

# Use of selected communication policy tools in the field of services

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**Abstract:** In the field of tangible goods, organizations and service enterprises are trying to achieve the most optimal results. Nowadays, service production is one of the most important areas of economically developing countries. Services are produced to meet the needs of customers as well as their producers. Marketing communication identifies the means by which companies try to inform and persuade consumers to remind them of the products and brands they sell. The aim of the article is theoretical, the traditional and modern tools of communication policy and the analysis of the use of the communication mix in a selected bank operating in the Slovak Republic.

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## Introduction

Marketing communication in services is strategic because the entire service provider's relationship with the consumer is based on "good mutual communication". Given the intangible nature of the service, the marketing communication of the business should use the means to help to materialize it. For this purpose, for example businesses use leaflets, brochures, slogans, colours, etc. (Cibáková et al. 2008). Service communication is strategic because the entire service provider's relationship with the consumer is based on "good and mutual communication". Communication is undoubtedly part of a complementary set of managerial capabilities and skills. It is focusing on customer orientation, employee, client - person and on the direct communication with the customer (Bartáková et al. 2007).

### 1. Literature review

The overall communication program, also called the communication mix, consists of a specific combination of elements of advertising, **sales promotion, public relations, personal sales and direct marketing** that the company uses to promote its advertising and marketing goals in a given period. The individual methods of marketing communication - advertising, sales promotion, public relations, personal sales, direct marketing - have their own characteristics, they are able to fulfil different communication tasks and their financial difficulty is different. A marketer should know these characteristics and consider them when composing the mix (Kita et al. 2010).

As well as other marketing mix tools, communication and promotion are expensive items for companies. In order to be able to fulfil their roles to address and persuade customers to purchase, they are budget-bound. Kotler and Keller (2007, p. 592 - 593) outline four basic **methods of creating a communication budget**:

- Acceptable Budget Method - The company sets a budget for communication, which is acceptable and affordable. They do not consider it as an investment and do not consider its immediate effect on sales volume.
- Sales percentage method – the company sets the communication budget as a certain percentage of sales (current or expected); it is not a result of communication but as a determinant of the amount of expenditure on communication activities.
- Competitive compliance method - the company establishes a communication budget to gain the same space in the media as its competitors.
- Method of achieving the goal - the company sets the communication budget by defining objectives, defining the tasks to be accomplished in order to achieve the objectives and estimating the necessary costs for these activities; the summary of these costs is the draft budget for effective communication.

Creating a communication budget is always a huge process and the company is preceding a lot of discussion. This can be complicated by changes in the company's marketing program (e.g. increasing the distribution channel support, increasing product prices, etc.) as well as increasing product differentiation and non-homogeneity of target segment needed on local and global markets. Businesses and organizations are constantly looking for the most appropriate combination of communication tools to make their communication activities meet the desired goals. The selection of suitable methods, tools, elements of the communication mix determines factors such as the type of the product market, consumer readiness to purchase and the lifecycle of the product (Štefko et al. 2012).

Advertising has many forms and uses, so it is difficult to generalize the quality of the advertising, which creates the communication mix. Its public character assumes that the goods it promotes are standard and legitimate. Advertising allows repeating the message and buyers can compare it with messages from other competitors. It is very expressive because it allows the company to promote the product in dramatic form using artistic rendition, font, sound and colour. It can reach a wide audience of geographically dispersed buyers at low cost. The advertising can only be successful when the **message** gets attention. The quality of the advertising content message is especially important in an environment that contains very expensive advertising messages. It requires more fantasy, the ability to entertain and give the consumer more experience (Štefko 1997). According to Urbánek (2010), advertising is the most used and most visible tool of the communication mix. We get to touch with it almost every day and almost everywhere, whether it is a traditional ad, or presented through (relatively) new carriers, such as internet or mobile phones.

Personal sales are historically considered the oldest form of communication with the market. The importance of the status of personal sales is highlighted by the fact that it is one of the most expensive tools. People who are selling something are called: vendors, dealers, sales representatives, marketing and sales staff, business advisors, etc. Personal sales are the personal form of communication where personal contact creates direct feedback and flexibility of information (Kita et al. 2005). The importance of personal sales in services stems from the inseparability of services and from the personal interaction between the service provider and the customer. This relationship is very important especially for services with high customer contact. Personal sales services have some common elements with the **sales process** (Vašítková 2008).

Public relations (PR) is the practice of managing the spread of information between an individual or an organization and the public. As part of these relationships, the organization must provide information on all major changes and strategic objectives of the organization on the one hand and, on the other hand, bring information about the public's response to its activities and entrepreneurial activities (Bartáková et al. 2007). Public relations methods are used when we want to implement the AIDA (Awareness, Interest, Desire, and Action). PR is a continuous activity and a process that must be planned and implemented based on a particular system. It is necessary to understand the overall business goals and strategies and, above all, to respect them. Furthermore, it is the goal of the PR manager to formulate real communication goals, to research and to understand the target groups.

Historically, the oldest method of public relations is **Lobbying**. It is a socio-psychological method of solving certain organizational intentions through communication in order to reach a mutual understanding of the subject of communication. It is a form of individual communication realized by so-called lobbyists. It is rather a technique of an individual action (Slamová 2009). Another method is **social sponsorship**. It is a social engagement of an enterprise that is committed to fulfil socio-political commitments. Such sponsorship can also be referred to as a form of mutual trade as "something for something", usually financially demanding sponsorship seen as a kind of patronage against sponsored, for example: sponsoring schools, local cultural or social institutions, general self-government, social organizations, athletes. Media efficiency is not a dominant effect; the sponsor receives mainly space in the media (e.g. audience presentation, awarding of diplomas, evaluation of various competitions, and sponsorship of gifts). It is often an action with a lower organizational difficulty (Bačík and Gburová 2012).

Kotler and Keller (2007, p. 642) defines direct marketing as "the use of direct channels to reach customers and to *deliver goods* and services to customers without the use of *marketing resources*". Occasionally a "cloud" appears on the sky. The aggressive and sometimes, even dubious, approach of some companies can harm customers and, at the same time, the reputation of the entire industry. Problems can be related to simple incidents that are harassing the customer or to cases of unfair practices and sometimes to even fraud. Direct marketing is facing, as well as growing issues related to privacy concerns (Kotler et al. 2007).

Nowadays, the Internet is the youngest and most closely monitored information medium. The first internet communication emerged at the beginning of the 90's, since its rapid development. The main **advantages** of the Internet communication include the ability to reach a target group, the ability to easily measure user responsiveness, the continuous ability to display the advertising, high flexibility and its interactive action (Vašítková 2008). E-marketing is a marketing trend based on the use of information technology. Information technologies provide new opportunities for communication, business and management. It works with potential and existing customers, creates a customer database, processes call centres, develops electronic offers of goods, satisfy customer interest with electronic communication. E-marketing focuses on advertising, direct marketing activity targeting, replacing expensive services and scattering a low-performing traditional advertising. Applying virtual marketing, the internet-marketing version of the feedback and taking the form of an e-mail message, lists various other marketing actions that the customer wants to share with friends by mail communication (Kita et al. 2010).

The importance of using e-mail is increasing for reasons such as low costs, the ability to better measure the effectiveness of those activities, a quick response. The service provider may send an e-mail message containing the advertising message at any time and the message will be delivered within few minutes. A potential customer can respond automatically after reading the advertising message or subsequently order and pay for the service. The e-mail marketing allows not only to measure the effectiveness of the e-mail campaign but also to determine how many users received the message, how many of them and how many times it was read (Cibáková et al. 2008).

## 2. Results and discussion

The main objective of the survey was to analyse the use of communication mix tools in a selected bank operating in the Slovak Republic. The questionnaire survey was processed in electronic form and then sent to the survey participants. The survey sample consisted of 123 respondents of different age, education and gender. The survey participants could express anonymously their views on the issue.

The largest group of respondents was between the age category from 21 to 26 years, representing 60.16% of the respondents. They are followed by respondents from 15 to 20 years old, representing 17.07%. In addition, there are age categories from 27 to 32 years old and from 33 to 38 years old that make up 7.32%. The age category from 39 to 44 years old is represented by 4.88% of the respondents, the age category from 45 to 50 years old is representing 2.44% and last, the smallest group, the respondents over 51 years old is representing 0.81% of the respondents. The majority of respondents were women (78), representing 63.41% and the men (45) who were representing 36.59%.

In the following questionnaire, we tried to find out if customers are brave enough to buy a new product/service because of the brochures/leaflets located in the bank's subsidiary. Based on the processed results, we can say that the largest part of the respondents, (55) said they would not buy the product based on leaflets and brochures. On the contrary, 22 respondents would rather buy the product. 6.50% of the respondents would definitely buy the product and 44.72% definitely would not buy it. 9.76% of the respondents did not answer to this question.

Sales promotion is actually a combination of advertising and price undertaking. It attempts to provide certain information about the service and at the same time offers an incentive, usually a financial, advantageous purchase. Therefore, it is often used to force buyers take an action and buy the product. It focuses on a wide range of customers. It is one of the fastest growing forms of customer stimulation. Its disadvantage is that the action of the individual stimuli is short-lived only for the period of application of a particular measure (Vašítková 2008).

Another question was to find out which of the new trends in the communication mix is used the most by the surveyed bank. The use of new trends in marketing is not very common in the Slovak Republic, unless we count on internet marketing, as evidenced by the results of our survey. 71.54% of the respondents consider internet marketing to be the most used tool of new trends in the communication mix. 12.20% of the respondents consider mobile marketing to be the most used tool, 10.57% of the respondents consider guerilla marketing to be the most used and 5.69% of the respondents chose event marketing.

There are many variations in the use of guerilla marketing, but it is important to analyse the situation. The marketing world is full of pitfalls and the worst what guerrilla marketing can meet is the desire for the originality, the fun and the flashes of marketing and advertising. The marketer must always take account of the legality of his/her marketing practices when designing a marketing strategy, which does not mean that he/she has to give up modern techniques, which is undoubtedly guerrilla marketing (Frey 2005).

As a result of the previous question, we tried to find out whether consumers are using Internet banking in the modern times. Based on the results achieved, we can state that up to 60.98% of the respondents decided to use Internet banking services. 18 respondents (14.63 %) definitely do not use internet banking. 9.76 % of the respondents rather not using it and 13.01% of the respondents rather using it. Two respondents chose the option "I do not know".

According to Kotler and Armstrong (2004, p. 199) viral marketing means "to create an email message or marketing action that is so contagious that the customer wants to share it with their friends. Because this message or promotional activity is spreading by customers themselves, viral marketing can be very cheap. And when the message comes from a friend, it is much more likely that the addressee reads it. The goal of viral marketing is to make marketers themselves as marketers. "This is a way of communicating when the advertising content of the recipient appears so profitable that he delivers it by his own means. In a non-traditional way, businesses try to influence consumer behavior, increase sales of their products, or brand awareness. The main principle of viral marketing is therefore the reliance on the self-dissemination of information among people. An important factor is the correct form and location of the assignment, which must be attractive in itself. Viral marketing can use many marketing tools from emails (in this case you do not have to be mistaken for spam, spam), blog, community and interest websites, discussion forums, and more. Viral marketing is a modern hypothetical subset of the term internet marketing (Příkrylová and Jahodová 2010). The main reason why businesses use viral marketing is, in particular, low costs,

rapid dissemination of information and high efficiency of intervention, especially among young people. Just the first impulse and further communication and distribution is already taking place among the people (Vašítková 2008).

The Internet creates new opportunities for service offerings and marketing communication. Marketing applied in the online environment is referred to as e-marketing. Compared to traditional marketing, it is characterized by considerable interactivity, timeliness and dynamic development (Cibáková et al. 2008). According to Kotler and Armstrong (2004) the Internet is a giant public network of computers that allows different users from around the world to communicate with each other and access extremely vast number of resources. The Internet forms one huge information highway along which it transmits bits from one place to another at an unimaginable speed. Several authors like Blažková (2005), and Gburová and Matušiková (2014), Kotler et al. (2007) point out that the Internet is a worldwide network which connects computers of different owners. It is also a decentralized network resistant to a failure of one or several parts and enables data transfer, hypertext documents browsing and e-mail communication. The Internet is not controlled by any authority, it does not belong essentially to anyone, however, some particular networks do have their owners who administer and fund them.

The personal contact of a bank employee with a client is one of the most common and most widely used forms of communication policy in the field of services. Therefore, the next question was to find out if the employees are able to convince the bank employees to purchase a new product. The results of our survey show that bank employees can convince 9.76% of the respondents to purchase a new product or service. 9.76% of the respondents said they could not convince them. 25 respondents chose the option "I do not know". 30.08% of the respondents chose "Rather yes", and 30.08% of the respondents chose "Rather no".

### 3. Conclusions

All service providers know that the most important thing is that the customers talk about their services. This is an oral advertisement that can create but also damage their positive image in the eyes of the public. In the survey, we verified the fact that if the customer is satisfied with the service, he/she recommends it to 4-5 friends, but if the customer is not satisfied, he/she will tell it at least to 11 people. Nowadays, service providers do not have just an oral advertisement. They have to learn to communicate with their current and potential customers and even with the public. Marketing uses a whole range of tools.

For every business, whether it is a manufacturing enterprise or a service enterprise, the most important condition for survival is to make a profit. One way to achieve this is to sell products and services, but the customer has to decide what to choose from the offered products and services. It is largely decided based on the advertising and promotion of the company or a particular product or service. Therefore, we can state that the promotion and the related communication mix is one of the main tools for the proper functioning. Based on our survey, we conclude that Internet and Internet marketing are one of the most widely used forms of communication policy. For this reason, we would encourage the bank to streamline its advertising on the Internet as well as on its website, which is visited because of the internet banking.

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