

The analysis of consumer behavior with a focus on modern tools of promotion in Slovakia

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Abstract: Not every company has a sufficient budget to promote their products or services using classical forms of promotion (press, television) mainly because these forms are very expensive and their effectiveness is difficult to verify. However, there are a number of modern tools of promotion available on the Internet. Their implementation does not entail high cost and their effectiveness can be easily and accurately verified. These tools, however, require more than just money, they also require time, energy and talent. Even though promotion via social media, particularly social networking, does not require any financial costs, it can reach a large audience of potential customers.

Keywords: E-marketing, Marketing, Modern tools of promotion, Internet

JEL Classification: M30; M31

Acknowledgement: This article is one of the partial outputs under the scientific research grant VEGA 1/0806/16 "Research on issues of consumer behaviour of a new generation of customers with emphasis on identifying preferences and usability of mobile platforms in the process of e-commerce of the subjects localized predominantly on the Central European Market".

1. Introduction

Janouch (2011) states that e-marketing is here because of the Internet. This is a very simple explanation, however. The Internet has been here for a long time, but the beginnings of a real marketing on the Internet can be traced to late nineties. Advertising on the Internet has existed since 1994 and some marketers began to realize back then that the Internet's potential is great. Technical possibilities and in particular limited access to the Internet was holding e-marketing back. However, the situation started to improve and companies have begun to present their products/ services and even themselves online. Web pages started replacing printed brochures, catalogs and then they finally started selling. Over time, web pages began to develop and improve thanks to multimedia, newsletters, banner ads and the like. E-marketing was born the second companies started to research customer preferences, their views, comments on the product and the like. Internet then became a tool that transformed marketing.

The use of the Internet and online advertising have become a normal and accepted part of life for computer users. Communication on the Internet is closely linked with other disciplines of communication mix, as evidenced by the wide range of applications in marketing. Using e-marketing companies can market their new products and raise awareness of existing products or brands, strengthen brand image and speed up communication with target groups. The biggest advantages of e-marketing are precise targeting, interactivity, usage of multimedia content, simple and reliable measurability and also relatively low cost compared to traditional marketing techniques (Karliček – Král 2011).

We agree with Frey (2007) that e-marketing is an indispensable part of a communication channel. Our options in this case grow thanks to new technologies. For certain target groups this method is more suitable than other commonly used methods. This area is constantly developing. The best work in this field is awarded a prestigious international prize.

According to Kotler (2006), some companies believe that by setting up a website they fully utilize the possibilities of e-marketing. Setting up a website covers only 10% of the possibilities e-marketing has to offer.

“Thanks to the Internet and social networks it has never been easier to approach your target audience so quickly and effectively“ (Scott 2010, p. 235).

E-marketing has a number of unique advantages. Marketers buy ad space on web sites with their target audience in mind, place advertisements based on keywords that appear only to those users who type these words into their browser. In this way, they reach people who are at the beginning of the shopping process. This way, marketers can reach customers who are hard to target using television advertising because they spend their time on the Internet. Young customers with higher income and education are easier to target using online advertising than using TV (Kotler 2006).

Another advantage of e-marketing is according to Kotler (2006) a possibility to create long-term relationship with customers. Customers are willing to share their experience with the company, impressions and desires, whether in the form of feedback or through various forums, portals or social networks. E-marketing thus increases the speed and efficiency and reduces cost. Companies that do their business over the Internet do not need brick-and-mortar stores and do not have to pay rent, insurance and so on. Globalisation and the Internet allow companies to reach customers from anywhere in the world without increasing costs. This way even a small company has the opportunity to succeed on the global market or expand to the foreign markets.

According to Janouch (2011), e-marketing is much better than offline marketing:

- monitoring and measurement - much more and better data,
- availability 24 /7 - marketing on the Internet runs non-stop,
- complexity - customers can be reach in a number of ways,
- individual approach - unanimous customers, communities 'right' customers reached via keywords and content,
- dynamic content - offers can be changed any time.

According to Gero (2012) other benefits of e-marketing include low cost of production and distribution, constant and immediate opportunity to update information, improved communication efficiency - the interactive selectivity of information.

2. The current state of the issue

The current importance of online environment for small businesses and the role social media play in small businesses' marketing strategies were revealed by recent analyses. The website Clutch (2016) surveyed 352 owners and managers of small businesses all over the USA to determine how they incorporate advertising and marketing into their business plans. The majority of survey respondents are businesses with 1-10 employees and less than \$1 million in annual revenue.

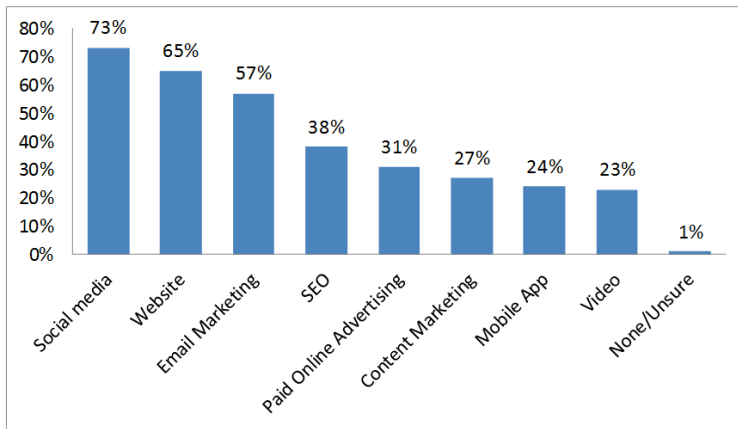


Figure 1. Small Business Digital Marketing Priorities in 2016

Small businesses have chosen social media as the digital marketing channel of choice for 2016. Specifically, 73 % of small businesses currently use or plan to use social media in 2016. Having a company website (65 %) and email marketing (57 %) follow to fill out the top three most popular digital marketing channels in the small business market. We claim that the next very popular option of small businesses for implementing e-was SEO (38%), paid online advertising (31 %) and content marketing (27 %). Mobile app (24 %), video (23 %) were the least popular forms of marketing. 1% of those surveyed stated they do not use any channels or were not sure about their answer. While social media is a good starting point for small businesses, industry leaders emphasize that it is the most effective as part of a larger digital marketing strategy.

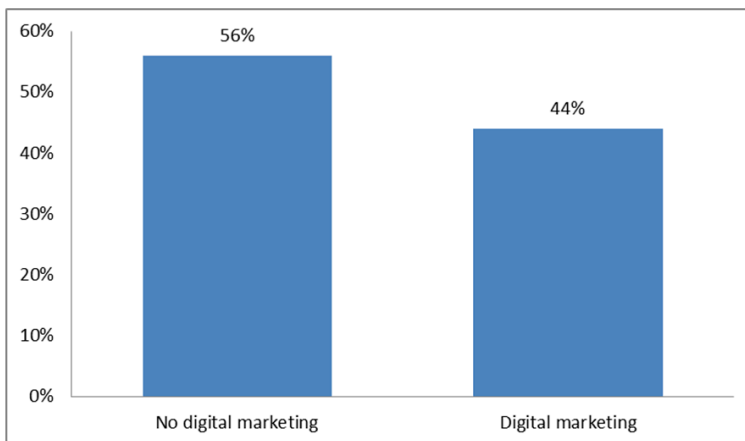


Figure 2. Does your company engage in digital marketing?

Small business commitment to digital marketing remains low. Less than half of small businesses, 44 %, engage in digital marketing activities, which include search engine optimization (SEO), social media, paid online advertising, email marketing, content marketing, and company website and mobile app usage. As more people look to the Internet to find products and services and answer questions, traditional marketing, on its own, has become less effective. In fact, a 2015 survey by the Halverson Group on behalf of IZEA found that paid social media advertising is more effective than traditional marketing.

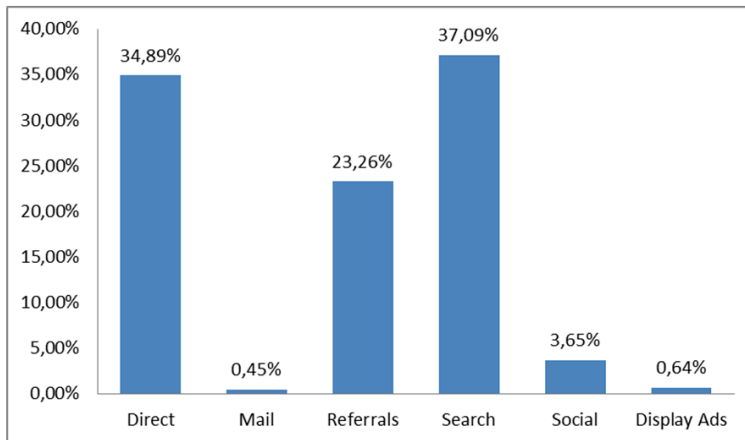


Figure 3. Top online marketing channels for the shopping industry

With regard to the above, it can be stated that top three online marketing channels for the shopping industry include Search (37.09%), Direct (34.89%) and Referrals (23.26%). Another important finding is that channels like Social (3.65%), Display ads and Mail (less than 1%) are the least popular channels. The facts relate to shopping industry, which has its own laws and peculiarities. The use of online marketing channels may differ depending on the specificities of the sector and the market.

3. Data and Methodology

The main objective of the research was to identify the frequency with which online profiles of companies were visited. The second goal was to identify the frequency with which profiles of companies were visited on social networks as well as to identify the frequency with which profiles of brands were visited by customers.

The research consisted of a survey of potential as well as real customers of various Slovak companies that use modern tools of promotion. Data were collected in March and April 2016 using online questionnaire. The survey covered 159 respondents who are customers of various Slovak companies that use modern tools of promotion and who were influenced to make their purchase based on these instruments. The largest portion of respondents belonged to the category of respondents aged between 18-25 years. The oldest respondent was 60 years old.

Presented findings are only partial findings of a wider research focused on the implementation of modern tools of promotion in selected Slovak business entities with an emphasis on social networks, blogs and customer support.

Data collected were evaluated using Microsoft Excel. Data were evaluated using descriptive statistics.

4. Results and discussion

Next come the survey results. In addition to descriptions we also used figures. The survey shows that those who come into frequent contact with modern tools of promotion are people aged between 18 and 25 years old with secondary or tertiary education. Almost 90% of all customers do not follow Facebook profile of the business entity from which they bought a product or service. Respondents usually follow discount profiles/ pages and their favorite brands. The absolute majority of respondents do not use social networks for customer support solutions. Therefore, there is a room for improving those relations. This fact should be especially addressed by small businesses.

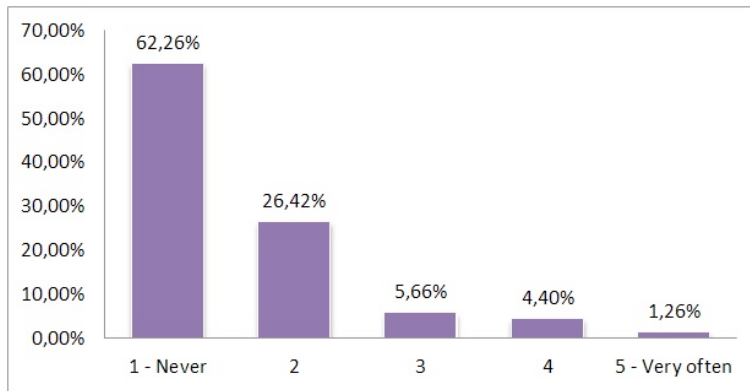


Figure 4. The frequency of following small businesses Facebook profile

We have researched how often respondents visit Facebook profiles of companies whose products they buy. The absolute majority of respondents do not visit profiles of companies whose products they prefer and 26.42% of respondents almost never follow these companies. It should be emphasized that only 1.26% of respondents often visit Facebook profile of a company whose products they buy.

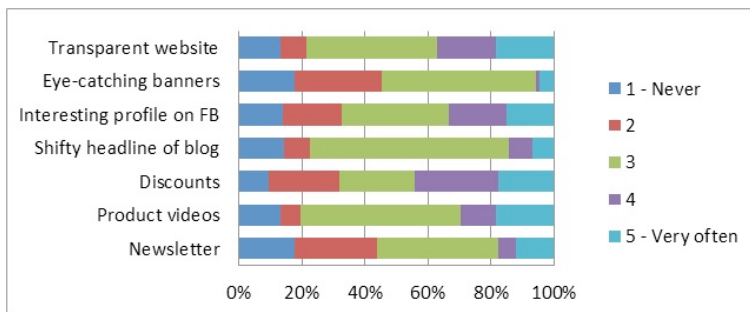


Figure 5. Frequency of visiting Facebook profiles of favorite brands

The most influential modern tools of promotion are a well-maintained and up-to-date website and product videos (18.24%). Other popular tools include websites offering various discounts, attractive products, interesting and regularly updated profile on the social network Facebook. Blogs with alluring names and quality content are attracting the largest portion of those asked, almost 62.89%. Majority of those surveyed keep themselves updated about their favourite brand via the above-mentioned modern promotion tools. It should be emphasized that banners with links to related sites and e-mails with current offers and discounts seem to be less attractive, 17.61% of respondents do not react to these at all.

5. Conclusion

Internet marketing has become a primary battleground between competing companies that try to advertise and sell their products or services. A clear advantage of these tools is their broad portfolio, lower costs with greater impact, quick methods of verification. People nowadays spend much more time on the Internet than reading the press or watching TV. The latest trend is to do all of these activities online (online books, virtual magazines, journals, TV on mobile phone, tablet, laptop). These activities support online advertising since modern tools of promotion can be conveniently placed on a social networks or websites.

The results show that even though companies currently use many modern tools of promotion, some are still not or cannot be fully exploited. A clear advantage of these tools is that for relatively low costs they can generate a substantial profit.

Attention should be focused on the fact that Facebook profiles of companies seem not very attractive to people (Figure 4). Some other tools of promotion also seem not very popular (Figure 5). Companies should be aware of techniques and tools that are attractive for their customers or which will persuade their customer to visit their store again. It is up to companies and their marketing strategies to monitor what people need and how will the behaviour of customers change with the change in the use of e-marketing tools.

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