

Analysis of customer preferences at Camea Car in terms of e-commerce

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Abstract: Nowadays, e-commerce plays an important role in the world of trading. Online shopping is famous among customers these days. These customers are the potential buyers of different businesses. The expansion of e-commerce is mainly because today's consumers everyday use the internet, they like to experiment with new things, brands and products, but they are also comfortable and modern. What is important for today's customers is that they can purchase online, which is no longer a problem, because nowadays people can connect to the Internet anywhere.

Keywords: customers; marketing; preferences

JEL Classification: M30; M31

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Introduction

Electronic commerce or e-commerce refers to the form of purchase, sale or distribution, where the contact between the seller and the buyer occurs through electronic systems. In terms of e-commerce, we can think about trading among people, which mainly involves the use of information and communication technologies (Suchánek 2012).

1. Literature review

E-commerce is a fairly new and widespread branch and is a common part of companies that use it for trading. Online trading is currently the fastest growing segment in improving enterprise performance and productivity. E-commerce is in the direct sales area in which the customer can select goods without visiting a business or business center (Suchánek 2007).

According to Sedláček (2006), e-commerce is based on the use of such information and communication technologies, which are used mainly in the buying and selling phases, more precisely in commercial transactions.

E-commerce generally refers to all forms of transactions in which the product is sold. These processes include and consist primarily of the processing and transmission of digital data, including texts, sounds and visual images (Madleňák 2008).

According to Dorčák and Pollák (2010), e-commerce is just a part, an e-business segment that focuses on selling goods and services via the Internet.

It is clear from the above-mentioned e-commerce explanations that e-commerce is a rapidly growing segment that is a common part of today's businesses. It is based mainly on the use of information and communication technologies and online presentations. Recently, among other things, online stores make it easier for businesses to speed up their business. On the other hand, it is a form of direct sales, which makes it easier to buy goods directly from our home.

Over the last decade, the Internet has made great changes in the company and has proven to be a special communications platform that can quickly adapt to the needs of customers. Nowadays, more and more people who communicate and search for the necessary information use the Internet. In addition, the internet allows people to purchase, pay and control their finances. Nowadays, people are connected (mobile phones, GPS navigation) and new forms of connection are constantly emerging. The Internet proves to be an important tool for trading, searching, communication and etc. Internet communication can be done through video calls as well as various social networks such as Facebook, Twitter, through which millions of people communicate with each other around the world (Mare 2012).

The rapid development of local computer networks in enterprises in the commercial sphere as well as state administration has significantly influenced the use of the Internet. We can say that currently only few companies do not use the Internet and do not have their website. The Internet is good for presenting and promoting companies. The web pages can present not only textual forms of company presentation, but also static/dynamic pictures and videos (Suchánek 2007).

The progressive use of e-commerce has brought different benefits for different social groups, businesses and organizations. In this section, we will focus on the benefits that e-commerce brings to customers and businesses.

Advantages for customers (Tondr 2002):

- the first advantage of e-commerce for customers is the opening hours, which is not limited on the Internet. Online shops are not closed on bank holidays and therefore the customer can choose and buy goods whenever they want,
- e-shops offer a wide range of goods, which are divided into different categories and subcategories,
- e-commerce also allows customers to compare the price, thanks to discount gates and shopping guides,

- the availability of online stores is also one of the advantages for customers. Regions or states do not limit e-shops. It is enough if the customer has a laptop, tablet or mobile phone that has Internet connection.

Advantages for companies (Kotler 2007):

- e-shops provide the opportunity to convince new customers and also provide a variety of opportunities to identify the needs and requirements of the potential customers,
- customers also provide feedback via the Internet and thanks to this businesses can improve their products or services, thereby increasing the satisfaction of their customers,
- e-commerce also provides the advantage of lower costs and quickness. Through the Internet, businesses directly connect with their distributors, suppliers and customers, which also reduce their costs and customers communicate directly with the sellers,
- e-shops also provide greater efficiency in distribution channels and logistics functions such as processing the orders, sales promotion, etc.,
- online stores provide companies more flexibility and allow them to make ongoing adjustments to offers and programs. Online catalogues can be customized and changed by the company every day even an hour, which cannot be done with common catalogues that are already printed out and sent to customers,
- the development of the Internet also has disadvantages. As in the previous chapter, now we focus on the disadvantages for customers and businesses.

Disadvantages for customers (Dorčák 2012):

- many customers prefer personal sales instead of online shops to buy certain types of goods such as clothing, cars, etc., because they do not trust in the Internet,
- in the case of electronic purchases, the customer must also indicate his/her personal data, thereby creating a risk of disregarding privacy when firms exchange data and information with one another, which may jeopardize their security,
- as well as the misuse of personal data, the risk of the e-payments may have insufficient security.

Disadvantages for companies (Joseph 2015):

- the disadvantage of e-commerce for companies is the fact that they may have difficulties to train their employees to use new technologies, design and new business skills that are needed to create an effective e-commerce,
- another disadvantage of online stores is the complexity of incorporating existing databases and softwares designed for transaction processing and designed for a traditional trade into softwares that enable e-commerce,
- in addition to technology and software issues, many companies face cultural and legal barriers while doing their online business as well as what has been mentioned in the previous section that many consumers are afraid to send their credit card and personal data via the internet and this can aggravate business companies selling their products through e-commerce.

2. Data and Methodology

The main objective of this article is to explore customer preferences in the e-commerce process and customer preferences in the Camea Car company.

114 respondents attended in the survey, who are potential customers for any kind of business. Only 72 respondents answered the questions about the company, because not everyone heard about Camea Car. The data were collected from February to March 2018. The questionnaire was sent electronically via the Facebook social network. The sample of respondents was randomly selected and the questionnaire was anonymous.

For the purposes of this article, only the second part of the respondents was taken into account, because they were aware of the company or they were customers of Camea Car.

In the article, data were collected in the form of tables, charts. Descriptive statistics and higher statistics processed in NCSS 11 were used for data processing.

The Camea Car joint stock company was founded in 1992 and its business focus was on the sale and servicing of Škoda vehicles. In 1993, the company has been expanded with the Seat brand and later in 1995 opened a new car showroom. The headquarter is on the Duklianská Street, which focusing on providing customer service in the field of sales and service of new vehicles. 2003 was an important year in the development of this company, when the Škoda and Seat brands were split. For the Seat vehicles, a new, separate showroom was built on the Levočská Street. In 2006 the company was expanded, when the Volvo brand, which was located in the Levočská Street, was added to the other two brands. Subsequently, in 2007, there was a further expansion of the Honda brand, which was placed in a separate car showroom in Košice on the Prešovská Street. Since 2011, the Volvo brand has been added to the Honda brand. The showroom is situated in Košice (Cameacar 2011).

The main activity of this company is the sale and servicing of Škoda, Seat, Volvo and Honda vehicles. Another activity is the sale of automotive accessories, as well as the maintenance and repairing, leasing, advertising and promotional activities, etc. In addition to the above activities, the company also provides advice on vehicle financing and insurance (Cameacar 2011).

3. Results and discussion

Hypothesis1: *We assume that according to customers, the image of the Camea Car website corresponds to the level of current trends.*

It is assumed that the level of current trends in e-commerce is largely influenced by the current image of the website and therefore the variables examined will show a positive linear correlation dependence.

$$H_0 = 0 \quad H_1 \neq 0$$

Level of statistical significance: $\alpha < 0.05$

Hypothesis1: *We assume that individual website attributes that are part of the e-commerce process also greatly influence the overall image of the Camea Car website and that there will be a positive linear correlation dependence between the examined variables.*

$$H_0 = 0 \quad H_1 \neq 0$$

Level of statistical significance: $\alpha < 0.05$

The purpose of statistical data analysis was to verify the established hypotheses and thus to determine the actual state of e-commerce through the website. The data analysis consists of performing correlation analyzes and subsequent statistical testing of results through the T-test. Correlation is the relationship between the variables examined and the value of the correlation coefficient "r" can range from -1 to 1.

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4

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If the value of the correlation coefficient is at a minus value, the relationship between the examined variables is determined by a negative linear correlation, which means that if one value is higher, the second is lower. If the correlation coefficient value moves in positive values, the relationship between the examined variables is determined by a positive linear correlation, i.e. the relationship between the examined variables is directly proportional. If the value of the correlation coefficient is closer to 1, the relationship between the examined variables is stronger. If the correlation coefficient value is zero, there is no relationship between the examined variables. The statistical significance of the obtained results is verified at the level of statistical significance $\alpha < 0.05$.

In the Hypothesis 1 we assumed that the level of current trends in e-commerce is largely influenced by the current image of the website and therefore the variables examined will show a positive linear correlation. The results of the correlation analysis are shown in the following table. It is clear from the results that the level of current trends in e-commerce greatly affects the creation of the image of the Camea Car's website. The correlation coefficient reached 0.5729, which represents a relatively strong positive correlation of the variables.

Chart 1 The impact of current e-commerce trends

Level of current e-commerce trends	N - number of examined	r – correlation coefficient	P – value T - test
Image of the Camea Car's website	72	0.5729	0.0795

(Source: Own elaboration)

The statistical significance of the results of the correlation analysis was subsequently verified by the T-test. Based on the p - value, it can be concluded that the results of the correlation analysis are not statistically significant, but we reject the H0 hypothesis, claiming that there is no relationship between the examined variables, and we accept the H1 hypothesis, which states that between the examined variables, there is a relationship.

Hypothesis 2 discusses the impact of individual website attributes and that these are part of the ecommerce process on the overall image of Camea Car's website. This research has explored the impact of these website attributes:

- access to the website,
- speed of the searching,
- design of the website and facebook profile,
- promotion of the company via the website and facebook,
- the range of cars offered on the website,
- linking the website and facebook,
- linking the website to other websites (car mart, etc.).

Based on the correlation analysis, it can be stated that all of the listed attributes of the e-commerce website statistically significantly affect the image of Camea Car's website and in all cases; we state a positive linear correlation between the examined variables. The biggest impact on Camea Car's website has access to the company's website, followed by the speed of the searching, the range of cars offered through the website, the linking of the website and the facebook profile, the design of the website and the facebook profile, the promotion of the company via the website. Linking the website to other websites has the lowest impact on the creation of the websites' image. After verifying the statistical significance of the results by performing the T-test, it is possible to assume clearly that the results are statistically significant and that in all cases we reject the zero H0 hypothesis and accept its alternative the H1 hypothesis.

Chart 2 The impact of individual options on the image of the website

Image of the Camea Car's website	N – number of examined	r – correlation coefficient	P – value T - test
Access to the website	72	0.4586	0.0000
Speed of the searching	72	0.4337	0.0000
Design of the website and facebook profile	72	0.2474	0.0029
Promotion of the company via the website and facebook	72	0.2374	0.0000
The range of cars offered on the website	72	0.3621	0.0000
Linking the website and facebook,	72	0.2656	0.0030
Linking the website to other websites (car mart, etc.).	72	0.1618	0.0087

(Source: Own elaboration)

4. Conclusion

This article focuses on the use of e-commerce and the impact of customer preferences on business. The Internet has become a part of today's world and without it; many people could not image their lives without it.

Nowadays, we spend a lot of time on the Internet time watching movies or buying some products. As a result, online stores have become an important tool for company promotion. The companies usually have their websites. This is mainly because through the website the customer can learn more about the company and can buy products. Promoting businesses through the internet is faster, more efficient and less expensive.

In addition to websites, it is also worth mentioning the impact of social networks on the prosperity of companies. On social networks, there are an incredible number of people who are the potential customers. Contacting customers is relatively simple and effective, since the setting up of accounts is free of charge. Companies can add any news, photos, videos, presentations, etc. All this strengthens their promotion. However, it is important for companies to continuously adapt their offers to today's trend.

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Identifying user preferences from the point of view of using selected social networks

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Abstract

Marketing is an indispensable part of social media. Social media have essentially been created for marketing purposes because social media makers do not profit from the use of these media but, in particular, from the promotion of companies that pay for them. Social media provide multiple forms of promotion through their services, depending on a particular type of social media and one of them is the popular social network. Their potential in business is obvious, but often it happens that businesses try to get as many customers as possible, which means taking a step in the wrong direction. Choosing a suitable social network should therefore be a relevant component of the marketing plan of any organization that has decided to pursue its business activities where its potential customers are. Knowing the opportunities offered by these networks leads to well-set strategies and consequently to the effective achievement of business goals.

Key words: Marketing, YouTube, Communication Platforms, Social Networks

1. INTRODUCTION

The constantly evolving online communication medium is the social network in today's digital world. They provide broad-spectrum capabilities, they function as a primary tool not only for entertainment or communicating with friends but are increasingly a necessary part of marketing. These online platforms can also be a valuable support element for various other offline marketing activities. Thus, social network is, among other things, a place where maximum profits can be made for business activities.

Social networks, as part of social media, make it possible to see how a customer perceives the product, service or the brand itself. This is a fact that is both important for the users themselves who are looking for the right product or service as well as for organizations that offer their products and services on the market. Marketing in a social media environment for organizations means understanding and learning, market observation, experimentation, audience guidance, assessment and evaluation (McPheat 2011).

2. BASIC THEORETICAL BACKGROUND

Social networks, as part of social media, are unmistakable advantage when compared to other media and it is possible to talk about their strong potential. Many companies that have their profiles on social networks are aware of this fact. Subsequently, through these profiles, they share information about events, actions, products, etc. (Karliček and Král 2011).

Janouch (2011) states, that social networks are a narrower concept than social media and content is created and shared by users. Social networks mean places where people meet, creating a circle of friends or joining a community with common interests. Social networks are also referred to as community networks or just simply communities.

Not only Janouch, but also many other professionals dealing with this issue, such as Bednář or Sterne, share a similar view. The meaning of the definition of this issue is in most cases identical, and therefore we can generally say that it is a sort of interconnection of a certain group of people with different manifestations that affect each other.

But if we want to go into the details about what the term itself means, Boyd and Ellison (2007) are often cited. They understand the social network as a link to a website that allows users to create a network of people with who they want to share information, news, comments, photos or other forms of content. They further argue that social networks consist of three basic parts. They have a public or semi-public user profile, a set of links to other users within the system and the ability to view their own list of friends as well as those created by other users within the system.

Brož et al. (2011) defines social network as a linked group of people in which they interact. Links in these groups bring new opportunities such as rapid dissemination of information and the ability to organize different events. As there are several types of social networks, there are also different social network types and categories.

According to the average user, the social network is a simple application that lives inside our computer or web browser (Ryan 2011). On the other hand, Peacock (2010) states, that social networks are one of the most used aspects of the web. Many businesses, organizations, communities and families use social networks, which enables them to better communicate with others and connect with the public. Obee (2012) claims that the social network is any website that allows us to express, share or otherwise communicate with other members of the website. Social media are those that allow us to interact online with friends or foreigners. Marko (2010) states, that social networks on the Internet allow people to share their lives and work even though they do not live with each other. If we have an Internet connection, we also have universal access to people on the planet, information, but also the ability to inform our customers.

According to Frey (2011), through social networks it is easy to publish public relations news and articles. In a social networking environment, the organization has the ability to publicly express itself, identify with others, express its feelings or appeal to the value of – consumers – fans.

In a narrower, more modern and predominant way, Velšic (2012, p. 3) defines a social network as a “service on the Internet, which allows members to create personal (or corporate) public or partial public

profiles, communicate together, share information, videos, chat and do other activities". In other words, it is a "structure that represents either individuals, groups or organizations. These bonds are interconnected. This bond does not necessarily mean friendship or partnership, but also shared opinions, hobbies, sexual relations or etc." (Veľšic, 2012, p. 3).

The power of social networks is now indisputable for business. Sládek (2013) says that "companies are still taking advantage of the social networking power only marginally, especially through the offer of likes". To begin with, feedback on how to expand the number of fans in building a good name and the brand itself helps, but we need to realize that "the growth potential is quickly exhausted and in some phases, IT solutions are needed, which the customer feedback can analyse and use efficiently" adds Sládek (2013). From the above definitions, it is obvious that one of the basic social networking features is the ability to connect and share content with other users. However, Gray (2014) also highlights the fact that social networks should not become a substitute for real time spending with people.

3. METHODS AND METHODOLOGY

The main goal of the research was to identify the dynamics of consumer preferences in relation to communication platforms and digital devices when purchasing in the online environment. For a more detailed specification of the changing shopping habits, the main objective of our research was at the same time to decompose it into three sub-objectives:

- Examine how the Internet platforms get information about goods and services.
- Find out which digital devices are used by respondents for purchasing online.
- Define which social networks Slovak consumers prefer the most.

Based on the main and partial objectives of the research conducted by us, the following research hypothesis was formulated:

H1: The differences in the frequency of visitors in case of the YouTube social network between generation X and Y are statistically significant.

To fulfil our defined research goal, we conducted a questionnaire survey located in the Slovak Republic in the period from 21st of February, 2016 to 6th of March, 2016. Due to incomplete completion, 23 questionnaires were excluded. The data obtained was evaluated using the Microsoft Office suite, more precisely the Excel spreadsheet editor. The IBM SPSS Statistical Software was used to process mathematical and statistical analyses. Due to the scale of the questionnaire, we used a simultaneous parallel profile test and correlation analysis.

The survey carried out within the framework of the questionnaire survey can be considered representative in relation to the SR population. Specifically, the survey consisted of 414 respondents, of which up to 256 (62%) were women and 158 (38%) were men. Respondents were, in terms of age category, divided into consumers of generation X (36-52 years old) with a 72% share and generation Y (16-35 years old) with a 28% share. 10 respondents reached the primary level of education. Secondary education without a school leaving examination is represented by 14 respondents (3%) and secondary education with a school leaving examination is represented by 156 (38%). More than half of respondents (57%) involved in the survey were people with a higher level of education. At the same time, it is the most numerous group of all respondents. In terms of economic activity, the survey was attended by almost the same number of employees working in the public sphere (26%) as well as in the private

sphere (27%). Students were representing 28% of all respondents (114). The group of self-employed or entrepreneurs represented 13% of the respondents. The survey was also attended by unemployed people, who formed less than 4%. The option “Other” was marked by 14 respondents. Among them were women on maternity or men on parental leave, an invalid retiree, a bus driver, a community worker or people working abroad.

4. RESULTS

Using the questionnaire, we found out how often respondents are buying via the Internet. More than half of the people (57%) have marked “Several times a year”. Up to 148 people with 35% share buy products in the online environment “Several times a month”. The survey sample also consisted of consumers who shop products in e-commerce somewhat more often, “Several times a week”. This group represents less than 5% of all respondents. 12 respondents (3%) do not buy products via the Internet at all.

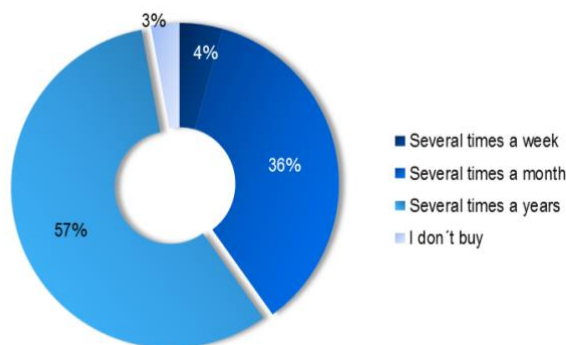


Chart 1 Frequency of purchase

Source: Own elaboration

We looked at which devices are used by respondents when purchasing online. Looking at Chart 2, it is clear that among all devices, the most preferred one is the notebook to buy products online. 69% of the respondents use it unambiguously and another 7% is inclined to this option. Nearly the same number of people (22%) buy through smartphones and desktops. They chose the option 4 (Rather yes), representing 8% of the respondents, whereas only 5% for the desktop.

As far as the use of digital devices the tablet is definitely among the last ones. Only 13% of the respondents use it, who responded positively to this item, while 9% of the consumers chose the option 4 (Rather yes). In the case of phablet and PDA, such type of digital devices are unknown among the respondents that is the reason why they did not answer to this question. Only a small number of people knew, of which it is evident that around 92% of the population is certainly not using it for purchasing online.

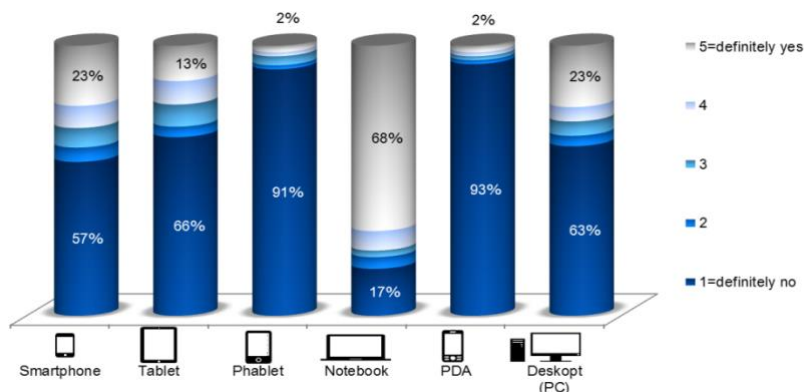


Chart 2 Preferred devices for online purchasing

Source: Own elaboration

One of our partial goals was to investigate the communication platforms that Internet users receive information about goods and services. The following Chart 3 shows the respondents' opinion. After counting the scale values 4 and 5 for each item we have evaluated what resources most respondents use when searching for product information. Subsequently, we have compiled the “TOP 5” on the ladder, where the first section is the e-commerce (51%), the second is the social network (49%), the third most frequently used sources of information are the price comparison portals (48%), the fourth are discount portals (42%) and the results of the questionnaire show that the fifth of our ladder are physical stores (39%).

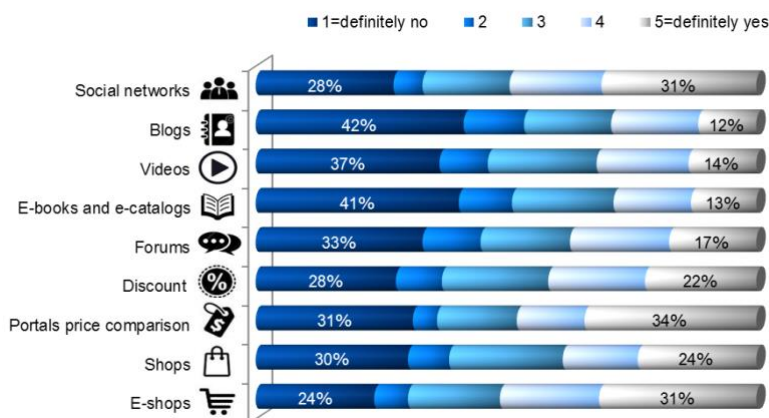


Chart 3 Resources for product information

Source: Own elaboration

In the survey, we also investigated which social networks Slovak consumers use the most. The results were surprising, but the widespread Facebook holds its first place in our country as well. More detailed survey results are shown below.

Table 1 Using social networks

Social networks	1-Definitely no		2		3		4		5-Definitely yes	
	N	%	N	%	N	%	N	%	N	%
Facebook	70	16.91%	10	2.42%	10	2.42%	22	5.31%	302	72.95%
Twitter	348	84.06%	30	7.25%	8	1.93%	4	0.97%	24	5.80%
Google+	170	41.06%	38	9.18%	48	11.59%	26	6.28%	132	31.88%
Instagram	270	65.22%	14	3.38%	16	3.86%	28	6.76%	86	20.77%
YouTube	66	15.94%	16	3.86%	30	7.25%	62	14.98%	240	57.97%

Source: Own elaboration

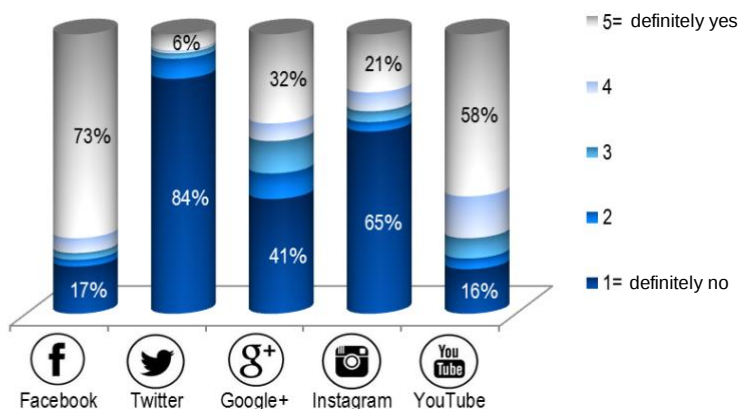


Chart 4 Using social networks

Source: Own elaboration

Perhaps the biggest surprise was that up to 80 people (almost 20%) do not visit the Facebook social network. Another 10 people (2%) abstained from neutral ratings. Nevertheless, there are a number of people (73%) who undoubtedly use this social network. Only 5% of the respondents chose the option 4.

Twitter as another relatively popular social network in the world is not that popular in Slovakia. 84% of the respondents said they definitely do not use it. With a huge difference from other social networks, on the contrary, less than 7% of the respondents use it.

Google+, operated by Google is famous among users. 38% of the respondents chose the option 4-5 (rather yes, definitely yes). The least used social network is Instagram. 69% of the respondents do not visit it at all. 114 (28%) of the 414 surveyed respondents said they actively use the visually-oriented Instagram social network.

The biggest video server - YouTube, has only confirmed its strong position in the media world. Although many people primarily use it to browse videos and few people see it as a social network with the ability to comment on posts, it is clear from the survey results that it can undoubtedly be one of the most popular social networks. More than half of the population (58%) definitely uses it and, on the contrary, it is used by only 16% of the respondents. Continuing the investigation, we continued to analyse the element with the highest correlation coefficient and therefore the relationship between the generations and the YouTube social network.

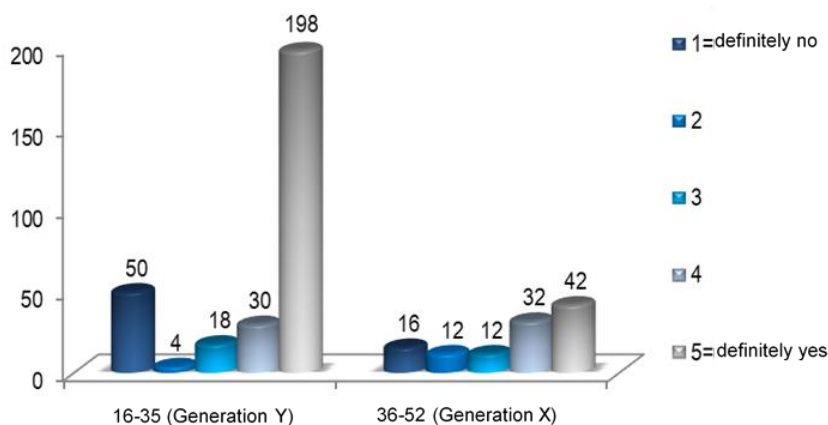


Chart 5 Frequency of using YouTube in terms of generation

Source: Own elaboration

It is clear from the chart that both generations visit the YouTube social network. However, given the size of the sample, we can assume that Y-generation, that is, younger people more often visit the social network than the older X-generation.

Table 2 Chi-Square Tests for using YouTube in terms of generation

<i>Chi-Square Tests</i>			
	Value	df	Asymptotic Significance (2-sided)
Pearson Chi-Square	56.626 ^a	4	0.000
Likelihood Ratio	52.636	4	0.000

Linear-by-Linear Association	3.831	1	0.05
N of Valid Cases	414		

a. 1 cells (10.00 %) have expected count less than 5. The minimum expected count is 4.88.

Source: Own processing

For the need of complex analysis, it is also appropriate to define the deviation rate of the given set, more precisely to determine whether the older and younger generation (e.g. generation X and Y) is statistically significantly different in case of the YouTube social network by the number of visitors. For this issue, we chose the χ^2 good compliance test at a Significance Level of 0.05.

Table 3 Correlation coefficient values for using YouTube in terms of generation

Symmetric Measures		Value	Approximate Significance
Nominal by Nominal	Phi	0.366	0
	Cramer's V	0.366	0
N of Valid Cases		414	

Source: Own elaboration

The preceding table defines the values of the correlation coefficient of the above elements as a strong dependence. Based on this, it can be shown that the number of YouTube social network visitors plays a relatively large role. In this case, we confirm the formulated H1 hypothesis. It is important to emphasize that while the two age cohorts examined by the YouTube social network are unambiguous, the results of the analysis between them confirm statistically significant differences. Y-generation consumers dominate over the X-generation on the largest video sharing network.

5. CONCLUSION

Based on the above analysis, it is possible to conclude at the end of this article that the most used source of information about goods and services is the e-commerce itself or the popular social networks. Within the preferences of online shopping devices, consumers prefer laptops, but also smartphones or desktop PCs. According to survey results, the most widely used social network is undoubtedly the Facebook and the other is the most popular video server for sharing videos - YouTube. The results of the analysis were revealed by the fact that both age groups use this platform, but younger consumers use it more often. Video or the largest YouTube video server is really a great interactive way to reach out to potential customers. In addition, it allows them to communicate with each other via commentary and discussion under the video. Businesses can use this platform and branding can actually be done in any way. The only important thing is to know the objective to be achieved through it.

The amount of available information and new technologies that are an indispensable part of human existence are currently creating a demanding consumer in the real-world consume and in this case standard marketing practices are not enough. Therefore, it is the role of brands and marketers, if they

want to succeed in today's extremely competitive world, they have to recognize the deep-rooted motives as well as disparate consumer preferences and, based on these findings, to subsequently reflect the necessary trends that require flexible implementation also in marketing communication tools.

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Relational study of the perception of frequency and the attributed credibility of selected types of advertising

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Abstract

The most popular ad becomes the most trusted. The extent to which this claim is true has become the resource for this study, which, for its primary purpose, has determined the correlation between the frequency and credibility of individual types of ads. Based on two questions we have analysed this objective and it was the output of primary research. These were questions at the nominal level of data, where we surveyed the type of advertising (TV commercial, radio advertising, social network advertising, print advertising, billboards) what respondents perceive as the most favoured and trusted. The predicted relationship was analysed by Cramer's V. In addition to the relational analysis, the study also shows a frequency analysis which points out that TV advertising and social media advertising are trusted and have a high frequency. On the other hand, there is print advertising, which respondents consider to be quite trusted, but they do not meet with it often. The above-mentioned correlation has been confirmed, i.e. there is a significant correlation between the frequency of ads and the credibility with a CV output of 0.299. Limitations of output are understood mainly in the possibility of occurrence of hidden variables determining the relationship, i.e. partial correlations. In addition, the data collection was geographically relatively specific.

Key words: Advertising, advertising traffic, advertising credibility, correlation.

1. INTRODUCTION

The definition of the American Marketing Association says, “advertising is every form of non-personal presentation and support of ideas, goods or services performed by an identifiable sponsor”. Kretter (1997) states that advertising is seen as “one of the four main tools the company can use in direct communication with customers and the public”. Advertising is an inherent feature of modern era, where we meet with advertising at every corner. Bačík (2016) highlights advertising in the online environment and determines its importance to meet the customer's needs. Satisfying the customer's needs, as reminded by Kotler (2012) should not be ignored. In these ideas, we find an embedded form of modern marketing in the interaction of primarily satisfied customer needs. Thousands of businesses have taken this idea as their own and satisfying customer needs. The difference between those successful and unsuccessful is that successful businesses know how to “agree” with the customer. Under the agreement with the customer, we understand the creation of conditions that enable the customer to meet the needs most effectively. Therefore, the customer should be the “primary” and the profit will come “by itself”. Many marketers use “blindly” different kinds of advertising, especially in new markets and with unknown customers. A high-quality, integrated mix of commerce as reminded by Štefko (2011) is a source of competitive advantage. Every kind of advertising is specific.

Print advertising is one of the oldest advertising media. The effects of print ads vary depending on the periodicity and credibility of the selected title. The advertising has a quick effect in daily journals and has a slower effect in monthly journals. Advertising in monthly journals is more durable, as the reader can return to it at any time. We often meet with advertisements in the form of leaflets embedded in magazines. It can be one leaflet, more leaflets, or leaflets with multiple business ads. Print advertising often uses multiple images in one advertising. Each of these images is capable of eliciting emotional feedback. If all product images are positive or, on the contrary, all are negative, the extreme picture determines the overall response of the consumer (Cheben 2010). Loydlová (2013) believes that the main advantages of print advertising are low production costs for advertising processing, the possibility of thematic distribution of the target group by the type of the journal and high flexibility.

Loydlová (2013) considers the advantage of TV advertising in regional televisions as the fact that the client through the multiple television network has the possibility not only of global but also of regional communication and is thus closer to consumers. Vysekalová and Mikeš (2010) consider the mass range and selectivity as a primary advantage, which means that according to the character of the television program, it may affect the selected target group.

Radio advertising over TV advertising has one advantage, which is the affordability. According to Vysekalová and Mikeš (2010), the main disadvantage is the so-called “background media”, which means that people listen to the radio, while doing other activities and do not focus on the provided information.

The majority of consumers will imagine the concept of outdoor advertising with traditional billboards, neon lights. Posters and large-format advertising are traditional forms of outdoor advertising, but new alternatives entered into the field. Outdoor advertising means any form of advertising placed in public spaces, in public and individual transport, on public institutions, next to the road, on walls of buildings, etc. In magazines, newspapers and dictionaries, we meet with “outdoor advertising” or “Out of Home”

advertising (Lábska et al. 2009). We also know other forms of outdoor advertising, such as advertising columns, advertising benches, advertising triangles, exterior and interior boards, abribus or city lights, which is a common name for ad on the streets (Lábska et al. 2009).

Lábska (2009) talks about social network as a virtual world, where millions of people meet with linked profiles. These people create between themselves communities in which they communicate. For advertisers, social networks have enormous potential to promote their products or services. Profile owners indicate their age, gender, employment, interests, and other information during the registration. This enables advertisers to focus their ads more accurately on a particular target audience. Vysekalová and Mikeš (2010) talk about the marketing of social networks and the huge potential to reach the target group through direct marketing, image branding and are a source of consumer information.

If we want to look at the advertising analytically, it can be determined from multiple angles. In our study, we focus on the perception of frequency and the credibility.

2. METHODOLOGY OF THE RESEARCH

The primary objective of this study is to determine the relationship between frequency and reliability of individual types of ads. We will review this assumption on 5 different types of ads, such as TV advertising, radio advertising, social media advertising, print advertising and billboard advertising. We made this choice because the types and channels are known among customers.

2.1 Methods of data collection and research sample

The research was carried out by means of a questionnaire. In terms of data collection, therefore, primary research is involved. We can characterize our research as both relational and interdisciplinary based on the assumption of the link between the frequency and credibility of the selected types of ads. The data collection was carried out in Eastern Slovakia.

Altogether, we gathered 148 respondents' opinions. In the survey, 58.8% represented women and 41.2% represented men, in absolute terms we received 87 questionnaires from women and 61 questionnaires from men. According to the age category, respondents can be divided into two groups: 52% of the respondents born after 1995 (1995 included) and 48% of the respondents born before 1995. According to the achieved level of education, respondents can be divided into three groups. 47 respondents (31.8%) achieved university education, 91 respondents (61.5%) achieved secondary education with school leaving examination and 10 respondents (6.8%) achieved secondary education without a school leaving examination.

2.2 Research question, description of variables and methods of statistical processing

Based on our primary goal, which determines the relationship between the frequency and credibility of each advertising type, we present a research question on which parts of the analysis will be built.

Research question: Is there a significant correlation between the frequency of advertising and their credibility?

This research question is based on the following query items:

- Which advertising you consider the most trusted?
- Which advertising you consider the most frequented?

We offered the following options: TV advertising, radio advertising, advertising on social networks, print advertising, and billboards. From the survey, we excluded the option “Others”. As can be seen, they are polytomic nominal variables.

The non-parametric test of the Cramer’s V context, based on the χ^2 division, was used to process the research question. We chose this test based on the data level that, as we mentioned, is nominal.

3. RESULTS

In this section, we analyse the frequencies of individual ads in the dimension of the frequencies, i.e. the respondents which advertising perceive the most popular and in the dimension of credibility, the respondents which advertising perceive the most trusted.

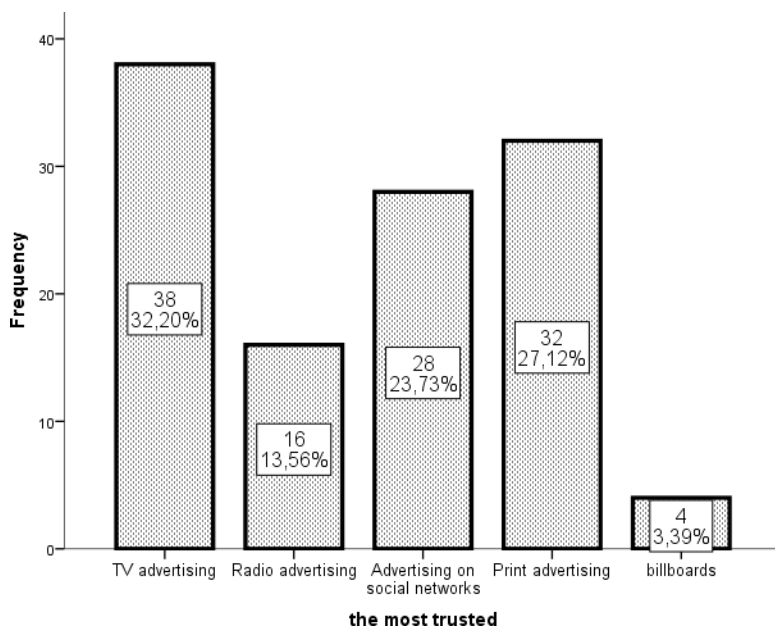


Figure 1 The most trusted advertising

(Source: Own elaboration)

As we can see, nearly one-third of the respondents find TV advertising the most trusted. Secondly, the print advertising (newspapers, magazines, leaflets, etc.), was the most favoured by 27% of the respondents. Advertising on social network ended in the third place, followed by billboard advertising (14%).

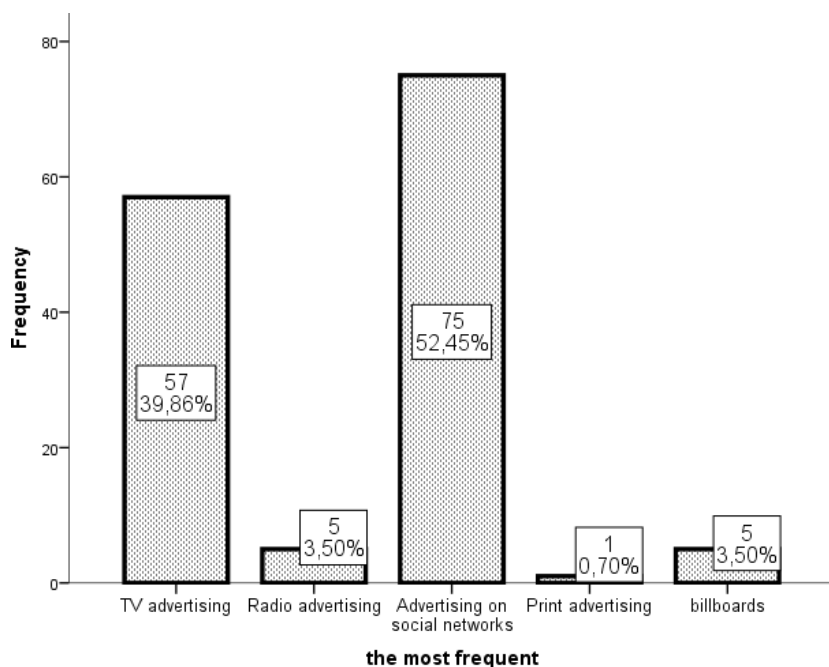


Figure 2 The most frequent advertising

(Source: Own elaboration)

Social media advertising and TV advertising dominate frequency perception. Only 3.5% of the respondents chose the radio advertising and the advertising on billboards as the most frequent. Print advertising is the least frequent according to the respondents.

We notice some connections. TV advertising and social network advertising dominate in case of both frequency and credibility. Likewise, we could also take a broader view of the extremes of radio

advertising and billboards. The only significant exception is print advertising. According to the respondents is has a high credibility, but no that frequent. For a better presentation of the mentioned findings, we provide a contingency table.

Table 1 Contingency table - credibility * frequency

		the most frequent				
		TV advertising	Radio advertising	Advertising on social networks	Print advertising	billboards
the most trusted	TV advertising	19	2	17	0	0
	Radio advertising	4	2	7	0	1
	Advertising on social networks	9	1	17	0	1
	Print advertising	18	0	11	0	2
	billboards	1	0	2	1	0

(Source: Own elaboration)

We note that 19 respondents perceive TV advertising as the most frequent and trusted and 17 respondents perceive social network advertising as the most frequent and trusted in the dimension of column and line maxims advertisements. Thus, there is a presumption of a positive correlation between the frequency of advertising and its credibility. For the exact deduction of significance, we apply the Cramer's V correlation test and therefore we will accurately assess our assumption in the research question.

Based on the value of p, asymptotic significance, the test will judge the significance of the relationship determined by the following hypothesis.

H1: We expect a significant correlation between the frequency and credibility of the ads.

In order to verify the presented hypothesis, we also formulate the statistical hypotheses on which we decide to accept or to reject it.

- H₀: There is no significant correlation between the analysed variables.
- H₁: There is a significant correlation between the analysed variables.

Table 2 CV test - credibility * frequency

	Value	Approximate Sig.
Cramer's V	,299	,001
N of Valid Cases	115	

(Source: Own processing)

Based on the p value, which is three decimal places equal to 0.001 of our statistical hypothesis H1, we will not reject. There is a significant correlation between the analysed variables. Analogically, the basic H1 hypothesis, along with the statement, shows that there is a significant correlation between the perceived frequency of ads and the attributed credibility of ads. The rate is 0.299 and according to the Vaus methodology (2002), we interpret it as low and medium dependence.

4. DISCUSSION

In the methodological part, we have identified a research question as a hypothesis that there is a correlation between the perceived frequency of ads and the attributed credibility of advertisements. We have confirmed this connection with the above tests. This connection has no meaning in the applied aspect itself but in the theoretical, basic research approach.

Marketing can be understood as a hammer that can build a home, but also it can hurt. These outputs can be used to convince a customer that non-quality is quality, or to facilitate customers' lives in meeting their latent needs.

The value added from the applied level is mainly that radio advertising was described by respondents as not so trusted and not that frequent. Thus, the definition given in the introduction, "background advertising", has been confirmed. This type of advertising also has relatively low costs. TV Advertising has its own specifics and its strength has been unequivocally proven, even though we encounter a very high level of negative judgments. Nowadays, the phenomenon is social media advertising, which is very frequent and with a relatively high level of credibility. We also place great emphasis on print advertising; its credibility is very similar to that of radio advertising, with a low frequency of perception. From the above outcomes, the worst perceptions in terms of frequency as well as in terms of credibility are the advertisements on billboards.

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Conceptual Framework of Business Ethics

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Abstract: The importance of business ethics in organizing has been pursued for several years from a variety of perspectives. Nowadays managers consider introducing ethical programs into their organizations as very powerful activities that are socially rewarding. However, examples from the business community indicate that organizations that stakeholders consider ethical create several competitive advantages. These benefits include a higher level of transaction efficiency, higher engagement and employee loyalty, a higher level of perceived quality of products and services, a higher level of loyalty and customer retention and better financial performance. This article analyzes the schematic model of business ethics, which is based on three main components that are interconnected by five subcomponents. The introduced model contributes to the creation of a conceptual framework for business ethics and provides opportunities for further research in the field of business ethics.

Keywords: business ethics, framework of business ethics

JEL Classification: C22; C51; Q11; Q13

Introduction

The pursuit of business ethics based on integrity has contributed to the effectiveness of the organization in several basic ways. Companies that have adopted conceptual programs are caught earlier and are dealt with at the outset. In some cases, the integrity approach can deliver enhanced competitiveness: it makes it easier to provide quality products in a fair and reliable way. It improves relations with constituencies and can lead to a more positive stance that promotes creativity and innovation. And although the organizational integrity approach cannot guarantee an improvement in the performance of the bottom, it is important to understand that ethics is a very practical matter.

The purpose of business ethics is to strengthen our lives and relationships both inside and outside the organization. Achieving and maintaining integrity requires intensive engagement and engagement of managers throughout the company. It goes beyond the so-called "tone" set by senior managers. It includes the specific tasks and behavior of managers, starting with the development of the integrity framework.

Managers should ensure that the company's system supports responsible behavior. Then they should personally model responsible decision making. These leading tasks are essential for building a high-integrity organization.

1. Definition of term

The discipline dealing with ethics in relation to entrepreneurship is called business ethics that has the nature of the interdisciplinary science area applied. Business ethics are defined by several variations, based on the general moral standards of society and responds to the societal transformation and cultural background of society. It covers a broad area of examination of the various institutions linked to business activities and it is therefore important to note that it is not possible to reduce it only to an organization or a company from the point of view of the investigation.

Concept of business ethics is defined by (Remisova 2011, 55) as applied integration ethics examined by the interactions of ethics and economics. It analyses the moral norms and principles for the functional conditions of business and economy at all levels. According to (Bohata 1994, 8) This reflects ethical principles in all business activities involving individual and corporate values. The above definition in this post is based on contributing to the fulfilment of ethical principles and the shaping of the ethical business framework.

2. Theoretical background

In recent decades, there have been several factors in the foreground of ethical issues and the business ethics started focus on areas as:

- Globalization-global expansion has brought greater participation in diverse cultures and socio-economic systems. These developments become more important in ethical considerations — for example, the different assumptions about business responsibility, the business practices of accepting values to build a cohesive and successful organization.
- Technology-added capabilities of technology have created a new level of transparency and immediacy in the field of business communication. Nowadays, trading around the world is more exposed than ever before.
- Competition-growing competition brings extra pressure to lower corners. At the same time leaders are looking for new ways to differentiate their societies and move them to a new level of excellence. Some believe that a proactive ethical stance can have a positive impact on the result.
- Public perception and law-perceived decline in social ethics, which brings uncertainty. Managers no longer feel that employees entering their companies have the required ethical values. The public's expectations have changed: what was once considered acceptable is now easier to explore. New laws and increased enforcement efforts have increased the risk of personal and organizational responsibility. (Paine 1996, 13)

Theoretical starting points of this article is an elementary question: *What makes sense to associate an area of ethics with the field of business?* Response Perspective Maybe Divided into three planes. The first plane is the negative definition of the relationship of ethics and business. Lies in Reductionistic View Business as a profit generation, where everything else is only an obstacle to achieving such a goal. Friedman (2007, 1) Second Plane Characterizes The neutral definition of the relationship, namely that business ethics have no impact on its economic efficiency, is an additional dimension to the company's secondary functions in terms of its organization. The third

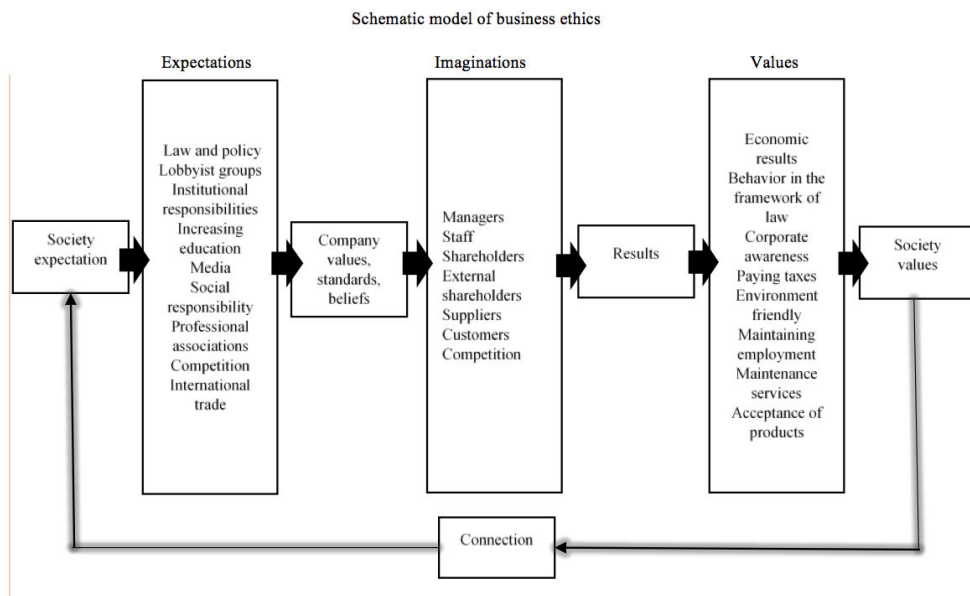
plane defines the relationship positively so that ethics in the form of ethical dimensions directly affect the economic efficiency of the company.

The ethics visibly enter several areas where business is a major or significant activity. Such areas are:

- area of *international trade* in which it explores issues related to cultural relativity and an effort to apply universalistic ethical principles
- area of *financial market* in which it examines the issue of ethical behavior of financial institutions, banks, exchanges and the like
- area of *human resources*, in which it examines the ethical problems of relations between employees and employers as well as relations between employees of each other
- area of *marketing and sales*, in which it examines ethical issues related to the use of tools to convince the customer of the purchase of goods or services
- area of *production and services*, in which it examines whether all the conditions and circumstances of the manufacturing process or the provision of the service meet ethical standards and standards
- area of *intellectual property*, the importance of which is increasingly increasing and is intended to establish clear rules for the ownership of trade marks, patents or designs that constitute commercial know-how
- area of *technologies* where the task is to determine what its use is ethical and where abuse is already in place
- area of *environmental examining* the environmental impact of production and business activities on the surrounding ecosystem

Various issues and subjects exploring business ethics are significant. Some of them are at the level of macroeconomics, some vice versa microeconomics. Between those areas we consider the area of human resources, marketing and sales, production and services and in part and intellectual property, whose issues anchored in ethical instruments can indirectly affect economic results.

A better idea of the interdependence and breadth of the relationship of ethics business is shown schematic model published by Svensson & Wood (2008, 304) shows all areas that are intersected (see the figure 1):



Exposure 1

Society expectations and its individual items act as a defined space or barrier which business activities can be implemented. At this point, they form an ethical basis for business. Postulate are here the core business objectives as *Services Society* as well as accountability to it. The society gives legitimacy and power to business. In the long term, those who do not use the power in the way the society deems to be responsible will gradually lose it. This means that, in addition to the economic gain for a close group of owners, investors or shareholders, the purpose of the business is to improve and create wealth for society. (Svensson & Wood, 2008, 306)

The closer view at the expectations factors, important forming the way the society looks at that company and its activities. All individually and collectively affect acceptable behavior.

- a. *The law and policy*, they represent a factor which constitutes a security in the event of failure to selfregulation the mechanisms of undertakings and vice versa are the primary instrument where no selfregulation mechanisms are at all. The basic principle in the creation of laws influencing business is "fair competition". The government is under the spotlight public to ensure that the business will have clear rules. It is important to note that these laws as well as institutions arose as a response to precedents of unethical conduct in Business. (For example, we can use the creation of a Stock Security Committee, which was created in response to the fall in the Stock Exchange in 1929 and the ensuing economic crisis. Environmental protection agencies, which arose as results of frequent environmental disasters and of business activity or so-called. Sarbanes-Oxley Act, which modified the direct legal responsibility of the Executive Directors and the board of directors in the case of financial fraud as results of Enron cases). (Hartman, Laura 2005, 259)
- b. *Lobbyist groups*, they represent an equally powerful factor that can affect the business environment and contain ethical principles standing in the background of their activities. Such groups may include environmentalists, human rights activists, minority rights or conservative activists for the rights of the unborn child. While the primary objective of these groups is political influence, in the case of political establishment their views, this will inevitably affect the economy, for example by changes and amendments to laws that have a direct impact on business activities.
- c. *Institutional responsibility* is another factor of company expectations from the organization. The company is expected to see further how it is own profit and takes the role of a wider environmental and social transformation agent. Rather than explicitly defined expectations, this is a set of unwritten rules for the appropriate management of the company. These expectations continuously grow, linked to the globalization of the business and the inevitable increase in the impact of companies as social institutions.
- d. *Increasing education* is a factor that is expected to more consistent and a more critical view of business activities from company members. In retrospective view, the driving force of social movements has been educated by the masses that have been able to influence political events and as mentioned above, political changes have subsequently been shown in the economic area, which led to changes business activity closer to ethics. For this reason, the factor of increasing education is the right, that affects and determines the movements in ethics and business.
- e. *Power of media* is a factor that significantly interferes with the business life and may affect the functioning and the mere existence of the company in a minor way. The media can be the guardian of ethics in the business world. On the other hand, they can be abused by competition on discredit. In any case, they are implicitly expected to be *Social conscience*, which means that the societal requirement will focus on business-related problems that the company considers relevant and, on the other hand, ignore the problems irrelevant.
- f. *Socially responsible managers* are a factor whose significance has risen how to find out scams of major successful companies, middle and top management. Socially responsible managers must act ethically not from fear before the snapping that they are doing something wrong, but on the contrary of their own will, on their own responsibility, and especially since it brings success to company. (Hartman, Laura 2005, 281) This proceeding sometimes includes non-conventional decisions which may stand as established ethical practices and most are needed in non-standard situations. Socially responsible managers are needed in leadership, new challenges and inspiration. Social responsible managers are a factor that makes business a space for human development instead of his exploration.
- g. *Professional associations* specify the role of the members of these groups. If the company has expectations for businesses and their activities, the professional associations will reflect and incorporates these

expectations into their roles, which the members represent. They shall then be checked by the undertakings which identify them, whether they fulfil all the conditions arising from the professional field.

- h. *Competition* is a natural phenomenon in the capitalist economic system. However, societal expectations are to set the boundaries of business behavior towards competition on the principle of fairness and to customers on the principle of trust and Veracity. The nature of the capitalist economic system depends on the existence of free, open and fair competition.
- i. *International trade in integrity* is a factor of expectation that the company requires businesses to behave equally and to offer a qualitatively identical product or service in one country as in other countries. This expectation has taken on the importance of expanding businesses into developing countries, where in some cases they abuse a weak political system and their legislation on unfair dealings against customers in these countries. Another way of abusing is the important level of corruption in these countries, where you are much easier they can buy their intentions from the local government because the defensive mechanisms against it literally do not exist. As the company in developing countries is not sufficiently prepared to withstand non-ethical business practices, these expectations and the control of their activities tend to be related to the companies of developed countries. (Svensson & Wood, 2008, 311-312)

All the above-mentioned expectation factors affect *organizational values, standards and beliefs* how they apply. Mentioned schematic model values, standards and beliefs constituted in the organization refer to the ideas that has about customers, competitors and general companies.

Business to be considered ethical must be reflected in the Variations Hotels Elements, their properties and have a certain form of relationships to achieve a balance between maximizing profit and social responsibility for business. Nowadays, companies are aware that the company can be successful and competitive only if it is managed to balance the interests of the groups concerned by (Putnova & Seknicka 2011, 111):

- a. *Managers*, they are one of the key carriers of change that lead to better corporate culture and ethics in business. Managers should be a model for others, especially for their employees, because they often mimic the behavior of managers. Their behavior should be consistent with the official values of the society. The ethical behavior of executive directors and top management is often the Achilles heel of the company, because in fact there is a precise opposite of what is called positive leadership. (Svensson & Wood, 2008, 313) Managers should be perceived as those making decisions promoting the value of a company regardless of the complexity of a decision.
- b. *Staff*, they are an element of an organization that needs to align their internal objectives with the objectives of the organization. If identify with the ethics of an organization, it is more powerful to commit, which is reflected in the results as well as the overall corporate culture.
- c. *Shareholders*, they are a vital impetus for every business as the holders of investment and vision of future success. Ethically correct approach requires leadership to be transparent if the investments are not returned, with each shareholder being held equally, regardless of the proportion of investments in the undertaking. If the shareholder's business ignores, it can expect a firm response from their part, which can only harm the company.
- d. *External shareholders* are a group that is not directly involved in the daily running of a company, not even in individual folders. This group sees the business's reputation from outside and checks whether the organization is seen as a positive phenomenon in company, and that its products and services meet positive feedback.
- e. *Suppliers* should be respected in the organization as equivalent partners involved in learning ethical values and perspectives and helping them create and improve them. However, it is often the opposite. Suppliers are exerting pressure and increasing demands for example in pricing policy, threatening them to be replaced by others unless they meet the conditions and requirements. It is important alert, that suppliers, as part of a comprehensive trading relationship mechanism, who can see an organization from a unique perspective than employees but also customers, can offer a different perspective that can benefit both sides.
- f. *Customers*, they are another important group. There is still a growing requirement to make a concept called. Relationship marketing or marketing aimed at maintaining and caring for customer relationships has become an essential part of business practice. Customers are a group that directly affects profit undertaking. Therefore, each step of the company's agents and employees must consider the fact that the conduct is consistent with ethics and takes account of the interests of the customers.
- g. *Competition* is the most problematic group, as mentioned in the context of ethical behavior. The market economy system is based on competitions, the basis of which is the analysis of the strength of the

competitor, and the follow-up of possibilities to maximize its ability to weaken and overcome. On the other hand, there must be limits which cannot be exceeded or in a competitive fight. Competition must be treated equally with respect and empathy, because if this assumption is not respected, at least an organization is at risk of loss of reputation.

Business ethics we already named and characterized by two large groups of business ethics model, a group of expectations and a group of ideas. The last group is the group of values, which are *results* interactions between societal expectations and ways such as interpreted in the ideas. Results its possibly also characterize answers to questions like: *What is the economic effect of an organization activity? Was the action of the company in the frameworks of law? Is the action of an organization inclined to the environment? Are the products of a company acceptable in terms of health and safety at work?*

- a. *Economic results* or profit companies are the natural result of the business. Profit is a way in which an organization can evaluate its success or failure and is an essential feature of market capitalism. On the other hand, it is not an innovative idea to reduce business objectives only. Today, it has become increasingly obvious in developed countries that the statement of profits or losses is only one of the set of criteria that the company assesses the activities of an organization.
- b. *Behavior in the frameworks of the law*, it means the assumption that profit can be achieved without being infringed by law. The law is a minimum of ethics, the conclude that if an organization is no longer acting ethically, it shall at least comply with the law. Legislation will never be a panacea, but there must be at least a way to determine the boundaries of the forbidden and allowed.
- c. *Corporate awareness*, it is a requirement for a company to conduct an undertaking in the context of a conscious good, thus actively engaging in socially. The causes of a change in view compared to the past when it was enough for an organization to not act to be a complex to look for in a wider range of investors, but also in changing the social consciousness of the developed world. Businesses have begun to realize that they can benefit if they are suitably socially involved, such as the alliance of companies with charitable organizations, where a defined share of profits is distributed this organizations. It is the situation where all parties are satisfied.
- d. *Paying taxes*, it is one of the most problematic areas. On the one hand, the company's maintenance and development needs the means that mostly come from selected taxes. On the other hand, the tax policy often leads businesses to search for a variety of ways to avoid them, as businesses can lead to a mere collapse. This dilemma can be addressed through a compromise that stands at the basis of the obligation of each individual and the organization to participate in maintaining a functioning company.
- e. *Environmentally friendly*, it is now one of the most widespread factors that consolidate organizations towards businesses and their activities. They guarantee that their activities in developed countries do not appear to have any signs that might discredit them. In addition, the requirement for similar behavior in countries whose control mechanisms are not at the same level and in which this deficiency is abused in the environmental damage of the business.
- f. *Maintaining employment* or sustaining employment is the result of a company policy that often teetering between the dilemma of reducing costs and increasing efficiency by moving divisions, changing suppliers, outsourcing, leading to a reduction in the initial workforce or keeping them, but at the expense of lower profits or even higher losses. This point also includes the carrier Issue for this article to prove that one view does not exclude the other and is relevant to the possibility that an organization can be economically effective in the long term without going through a cost reduction policy.
- g. *Maintenance services*, it is the political decision of an organization to keep the service or product available, regardless of whether it is profitable or not in the place and time. As an example, some banking services that are accessible and feasible through the Internet are available, and there is no need to operate a stone branch in a small town with workers. But not every customer is technologically literate and flexible enough that it can reorient to such a way of using the service. The friendly decision of the company to preserve the original state is the expression of corporate culture and ethical access to the customer.
- h. *Acceptance of products* company varies according to increasing criteria and entitlements. If twenty years ago some tobacco marks were their logos with cultural icons, today is the primary information about their impact on the health of the customer. Similarly, we may provide a fast food business where the pressure on the way meals, the food used, or the health risk associated with their consumption can be strengthened. (Svensson & Wood, 2008, 318)

Analyzed model demonstrate conceptual framework of business ethics, which is possible to be as a complexity of business-related problems and ethics. Business ethics as one of area exploring disciplines of ethics and business.

Not yet completed and theoretical results this contribution they can complement the knowledge that is so far more inclined to the point of view that in the long run is ethical conduct in business more effective than its absence.

As evidence, below are some situations that this claim supports:

- First evidence is based on the conclusions of the American studio and notes: "*Generally, customers prefer to pay a higher price and maintain links to an organization showing trust than they should pay a lower price to the company, which ultimately does not deliver the goods or service at the required quality.*" (Svensson & Wood, 2008, 319) The original text uses the expression *Process Quality*, which refers to the customer experience with the resulting product, whether in the form of goods or services and proves that the costs associated with the application of ethical principles are refundable.
- The second evidence is a research comparison of the 350 largest companies of the London Stock Exchange. Research has divided companies into two groups. The first group consisted of companies having a code of ethics and a reputation for ethical behavior. In the second group absented any character of ethics in the business. Research has shown that ethical organization have shown higher financial stability and health features in three aspects:

Value added in the stock market, where they are more able to sell their shares, a larger group of investors.

In net economic added value, where they showed a greater difference between net profit after tax and the cost of securing and protecting investment capital.

In the price/profit ratio as one shared sold in the stock market. (Bowie & Schneider, 2011, 247)

- The third evidence reports to small and medium-sized companies and notes that the application of ethical models is much easier, and the resulting effect of their use is visible faster. The ethics model of fair dealing will guarantee a lasting relationship between the manufacturer and the seller. Thus, the basic ethical principle in this case is mutual trust.

For similar evidence it can also be considered facts that show a link between neglecting ethical principles and economic efficiency. Absence an ethical principles and instruments in the companies has long-term slowing its economic efficiency and often leads to company bankruptcy. Examples have been noted in recent years. From financial scandals relating to misleading statements in the accounts of large firms such as Enron or the world to speculation in the financial market for toxic securities, which ultimately led to the financial crisis and the bankruptcy or the prosecution of certain The US financial institution. (Bowie & Schneider, 2011)

If one is really interested in organizational efficiency and organizational development rather than just avoiding accountability and an approach based on integrity is much more promising. But before the organizational integrity approach can work, four challenges must be met:

- Creating an ethical framework.* Organizational integrity requires a much more prominent concept of organizational identity and accountability than its compliance.
- Reconciling practice with the principles.* This can be very problematic, especially in organizations whose processes, structure, system and decision-making are contrary to the values and principles adopted by senior management
- Overcoming cynicism.* This is one of the aspect of self-discipline, dishonesty and fakery as the core of human behavior. People often accept cynicism as a self-defense mechanism. This reference framework often prevents people from seeing the reality and can act as a barrier to the creation of ethical values.
- Solution of ethical conflicts.* This is a conflict of responsibility. Using a creativity, a potential conflict can be solved before it develops. However, severe compromises must be made, between the right and right, between two "goods". (Hartmann, 2005, 214)

Paine (1995, 16) proposed an ethical compass as a framework for the Integrity of Business Ethics. A useful starting point is to start answering some questions about four basic sources of responsibility:

- Purpose – what are organizations a fundamental reason for being-its ultimate goals?
- People - who are the constituencies to whom the company is responsible and who depends on success? What are their legitimate claims and interests?
- Strength - what are the organizational authorities and the ability to act?
- Principles - what are the duties or responsibilities of organizations, as well as their aspirations and ideals?

If used as a set of reference points, these issues can help to create a framework (see the figure 2) to compare progress on ethical issues as is mentioned in Perspective in Business Ethics by Hartman, Laura (2005, 281).

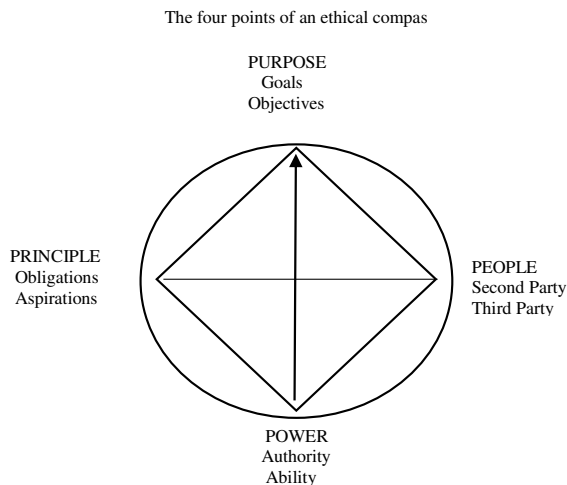


Exhibit 1

About the above these cases is not only a violation of the ethical principles, but also about breaking laws. A better example, although externally not as significant is the effect of, what creates a loss of reputation, the image of a company due to the absence of ethical principles in the conduct of the company externally to society as well as to the inside of the employees. The results can be:

- Loss of customers, which automatically leads to lower profits.
- Disrupting the relationship with suppliers, which is reflected in quality and indirectly again on the profits of the organization.
- Reducing the work ethic of employees, leading equally to decreasing quality and lower profits.
- More problems in acquiring new talents.
- To the decreasing value of the company in the stock market.

A value-based cultural approach to business ethics and compliance management works best. This approach requires the sincere commitment of management at all levels, including ongoing attention to key issues as fair treatment of employees, reward for ethical conduct, concern for external stakeholders and consistency between words and actions. The ethics program should be values-based, motivating employees to aspire to ethical conduct, encouraging them to question authority.

Conclusion

Based on above mentioned examples and research on disciplines business ethics it can be formulated a theoretical basis of this contribution: *"Unethical management almost necessarily leads to financial problems. Existing customers will be lost, and companies does not acquire. Sales will be reduced, which will also cause a reduction in the credit for which the renewal costs rise. This can lead managers and executive directors to reduce the costs associated with the comfort of employees, which will be negatively reflected in the results. In addition, bad practices alert the legal representatives, regulators and applicants to the situation and lead to their intervention, which will also lead to higher costs and lower profits"*. (Bowie & Norman, 2000, 152)

The analyzed schematic model of business ethics based on three main components and interconnected by five subcomponents contributes to the creation of a conceptual framework for business ethics and provides opportunities for further research in the field of business ethics. It provides a guidance on what and how to explore a common effort to understand the phenomenon known as business ethics.

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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.

Keywords: communication, internet, personal sales, marketing, sales support.

JEL Classification: M30; M31

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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 (Příkrýlová 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 Gbuřová and Matušíková (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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