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AN EMPIRICAL STUDY OF MARKETING COMMUNICATIONS EFFECTIVENESS IN SLOVENIAN MARKET

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Abstract

This paper deals with the value or more specifically, the contribution of marketing communications strategy to effectiveness of marketing communications and hypothesizes that marketing communications strategy correlate with the effectiveness of marketing communications. The paper consists of two parts: the theoretical framework for the role of marketing communications strategy for the effectiveness of the marketing communications and the empirical analysis, based on the primary data collected. The concept of the marketing communication effectiveness assumes that there are variables that can have a positive influence on the effectiveness of marketing communications, which incorporates facets of the marketing communication strategy and bidirectional communications. The results suggest that Slovenian organisations which design and implement marketing communication strategy, also have more effective marketing communications. The development of marketing communications strategy was correlated with increased effectiveness of marketing communications in their organisation. Managerial implications are discussed along with directions for further research.

Key words: marketing communication effectiveness, business-to-business markets, marketing communication strategy, bidirectional communication, integrated marketing communication

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Introduction

Efficient business-to-business marketing communications requires understanding of the business-to-business marketing context. The changing environment and fierce competition continuously create new challenges for the management of marketing communications. The purpose of this paper is to focus on different factors of marketing communication strategy which can impact on marketing communication effectiveness. Any company can develop a marketing communication program regardless of their budget or staff size. The key to implementing a successful program is to incorporate measurement and analysis from the beginning (Jerman and Završnik, 2012).

In today's environment marketers are forced to use a number of communication tools to reach target audiences. Successful marketing communications requires the use of various instruments of marketing communication, through which they share a unique message to targeted audiences (Markwick and Fill, 1997). A prerequisite for effective marketing communications is the consistency of messages send through various channels of communication. Lamons (2003) emphasizes the importance of integration, not only the communication of messages, but all marketing communications in order to achieve the greatest possible synergy effects. Also Kitchen and Schultz (2003) state that there is not enough to integrate all communication activities at the level of individual product or service, but we need to integrate the entire communication of an organization. Increased need for greater strategic integration of all instruments of marketing communication, so the organization began to use the process of integrated marketing communication, which includes coordination of the various instruments of communication (Smith et al., 2002).

In the period from the nineties onwards, we have witnessed a relatively high prevalence of integrated marketing communication approach in the field of marketing. It also noticed the amount of published theoretical as well as the prevalence of that concept in advertising and other agencies. Nevertheless, the scope of integrated marketing communication is still seen as a young field. This type of view is addressing us the question about the effectiveness of the integrated marketing communication. Thus, we can't avoid issues that are somehow constant companion way of this theoretical field; is essentially a question of whether a designing, implementation and evaluation of marketing communications strategy can contribute to effective marketing communications. This question is based upon doubt about the theoretical basis for integrated marketing communications and the lack of empirical research in the field identified in the integrated marketing communications literature.
In recent years, the business-to-business marketing experienced significant progress, also due to a number of theoretical and empirical findings, published in the journals, which examines the business-to-business markets. About the role and importance of marketing communications in the industrial markets has written a number of authors (Smith, Gopalakrishna and Smith, 2004: 61; Garber and Dotson, 2002: 1; Rinallo and Borghini, 2003: 20; Kitchen and Schultz, 2003: 66; Wickham and Hall, 2006: 95; Hall and Wickham, 2008: 139; Le Meunier-FitzHugh and Lane, 2009). However, the marketing communication in the business-to-business markets offers many potential opportunities of research, especially empirical research.

In recognizing this complexity, this paper attempts to explain the effect of different factors on marketing communication effectiveness. We hypothesized that marketing communication strategy generated favourable marketing communications effectiveness in Slovenian companies. In this context, we explore different factors of marketing communication regarding its strategy and bidirectional communications and how these factors are correlated with the marketing communications effectiveness of selected firms. The company should have a determinate strategy that tracks how marketing communications effectiveness influences what customers know, believe, and feel, and ultimately how they behave. By adopting this approach, we offer a framework to managers how to enhance the effectiveness of their marketing communications. In terms of contribution, it provides managers a priori basis for focusing efforts on those antecedents of whole marketing communications effectiveness which enables the most higher effect.

First, we present a review of the literature drawing on marketing communications effectiveness theory and business-to-business markets theory and past research in this field. Second, the hypothesis is developed and tested, followed by a presentation of the study’s results. Finally, we discuss the implications of the research and conclude with future research directions.

**Literature review**

The literature offers limited empirical and theoretical insights into the marketing communications effectiveness in the business-to-business marketing. Specifically, there is little help for marketing communications managers in planning effective communications strategies. We build on these gaps by exploring different factors that impact on marketing communications effectiveness.
Particularities of marketing communications in the business-to-business markets are evident, especially in the composition of marketing communication mix, which depends on various market factors. A relatively small number of participants and the complexity of purchasing decisions on business-to-business markets usually require more involvement and the least disturbed two-way exchange of information. In the case of complex technical products and services, where several persons are involved in the purchase decision-making process, the interpersonal communication is the best way to present the products or services and their properties. Since the two-way communication, the seller may keep the buyer's response to the perception of the information; to adapt and keep this eliminates any confusion or doubt. This was adapted the choice of ways of marketing communication, among which is dominated by direct personal contact. Throughout marketing communication mix in the industrial market the sales staff has the biggest influence on customer's attitude. The buyer in the business-to-business markets prefers communication tools, which allow the direct and interactive exchange of information like direct mail, fairs, conferences and visits of sales representatives. (Tosun, 2003: 3; Borghini and Rinallo, 2003: 6). Indeed, there exists limited literature that explores marketing communications in business-to-business context (Nowak, Cameron and Delorme, 1996: 173; McArthur and Griffin, 1997: 19; Low, 2000: 27; Garber and Dotson, 2002: 1; Kitchen and Schultz, 2003, 66; Hall and Wickham, 2008: 193; Grove, Carlson and Dorsch, 2007: 37-54).

The literature about marketing communications is broadly made up of a body of literature about integrated marketing communications (IMC), because companies have become interested in integrating their marketing communications for better results. IMC is one of the most debated topics in current marketing communications literature. Integrated marketing communications literature contains a number of research studies that focus on different issues. For example, Herrington et al. (1996: 61), measured attitudes and the use of integrated marketing communications in services compared with non-service industries. Gould (1999: 7) and Kitchen (1999: 21) have surveyed multinational advertising agencies about their use of integrated marketing communications for global customers. Low (2000, 27) surveyed the different types of organizations to determine which are most likely to employ an integrated marketing communications strategies. Reid et al. (2001: 239) surveyed wineries to determine whether the brand associated with the implementation differed for those who employ an integrated marketing communications strategy. Kitchen (2011) developed a model of technology adoption for internet banking regarding
the websites features. Tian (2011) studied international Communications Strategy and the development in cross-cultural communications. In summary, two points emerge from the existing research work in the integrated marketing communications field. First, there is a lack of research designed for testing integrated marketing communications in the business-to-business context; especially there is a lack of research in the field of marketing communications effectiveness. Second, there is a general agreement that much more research needs to be performed.

To the extent that marketing communication can be influenced by different factors, however, it is important for marketers to understand the collective contribution of those factors for the whole effectiveness of the marketing communications. In this context, we explore different factors of marketing communication regarding its strategy and bidirectional communications.

Development and past research of marketing communications effectiveness

Interactions among marketing communications variables form an important aspect of our understanding of marketing communication effectiveness. The effectiveness of marketing communications has been explored by innumerable authors (Shu and Chuang, 2011; Schultz and Patti, 2009: 81; Evans and Fill, 2000: 391; Rust et al., 2004: 77; Smith, Gopalakrishna and Chatterjee, 2006: 564). In order to develop an investigation in this research field, it is necessary to adopt first a perspective to define the marketing communication effectiveness and related factors as marketing communication strategy and bidirectional communications. We highlighted various approaches to conceptualizing the above concepts and the linkages between them.

Marketing communications strategy

Integrated marketing communications is the result of the coordinated operation between the functions of the organization and strategy of marketing communication resulting from the strategic goals and business strategy (Kliatchko, 2009: 177; Moorman and Miner, 1998; Lynn et al. 2002; Reid, 2003: 233; Smith et al., 2002; Dewhist and Davis, 2005). The development of marketing communication goals and coordination with the business strategy leads to a consistent strategy of integrated marketing communication. The strategy of marketing communication is in line with the vision, strategy and mission of the organization (Fill, 1999; Fill, 2001) and in line with the marketing strategy (Duncan and Moriarty, 1998). Results of some studies demonstrate the positive impact of the mission of the organization on its financial
performance. The vision and mission of the organization are able to answer the most basic questions about the existence of any organization, such as: why there is a certain organization, what it is its purpose and which meets the needs of (Bart et al., 2001).

For effective marketing communications is necessary the consistency among all communication messages, so that trust can be build and there is coherence in target audiences perceptions. The key to managing the point of perception is to deliver and receive messages on a platform of strategic consistency (McGrath, 2005; Duncan and Moriarty, 1998; Kitchen and Schultz, 2003; Carlson et al., 2003). In line with market orientation, the sharing of information across departments, the involvement of all departments in the preparation of business plans and strategies, the interactions of marketing personnel with other departments are the prerequisite for interfunctional coordination (Reid, Luxton and Mavondo, 2005: 15).

**Bidirectional communication**

Numerous studies emphasize the role of involvement in the communications message and its impact on changes in attitudes towards certain brands. The elaboration likelihood model for processing of information emphasizes the ability to process and motivation in processing the communication message. In order for initiated certain stimuli at the customer, the communication messages differ both in content, which can be informative or emotional nature, as in design and creative communication strategy (Brengman, Geuens and De Pelsmacker, 2001: 231).

IMC has traditionally been identified as persuasion, which entails a primarily one-way communication mode (Spotts et al., 1998: 210; Grimes and Kitchen; 2007). In marketing relationships, however, communication serves roles other than persuasion, such roles as informing, listening and answering, which require interaction and two-way communication forms (Finne and Grönroos, 2009: 180). A relational approach to communication is a wider concept that goes beyond persuasion and aims to build dialogue with stakeholders in the attempt to achieve three main objectives: to inform, listen and respond. This dialogue, if pursued, will lead to increased organizational brand value (Porcu et al., 2012: 315). The increasing importance of communication in today’s marketplace is demonstrating by its ability to manage two-way communication. An important part of any communication model is feedback, by which the receiver’s response is made known to the sender (Duncan and Moriarty, 1998: 4). Marketing communications also need to provide clarity and fast, pertinent and timely information in order that
decisions can be made. An effective marketing communication occurs when the consumer can correctly interpret the initial message as it was meant to be sent. The bidirectional communication brings to effective marketing communications.

**Marketing communications effectiveness**

A study conducted by Low (2000: 31) showed that implementing IMC may be strongly related to better marketing results in terms of sales, market share and profits for an organisation. In seeking to understand the effectiveness of marketing communications, researchers have traditionally relied on measures of awareness, recall and recognition (Beerli and Santana, 1999: 11).

Many authors, in their theoretical and empirical contributions describe the impact of marketing communications on the organization's performance, particularly with a view to improving relations between the organization and its public, for example customers (Kitchen, 2010; McGoon, 1998: 15; Low, 2000: 36). Explanation can be found in the marketing communication effectiveness (Kitchen and Schultz, 2009: 201; Young and Aitken, 2007: 53; Kim, 2007).

Reid (2005: 41-47) in its research model displays potential way of measuring and evaluating the implementation of IMC. The results of his research shows a strong and significant positive impact the performance of IMC on market performance. Relationship between the marketing communication and the organizational performance is an important area of research, but only a few empirical studies have supported this link (Cornelissen and Lock, 2000: 7-15, Low, 2000: 27-39).

An organization which possesses marketing communication capabilities, it can create successful communication programs and thus ensure the long-term market performance. There is a positive impact between possessing marketing communications capabilities and the organizational performance (Ewing, 2009: 111-112).

**Empirical findings**

**Characteristics of the sample**

The main research instrument for empirical investigation, e.g. a questionnaire, was developed on the derived theoretical basis. The covering letters with questionnaires were mailed to the corporate directors, marketing directors or director of 850 the Slovenian enterprises. We were using a stratified sample of the population of Slovenian companies. The mailing package included the cover letter,
signed by the author stating the purpose of the survey. The survey was conducted in January, 2012. During a four week period a total of 234 surveys were returned for a response rate of 27.5%. Sixty-five surveys were eliminated from analysis due to incomplete or inconsistent responses. Thus, the final sample size was 203 useful responses were received and that gave the response rate of 23.9%. The collected empirical data were processed with SPSS, where the emphasis was given to descriptive statistical analysis.

The relevant data of the companies were provided mainly by marketing directors (28.3% of cases), followed by company's directors with 26.3%, members of top managers (18.7%), business consultants (9.6%) and head executives (6.1%). Members of the managing boards, heads of public relations offices and counselling specialists answered in 2.5% of cases. Other respondents appeared in 3.5% of cases.

A wide range of companies, classified according to their number of employees, are represented in this study. The company size was determined with regard to the number of employees. The sample consists of 45.8% small companies, 31.9% middle sized companies and 32.3% of large companies. The companies included in the sample are distributed according to industries as follows. 41% of respondents belong to production oriented companies, 30% of respondents belong to service oriented companies and 24.5% were trade oriented companies. The sample consists of 1.5% of institutions, 0.5% of government organizations and 2.5% of companies chose the answer »other«.

The impact of marketing communication strategy on its effectiveness

For each statement of marketing communication strategy, the average value and the standard deviation have been calculated. Results show that achieved mean scores regarding marketing communication strategy statements are 4.90 and more, so we can conclude that the respondents agree with statements regarding marketing communication strategy. Standard deviation results shows, that many scores are on the interval between 0.97 and 1.89 about mean. We suppose that the variability in answers is the result of significant statistical differences among different groups of companies regarding their size.
Table 1: Mean scores regarding statements of marketing communications

<table>
<thead>
<tr>
<th>Statements about marketing communications strategy</th>
<th>Mean scores</th>
<th>SD</th>
</tr>
</thead>
<tbody>
<tr>
<td>The management of our company has the complete trust in the strategy of marketing communication of our company.</td>
<td>5.72</td>
<td>1.28</td>
</tr>
<tr>
<td>The strategy of marketing communication is coordinated with marketing strategy.</td>
<td>5.35</td>
<td>1.35</td>
</tr>
<tr>
<td>The strategy of marketing communication arises from the corporate business strategy.</td>
<td>5.61</td>
<td>1.33</td>
</tr>
<tr>
<td>The function of marketing communications is centralized in our company.</td>
<td>4.90</td>
<td>1.89</td>
</tr>
<tr>
<td>Our target groups understand communication messages of our company.</td>
<td>5.58</td>
<td>0.97</td>
</tr>
<tr>
<td>Our communication messages are punctual and the communication process is clear.</td>
<td>5.27</td>
<td>1.24</td>
</tr>
<tr>
<td>Our target groups receive enough information for decision making.</td>
<td>5.39</td>
<td>1.21</td>
</tr>
</tbody>
</table>

Correlation between marketing communication strategy and its effectiveness
One of the objectives of the paper is concerned about the correlation between different statements of public relations and company's effectiveness exists. Accordingly, we make the hypothesis as follows:

*Null hypothesis* $H_0$: There is no correlation between marketing communication strategy and marketing communications effectiveness.  
*Alternative hypothesis* $H_1$: There is a correlation between marketing communication strategy and marketing communications effectiveness.

The correlation coefficients between 0.300 and 0.700 are considerate that there's a moderate correlation between marketing communication strategy and marketing communication’s effectiveness. The test statistic exceeds the critical value so we reject the null hypothesis and conclude that there is a significant correlation between all tested marketing communications statements and the effectiveness of marketing communications.
Table 2: Pearson's $r$ correlation coefficients measuring the strength of relationship between different factors of marketing communications strategy and marketing communication’s effectiveness.

<table>
<thead>
<tr>
<th>Correlation</th>
<th>Marketing communication's effectiveness</th>
</tr>
</thead>
</table>
| The management of our company has the complete trust in the strategy of marketing communication of our company. | $r$ 0.606(**)  
$p$ 0.000 |
| The strategy of marketing communication is coordinated with marketing strategy. | $r$ 0.707(**)  
$p$ 0.000 |
| The strategy of marketing communication arises from the corporate business strategy. | $r$ 0.649(**)  
$p$ 0.000 |
| The function of marketing communications is centralized in our company. | $r$ 0.444(**)  
$p$ 0.000 |
| Our target groups understand communication messages of our company. | $r$ 0.485(**)  
$p$ 0.000 |
| Our communication messages are punctual and the communication process is clear. | $r$ 0.369(**)  
$p$ 0.000 |
| Our target groups receive enough information for decision making. | $r$ 0.430(**)  
$p$ 0.000 |

Legend:
** Correlation is significant at the 0.01 level (2-tailed).
$r$ = Pearson Correlation coefficient
$p$ = Statistical significance

We argued and documented empirically that the marketing communication strategy is significantly correlated with marketing communications effectiveness in the sample of Slovenian companies. Additionally, each company may choose to have a unique marketing communication strategy but it should consider its unique characteristics when developing successful marketing communication programs. We identified these characteristics as marketing communications factors which can affect the marketing communications effectiveness. Knowing these characteristics in developing marketing communications programs can provide competitive advantages over competitors.
Conclusion and further research

The purpose of this paper is to provide additional insight into some of the theoretical and managerial issues in designing, implementing, and evaluating marketing communications programs in the changing environment. We approach this task from the organizational point of view - primarily from the perspective of how company’s effectiveness is affected by marketing communications factors. The paper consists of two parts: the theoretical framework for the role of marketing communications strategy for the effectiveness of marketing communications and the empirical analysis, based on the primary data collected. This paper presents the results of a study that examines factors of marketing communications affecting its effectiveness in the sample of Slovenian companies.

This study helps to explain the impact of marketing communications to the concept of its effectiveness. Managers in respondents companies assessed the marketing communication issues in their companies and its impact on marketing communications effectiveness. The study confirms that there is an association between all statements of marketing communications strategy and marketing communications effectiveness. With the statistical test we can confirm a positive relationship between marketing communication strategy and marketing communications effectiveness and we can suggest that the proper strategy of marketing communications can influence the marketing communications effectiveness.

A paper provides a perspective of how to analyze the factors affecting the marketing communications effectiveness. The guidelines that emerge from this approach should be particularly relevant for marketing communications managers in industry.
Resources


