. In terms of financing/ownership were surveyed, more enterprises are financed only domestic capital (59%), foreign capital prevailed in the fifth of businesses (19%), companies financed only by foreign capital accounted for 12% and domestic capital prevailed in 10% of companies. In terms of number of employees was the frequency in each group represented as follows: most in the survey micro-enterprises (35%) and in the other size categories (small, medium and large enterprises), the number of enterprises in the range of 21%-22% in each group. When examining the size of enterprises in terms of turnover, half of the enterprises had an annual turnover 2 mln EUR (50%). Fifth of enterprises had a turnover in the range of 2 mln EUR to 10 mln EUR (19%), fewer enterprises had turnover in the range of 10 mln to 50 mln EUR (14%) and 18% of enterprises reported a turnover of over 50 mln EUR. According to the business areas surveyed prevailed service companies (37%), followed by commercial enterprises (23%) and the rest were manufacturing companies. In terms of market focus 59% of businesses were in the category B2C and 41% of companies represented B2B orientation. Of the total number of enterprises had a separate marketing department 52% of enterprises and 48% of enterprises did not have its own marketing department.

Following on the contribution may be the results of the survey indicate in particular the following findings. The examination of the use of traditional and innovative forms of marketing communication of individual respondents, found that the predominant use are traditional forms of marketing communication (59%). Only 17% prefer innovation in this area and 22% use both categories equally. The survey results are given in Fig. 1.



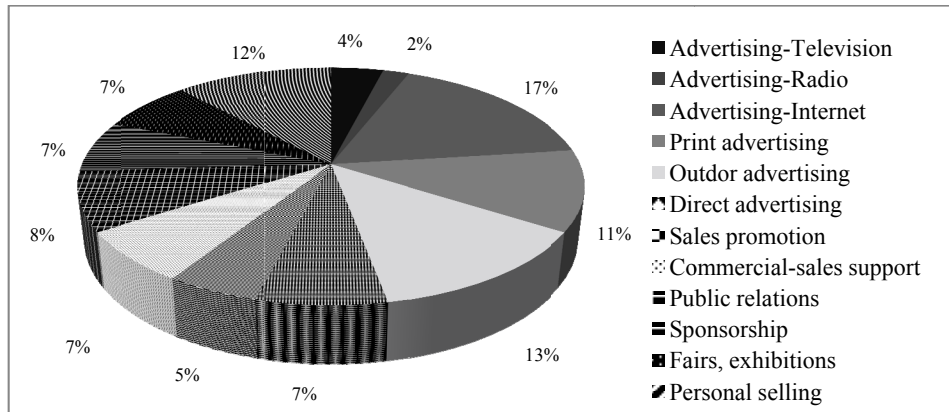
**Fig. 1.** Use of traditional and innovative forms of marketing communication

Based on the test of independence was verified assumption of the existence of a statistically significant dependence between exploiting innovations in marketing communications companies and selected attributes enterprises – size, ownership/financing, business area, market focus and formalization of marketing in the company. The choice of those attributes based on a certain logical to assume their potential impact on the investigated. Significant relation was confirmed for all the studied variables. Thus, it can be concluded that all investigated factors affecting the level of marketing communication in Slovakia in terms of the utilization rate of its innovative forms, but neither significantly (the biggest impact has been confirmed for the attribute – the existence of the marketing department). All tests were performed at a significance level of  $p < 0,05$ .

From traditional marketing communication tools the greatest importance to advertising has – Internet advertising (16%), outdoor (12%) and print media (11%). The smallest percentage was involved in advertising on radio (2%). Personal sales/communication also takes an important place (12%). Importance of the other components of communication (sales promotion, PR, direct marketing) has been settled and moved in the range of 8%-4%. Compared to other marketing communication tools enterprises the Internet has at least equivalent (28%) or more important (27%).

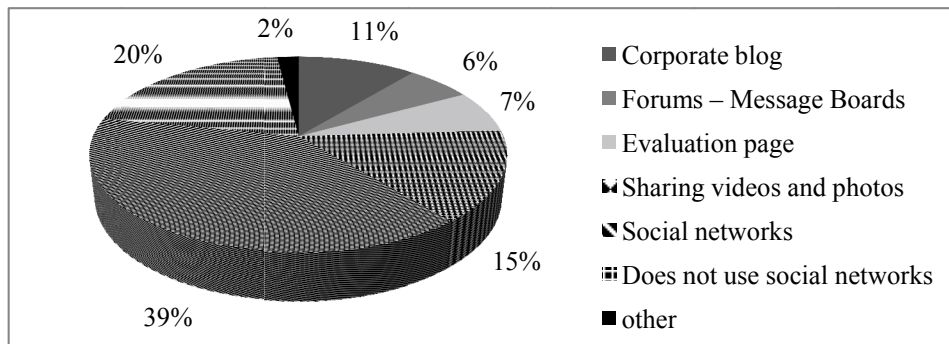
By examining the various forms of marketing communication on the Internet businesses reported as the most frequently used public relation on the Internet – e.g. Business Websites (35%), followed by direct marketing on the Internet – e-mail and sending newsletters (17%), less was used banner and text advertising (15%). At least it used sponsorship website and affiliate marketing (3%). The survey results are given in Fig. 2.





**Fig. 2.** Traditional marketing communication tools

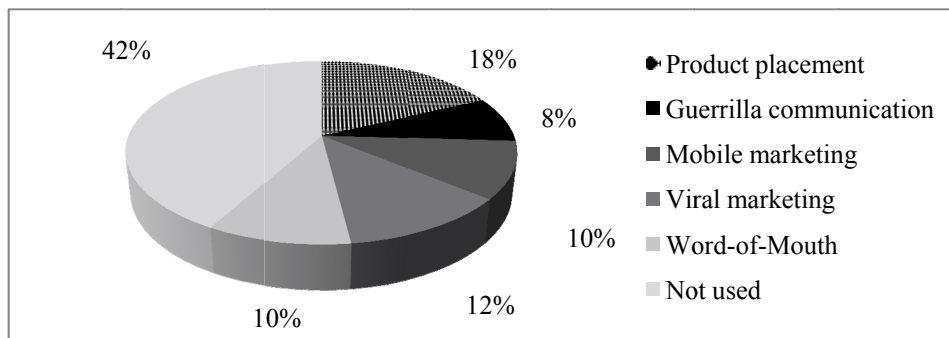
Use of social media was examined in the categories of corporate blogs, forums, evaluation sites, sharing videos and photos and social networks on the Internet. Of these forms, respondents most used social network on the Internet (39%). In this case it was mostly on Facebook, Twitter and LinkedIn. One-fifth of enterprises (20%) indicate, that social media are not used at all. The main reason reported: lack of time, lack of funds, impersonal contact, and also that they are not interested or do not consider such communications to be effective, given the nature of their products. The survey results are given in Fig. 3.



**Fig. 3.** Use of social media

Conversely performance of businesses in social media is mainly due to a monitoring attitudes and opinions of customers in discussions on forums and blogs (29%). Followed by the creation of discussion forums about products and obtain information about registered users (18%). The least important reason was the offer of cooperation the most active bloggers (4%). Explore alternative forms

of marketing communication, such as product placement, guerilla marketing, mobile marketing, viral marketing, word-of-mouth and their utilization by enterprises we can said that the most frequently used form of marketing communication is product placement (18%). Mobile marketing and viral marketing firms were utilized evenly (10-12%) and the least used form of a guerilla marketing (8%). 42% of enterprises not used alternative forms of marketing communication at all. The survey results are given in Fig. 4.



**Fig. 4.** Used alternative forms of marketing communication

We examined the reasons why the companies do not use alternative forms of marketing communication and from the results of the survey we can conclude, that companies such forms of communication do not know or are not considered relevant/effective in terms of its orientation. The enterprises often reported due to the high financial costs, despite the fact that the forms are classified as a low-cost forms of marketing communication.

## Conclusion

In the context of the issue of innovation in marketing communication of the results of our previous survey showed, that the business practice in Slovakia in marketing communication of innovative approaches used in addition to conventional media, especially the Internet. Evaluated business consider internet/digital communication, if not more significant, at least equivalent communication tool, compared to other traditional media types. This finding is somewhat confirmed by data reported by media and research agencies in Slovakia<sup>1</sup>. Based on the survey

<sup>1</sup> Media agencies confirm, that spending on advertising will grow, but not for all media types. The spending on advertising will grow especially in television and internet advertising. Even in the year 2016 is still expected, that the media market will grow (4-8%), while maintaining the trend

results, we can conclude that the hypothesis, that the use of innovation forms of marketing communication of a business depends on certain business features – size, line of business area, market orientation, financing, the importance of marketing in the business has been confirmed. Addiction is not too significant.

Another fact pointed out by the survey is that most companies also make use of internet marketing, but inadequately implements the possibilities it offers<sup>2</sup>. In this area, enterprises using only web site and e-mail, which is no longer a competitive advantage, but commonplace. It is necessary to exploit the potential of the Internet in a more comprehensive way. Tool that offers more than just the targeted communication, but at the same time fall into the category of low cost and also keeps track of and periodically evaluate the success of campaigns. Allows you to make changes to campaign settings much more quickly than is the case with traditional media.

Despite the fact, that social media are among the world's foremost innovations in marketing communications, with huge potential according to the results of the survey are less frequently used form of communication of our businesses. Here it is important to understand, what options are open in terms of business marketing action in the field of social media. In addition to publishing information about the company, it is also commenting, discussion and review. Customers here can express their views or ask questions about the products. Feedback is quick and easy. On the other hand, it should also be noted that enterprises that had already decided to act in this area and to be effective, should have a defined goal – they want action on the social network to reach and accordingly, the long-term be active and create quality content.

The problem of enterprises in Slovakia is also the use of innovative forms of marketing the categories of creative solutions, so-called alternative forms of marketing. The reason is some mistrust and underestimation of these forms, but most of them have a lack of experience in this area. The way to their higher use

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of increase in expenditure mainly in TV (8%) and the Internet (8%), which will be implemented at the expense of the budget to the radio, prints, but and TV. The printed media is expected to further decrease expenses (5%).

<sup>2</sup> Similarly, the source <http://www.europedirectzilina.sk>, within the last survey in this field (European Commission surveys focusing on the level of digital services in the EU published on 24.2.2015) states that, with the integration of digital technologies in our businesses, Slovakia is in the EU at No. 21. Percentage of companies using digital technology (electronic exchange of information, social media) in Slovakia is lower than the EU average. Also decreased the proportion of Slovak small- and medium-sized enterprises selling online compared to last year from 17% to 11%, and in terms of turnover, the proportion of turnover gained online sales is small (6%). It can therefore be concluded that in this area have more reserves Slovak enterprises and should make better use of the possibilities offered by online marketing, social media and electronic exchange of information to improve their efficiency, productivity, gain customers and made sales.

could be to examine the possibilities for their implementation in the company. The popularization of these forms should be through successful examples from practice marketing companies in Slovakia.

In conclusion, it is noted that the current state of upgrading and modernization in this field indicates, that the future of marketing and marketing communications will be focused on the creation of new activities and further development of existing activities depending on the specific interests and needs of society. The future of marketing and marketing communications will depend on its technical and knowledge level. The result of all would be from the perspective of corporate marketing and marketing communications should be mainly the ability to personalize and thanks to the permanent establishment of lasting customer base.

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**INNOWACJE W KOMUNIKACJI MARKETINGOWEJ.  
WSPÓŁCZESNA TEORIA I PRAKTYKA BIZNESOWA**

**Streszczenie:** Artykuł porusza kwestię przyczyn, które obecnie prowadzą do zmian innowacji w obszarze komunikacji marketingowej, charakteryzuje wybrane rozwiązania innowacyjne w komunikacji marketingowej i przedstawia wyniki badań, poddające analizie oraz ocenie wykorzystanie innowacji w komunikacji marketingowej w praktyce biznesowej na Słowacji. W kontekście kwestii innowacyjności w komunikacji, wyniki najszybszych poprzednich badań ukazują praktykę biznesową komunikacji marketingowej, wykorzystującej nowatorskie podejścia, w szczególności internet, w połączeniu z tradycyjnymi mediami na Słowacji. Zgodnie z wynikami badań, większość przedsiębiorstw wykorzystuje również marketing internetowy, lecz nienależycie wprowadza w życie możliwości, które oferuje. Wyniki badań wskazują, iż media społecznościowe są rzadziej wykorzystywaną formą komunikacji przedsiębiorstw. Problemem przedsiębiorstw na Słowacji jest także niedostateczne wykorzystanie innowacyjnych form marketingu w zakresie rozwiązań kreatywnych, a zwłaszcza tzw. alternatywnych form marketingu.

**Słowa kluczowe:** komunikacja marketingowa, zmiany innowacyjne, rozwiązania kreatywne.