

Analyse of the chosen localization factors of FDI in the Slovak Republic

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Abstract

European Union is a main player on a field of foreign direct investments (FDI) including both internal and external FDI. In the literature, there are many factors influencing decisions of foreign investors, including specific local (host country) determinants and home country characteristics. The aim of the proposed paper is to analyse chosen localization factors influencing investors by investing with emphasis on foreign direct investments.

Key words Foreign direct investments (FDI), Slovak republic, localization criteria

1. INTRODUCTION

Foreign direct investments (FDI) are those investments that are located abroad to gain a control over the business. Investor participates not only on the profit but also on the ownership so he can control and manage (Táncosková, 2004).

European Union is a main player on a field of foreign direct investments (FDI) including both internal and external FDI. This indicates not only potential of one market but also ability of the European companies from different industries to compete successfully on the markets of the third countries.

Recent decrease of the internal FDI has raised the question: what are the main factors influencing investors to invest within the EU and how to support the attractiveness of the Europe for the investors? (European Commission, 2013).

2. LOCALIZATION FACTORS OF FDI

Maier and Tödtling (1997) have introduced basic characteristics of the localization decisions of the businesses (including decisions of the foreign investors). They have compiled localization decisions criteria in various spaces (country, region, town, land) – see Table 1.

Table 1 Localization decisions criteria in various spaces

Space	Criteria
Country	Taxes, political and economical stability, unions, inflation, growth, regional state support
Region	Workforce characteristics, wages, unions, market dynamics, market access, area, economic structure, contractors, services, regional supports
Town (community)	Transport Access (plane, train, car), workforce quality and quantity, specific infrastructure (university, research facilities), local economic

	policy, life standard
Land	Infrastructure link, size and price, state of environment

Source: Maier a Tödtling, 1997

There are many theories which attempt to explain the determinants of FDI. These theories are significant steps towards the development of a systematic framework for the emergence of FDI. The literature examines a large number of variables that have been set forth to explain FDI. Some of these variables are included in formal hypotheses or theories of FDI, whereas others are suggested because they make sense instinctively. Most of the variables used in empirical studies appear in the UNCTAD's (1998) classification of the determinants of inward FDI.

Table 2 FDI determinants

1. Policy framework for FDI
Economic, political and social stability
Rules regarding entry and operations
Standards of treatment of foreign affiliates
General legal and administrative system that shape the structure and functioning of markets (e.g. competition & M&A policies, corporate and labour taxation, product & labour market regulations, IPRs)
International agreements on FDI
Privatization policies
Trade policies (tariffs and non-tariff barriers) and the coherence of FDI and trade policies
2. Economic determinants (by FDI motive)
2.1 Market seeking
Market size and per capita income
Market growth (potential)
Access to regional and global markets
Country-specific consumer preferences
Structure of markets (e.g. market concentration, entry barriers, pricing)
2.2 Resource seeking
Availability of natural resources (e.g. oil and gas, minerals, raw materials, agricultural land)
Physical infrastructure (ports, roads, power, telecommunication)
2.3 Strategic asset seeking
Skilled labour and quality of educational infrastructure (e.g. schools, colleges, universities)
Quality of technological and R&D infrastructure (e.g. research institutions, universities, ICT)
Innovation clusters
2.4 Efficiency seeking
Cost and productivity of local labour supply
Cost of raw materials and intermediate inputs
Cost of transport and communication to/from and within host economy
Financing cost
Industrial infrastructure (e.g. subcontracting and business services, supplier industries, industry clusters)
3. Business facilitation
Investment promotion
Investment incentives (tax and financial)
Cost related to corruption and bureaucratic inefficiency
Social amenities (e.g. quality of life)
Infrastructure and support services
Cluster and network promotion

Social capital

Source: European Commission according to UNCTAD, 2013

In the literature, there are many determinants often cited in the econometric studies.

DVH, CR, czech consulting and engineering company operating in the fields of the transport, environment protection, regional development and spatial planning has elaborated many studies containing the examination of the decision criterion and their importance according to the foreign investors. They have declared 10 the most important criterion influencing the investor decision the most by the multiobjective analysis technique.

The criterion influencing the most the foreign investors by the location selection:

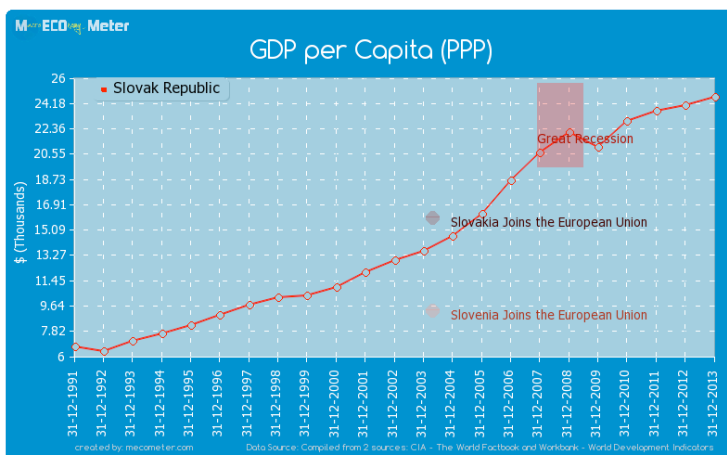
1. Human resources
2. Local economy
3. Property legal status
4. Territorial identity
5. Externalities
6. Environment
7. Transport
8. Infrastructure
9. Price
10. Integrity and conformity with the planning documentation (Burger, 2014).

3. CHOSEN FDI LOCALIZATION FACTORS IN THE SLOVAK REPUBLIC

Considering the relationship of FDI with several macroeconomic variables, some that might be thought to have a connection to FDI flows are the size and growth potential of the host market, economic stability, the degree of openness of the host economy, and income level, as well as the quality of institutions and level of development.

Market Size

Artige and Nicolini (2005) in Demirhan-Masca (2008) state that market size as measured by GDP or GDP *per capita* seems to be the most robust FDI determinant in econometric studies. This is the main determinant for horizontal FDI.



Graph 1: GDP per capita in the Slovak Republic

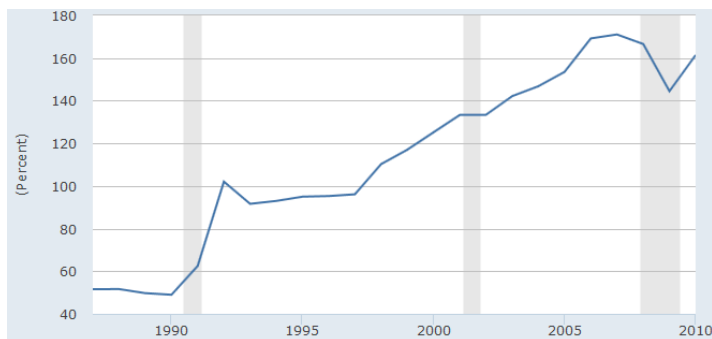
Source: MecoMeter, 2014

The GDP per Capita (PPP) of Slovak Republic is similar to that of Czech Republic, Seychelles, Cyprus, Greece, Portugal, Lithuania, Estonia, etc. Slovak Republic's GDP per Capita (PPP) had a positive growth of 81.3 (%) in the last 10 years from (2003 to 2013).

Openness

Charkrabarti (2001) in Demirhan-Masca (2008) states that there is mixed evidence concerning the significance of openness, which is measured mostly by the ratio of exports plus imports to GDP, in determining FDI, as well. The maintained hypothesis is: given that most investment projects are directed towards the tradable sector, a country's degree of openness to international trade should be a relevant factor in the decision.

Slovakia is also one of the most open economies in the world, according to the latest survey carried out by the International Chamber of Commerce, which shows that the country placed 14th out of 75 countries. The areas with the best evaluation are the openness of trade, the trade policy, and support for foreign investors, the *Hospodárske noviny* daily wrote. Based on the survey, Slovakia's openness is comparable to countries like Norway, Denmark and Austria. The list is topped by Hong Kong, Singapore and Luxembourg, while Bangladesh, Sudan and Ethiopia reported the worst results (Spectator, 2013).



Graph 2: Openness at constant prices for Slovak Republic

Source: *University of Pennsylvania, 2014*

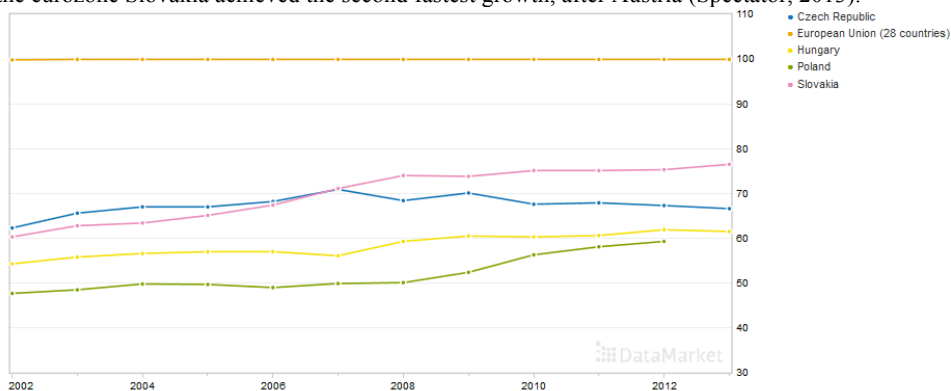
Labour Costs and Productivity

Charkrabarti (2001) in Demirhan-Masca (2008) claims that wage as an indicator of labour cost has been the most contentious of all the potential determinants of FDI. Theoretically, the importance of cheap labour in attracting multinationals is agreed upon by the proponents of the dependency hypothesis as well as those of the modernization hypothesis, though with very different implications.

In 2012, the average hourly labour costs in the whole economy were estimated to be €23.4 in the European Union and €28 in the eurozone, based on data of the Eurostat. In its statistics labour costs are made up of wages and salaries and non-wage costs, such as employers' social contributions.

However, Slovakia is far from this average, with its average hourly labour costs amounting to only €8.3. Lower labour costs were reported only in Bulgaria (€3.7), Romania (€4.4), Lithuania (5.8), Latvia (€6.0), Poland (€7.4) and Hungary (€7.5). Out of the Visegrad Group countries, the Czech Republic had the highest hourly labour costs, of €10.6. On the other side of the ranking is Sweden with the highest hourly labour costs in the region, €39, followed by Denmark (€37.2) and Belgium (€37.2).

While for 2012 Slovakia reported just slightly more than one third of the EU average with labour costs, it experienced one of the most robust growth rates. Between 2008 and 2012 its hourly labour costs rose 13.8 percent, the fifth fastest growth in the EU. Bulgaria ranked first with 42.6-percent growth, followed by Sweden (23.3 percent), Austria (15.5 percent) and the Czech Republic (15.3 percent). Thus, within the eurozone Slovakia achieved the second fastest growth, after Austria (Spectator, 2013).



Graph 3: Labour productivity per hour worked

Source: DataMarket, 2014

4. CONCLUSION

Recently, economists have focused on the analyse of the factors influencing the inflow of the FDI and the direct and indirect impacts of these investments. Direct impact of FDI is the increase of the financial capital volume that can be used to the economic growth. Despite of it, FDI bring also indirect positive effects. Therefore, the analyse of the factors influencing the decisions of the investors have become a very important field of study. Considering the relationship of FDI with several macroeconomic variables, some that might be thought to have a connection to FDI flows are the size and growth potential of the host market, economic stability, the degree of openness of the host economy, and income level, as well as the quality of institutions and level of development. We have focused on three of these mentioned factors. Market size measured by GDP per capita has increased during the searched period and it is similar to that in Czech Republic, Portugal, Cyprus, etc. Considering the openness, Slovakia is also one of the most open economies in the world. Slovakia's openness is comparable to countries like Norway, Denmark and Austria. On the other hand, by labour cost, Slovakia is far from average. Thus, within the eurozone Slovakia achieved the second fastest growth, after Austria considering the labour cost. Labour productivity during the searched period has grown, too.

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Application creditworthy and bankruptcy model in the current environment

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Abstract

The financial situation of the company is an integral expression of the results, which the company achieved in various areas of its activities. The aim of this paper is to present a credible bankruptcy forecasting models of financial situation. Point out the use of some models, financial analysis from the perspective of the future in the current conditions on the production of business entities. The paper is on a particular company introduced the multivariate discriminant analysis model and Altman credit index. Of the methods of scoring the application Tamarine model, Quick Test and balance analysis Douche Rudolf I, II.

Key words Prediction, Prediction models, Creditworthy models

INTRODUCTION

Predictive models based on the evaluation and interpretation of results obtained in the present and to foresee the development of financial-economic situation of the company. Such an analysis is financial analysis "ex ante". The literature ex-ante method called multiple terms, eg. prediction of failure, bankruptcy prediction, prediction of financial difficulties, the basic prediction, prediction of default, credit risk assessment, early warning analysis, forecasting analysis of financial situation, predictive analysis, and so on. Effort forecasting methods and models is to recognize in time the situation in the company and thus prevent potential problems. Scoring models are a tool of knowledge synthesis and performance analysis and analysis of financial position in order to assess the state of the financial situation.

METHODS OF SCORING A MATHEMATICAL STATISTICAL METHODS

Predictive models by (Pilch 2008) popular discipline of financial analysis by integrating the entire business analysis in a single index, coefficient, or within a certain number of points. All models are based on the assumption that some time in the company from bankruptcy, there is a certain characteristic differences in development compared to the financially healthy firms. In the literature we meet with a lot of prediction models, which affected various characters failure of businesses. According to (Kočíšová, Cuba 2012), these models have been constructed on the basis of actual data businesses that have gone bankrupt in the past, but also from businesses that "survived". The models are based on the fact that several years before bankruptcy occurs anomalies. These anomalies are manifested, for example, in a different level, variability, certain other development indicators in comparison with thriving businesses (mostly these are common problems with liquidity and profitability).

Creditworthy models respond to the question of whether the company is financially sound, or has financial difficulties. The method of scoring is significant that the values of selected financial indicators are transformed into points using a scale. These scales are usually determined by expert methods. Simple, respectively, weighted sum of points is then variable, under which predicts the next financial development of the company. Depending on the construction point scale in some methodologies considered positive for the greatest number of points in others the least number of points.

Mathematical-statistical methods are widely used in forecasting financial development companies. Their advantage is that the conclusions drawn from them using, are not affected by subjective views and experiences of experts, but they are exact. The group of mathematical and statistical methods include univariate and multivariate discriminate analysis. Univariate analysis classified only as a prosperous company or ailing, based on only one indicator. Multivariate discriminant analysis takes into account the classification of companies and their development in the future, a number of indicators that do not overlap. Only to be expected that the analysis will result in a more comprehensive knowledge and conclusions (Jenčová 2014).

Figure 1 provides a schematic overview of the different models of ex ante financial analysis.

APPLICATION OF SELECTED PREDICTIVE METHODS IN MANUFACTURING ENTERPRISES

The most widely used methods of estimating a company's financial viability are the Tamarine risk index (1966) and Kralickuv Quicktest. Implementation of rapid tests and Tamarine risk index as methods of scoring to assess a company's financial viability were examined. The Tamarine index shows that, for a different era, a score of greater than 60 points on the Tamarine risk model implies that a company has good financial standing and therefore good prospects for surviving (Table 2). Modelling based on rapid tests relies on four indicators: these scales assessed the financial situation in 2010 as bad and in 2008 as a moderate.

Table 1 Quick Test

Indicator	2010		2011		2012		2013	
	Value	Points	Value	Points	Value	Points	Value	Points
SSAM	75,96%	1	77,42%	1	82,36%	1	83,54%	1
Return Capital	-16,08	5	5,83	3	3,24	2	3,51	2
Cash Flow II. / Revenues	-1,02%	5	2,36%	4	3,44%	4	3,21%	4
Return on Investment	5,85%	4	10,09%	3	6,04%	4	5,55%	4
Sum	zlý	15	stredný	11	stredný	11	stredný	11
Quick Test	bad		medium		medium		medium	

Source: Own processing

Table2 Tamarine risk index

Indikátor	2010		2011		2012		2013	
	Value	Points	Value	Points	Value	Points	Value	Points
Equity / Liabilities	3,159	25	3,428	25	4,670	25	5,075	25
Return on Equity	0,077	25	0,130	25	0,073	25	0,066	25
Current liquidity	1,700	15	2,413	20	3,103	20	3,749	20
Cost /Nedok. V	9,299	3	19,111	6	19,955	6	21,326	10
Sales / Ø Receivables	4,379	6	3,842	3	4,095	6	3,942	3
Cost /Cash Flow	-93,981	0	39,708	0	27,952	0	29,957	0
Sum		74		79		82		83
TRI	high		high		high		high	

Source: Own processing

Ultradimension diskriminatory analysis

Table3 Altman model (Z-score)

Indicator		Scales	2010	2011	2012	2013
Net working capital / Total liabilities and Equity	X_1	0,717	0,404	0,456	0,481	0,505
Retained profits from previous years / Total liabilities and Equity	X_2	0,847	0,077	0,103	0,174	0,197
Earnings Before Interest and Taxes / Total liabilities and Equity	X_3	3,107	0,071	0,128	0,077	0,077
Equity / liabilities	X_4	0,420	3,159	3,428	4,670	5,075
Revenues / Total liabilities and Equity	X_5	0,998	1,463	1,639	1,583	1,462
$Z = 0,717 X_1 + 0,847 X_2 + 3,107 X_3 + 0,42 X_4 + 0,998 X_5$			3,363	3,889	4,271	4,359
Financial Health is			good	good	good	good

Source: Own processing

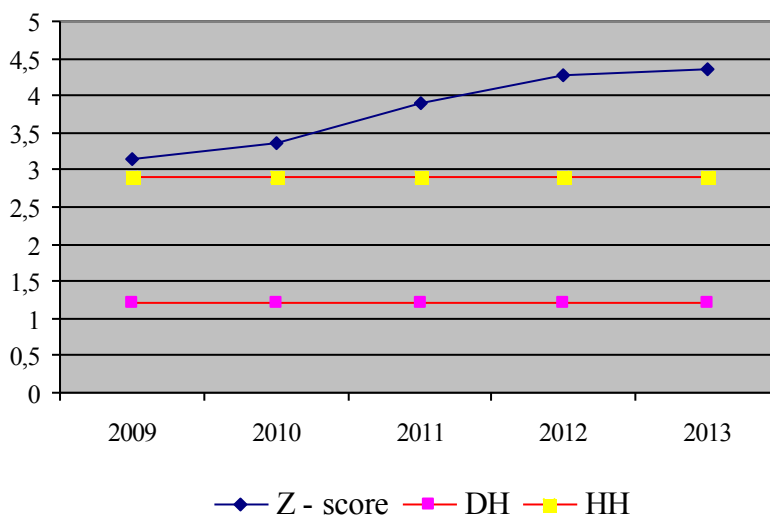


Figure 1 Z-score 2009-2013

Source: Own processing

Altman index was developed in the United States and does not follow the conditions of Slovak businesses, yet in practice very popular. Based on the model, it is possible the financial health of the company described as good, the Z-scores are above 2.9. According to the methodology for quantifying credit index it can be stated that the application of credit index pointed in different periods in extremely good financial situation.

Table 4 Index Creditworthiness

Indicator		Scales	2010	2011	2012	2013
Net working capital / Total liabilities and Equity	X ₁	1,50	1,681	2,019	2,726	3,066
Total liabilities and Equity / Liabilities	X ₂	0,08	4,159	4,428	5,670	6,075
Earnings Before Interest and Taxes / Total liabilities and Equity	X ₃	10,0	0,070	0,127	0,076	0,077
Earnings Before Interest and Taxes / Revenues	X ₄	5,00	0,048	0,078	0,048	0,053
Inventory / Total Assets	X ₅	0,30	0,268	0,189	0,172	0,160
Revenues / Total liabilities and Equity	X ₆	0,10	1,463	1,639	1,583	1,462
$IC = 1,5 X_1 + 0,08 X_2 + 10 X_3 + 5 X_4 + 0,3 X_5 + 0,1 X_6$			4,025	5,265	5,757	6,316
Financial Health is			extremely good	extremely good	extremely good	extremely good

Source: Own processing

Balance analysis system according to Rudolf Doucha in the manufacturing business in 2013:

Balance sheet analysis I.

Financial Leverage Ratios (S) = Equity / Non-current assets = 2,187990401

Liquidity ratios (L) = (Cash and cash equivalents total + Receivables) / $2,17 \times$ (Current liabilities total) = 1,727746224

Asset Managemet Ratio (A) = Production / (2 $\times$ Liabilities)

Profitability Ratios (R) = $8 \times$ Earnings After Taxes / Equity = 0,443632606

$C = (2 \times S) + (4 \times L) + (1 \times A) + (5 \times R) / 12 = 12,37906491$; These Values are Good.

Balance sheet analysis II.

Indicators of stability:

S1 = Equity / Non-current assets = $13\,451\,629 / 5\,940\,931 = 2,264229125$

S2 = $2 \times$ (Equity / Non-current assets) = $(2 \times 13\,451\,629) / 5\,940\,931 = 4,52845825$

S3 = Equity / Liabilities = $13\,451\,629 / 2\,639\,577 = 5,096130554$

S4 = Total assets / (5 $\times$ Current liabilities total) = $16\,102\,279 / 5 \times 2\,017\,846 = 1,595986909$

S5 = Total assets / (15 $\times$ Inventory total) = $16\,102\,279 / (15 \times 2\,579\,571) = 0,416148758$

$S = (2 \times S1) + S2 + S3 + S4 + (2 \times S5) / 7 = 2,36876164$

Liquidity ratios:

L1 = (2 $\times$ Cash and cash equivalents total) / Current liabilities total = 2,5145

L2 = (Cash and cash equivalents total + Receivables) / Current liabilities total = 3,749

L3 = (Current assets) / Current liabilities total = 5,0275

L4 = (3,33 $\times$ Working capital / Liabilities) = 2,056

$L = (5 \times L1) + (8 \times L2) + (2 \times L3) + L4 / 16 = 3,4173$

Asset Managemet Ratio:

A1 = (0,5 $\times$ Sales) / Liabilities = 0,6155

A2 = (0,25 $\times$ Sales) / Equity = 1,3684

A3 = (4 $\times$ Value added) / Sales = 2,2776

$$A = (A1 + A2 + A3) / 3 = 1,0872$$

Profitability Ratios:

$$R1 = (10 \times \text{Earnings After Taxes}) / \text{Liabilities} = 0,7910$$

$$R2 = (8 \times \text{Earnings After Taxes}) / \text{Equity} = 0,5310$$

$$R3 = (20 \times \text{Earnings After Taxes}) / \text{Liabilities} = 1,109$$

$$R4 = (40 \times \text{Earnings After Taxes}) / (\text{Sales} + \text{Production}) = 0,8314$$

$$R5 = (1,33 \times \text{EBIT}) / \text{Earnings After Taxes} = 1,878$$

$$R = (3 \times R1) + (7 \times R2) + (4 \times R3) + (2 \times R4) + R5 = 0,827$$

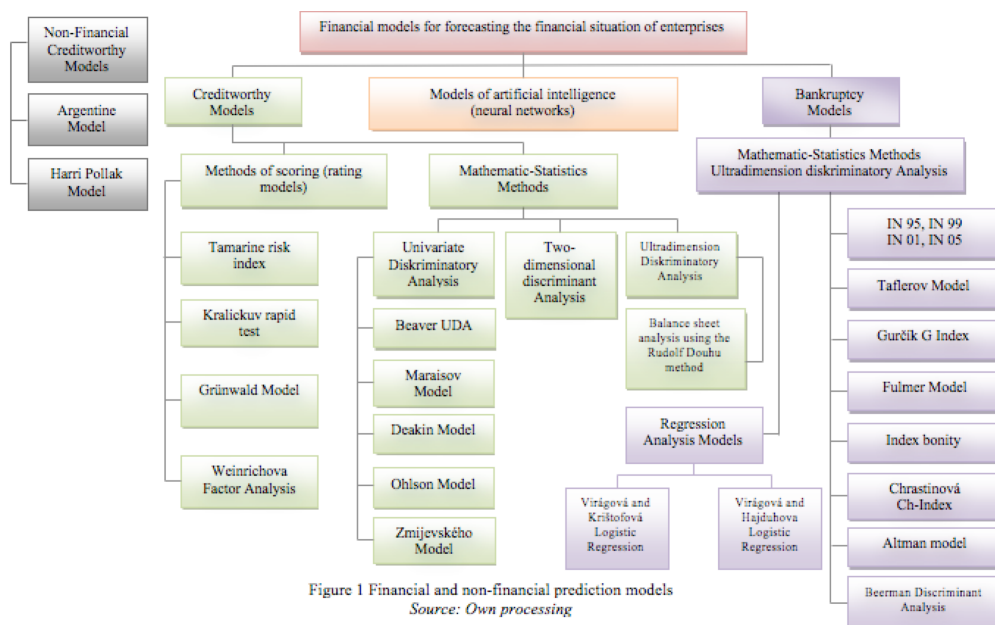
$$\text{The overall indicator } C = (2 \times S) + (4 \times L) + (1 \times A) + (5 \times R) / 12 = \mathbf{1,9693}$$

The overall indicator of the balance equation Douchová II in 2013 reached a value greater than 1, indicating a good situation.

ADVANTAGES AND DISADVANTAGES IN APPLIED MODELS

Model	Advantages of the model	Disadvantages of the model
Models Altman	Variables in the models reflect different aspects of the business model provides the possibility of dynamic forecasting of financial stability. Different models are developed: for companies whose shares are publicly traded on a stock exchange; for companies whose shares are not publicly traded on a stock exchange; for developing markets.	It does not take into account the particular characteristics of the functioning of the economy. Weight indicators are based on statistics that reflect the dynamics of development of enterprises in other conditions, and are significantly different from Slovak.
Quick test	Provides a more convenient and rapid calculation, the feasibility of external diagnostic analysis based on financial statements.	It does not take into account sectoral and regional specificities functioning of the economy.
Tamarine risk index	Enables comparison with average values in the industry.	It is not possible to calculate the index on the basis only of the financial statements.
Model Rudolf Douchy	Ease of calculation, the feasibility of external diagnostic analysis based on financial statements. Models are developed for the conditions of the Czech Republic, which are close to the SR.	It does not take into account the particular characteristics of the functioning of the economy.

Source: (Bondareva 2011).



CONCLUSION

Methods for comprehensive evaluation of enterprise excel in a certain transparency, but lose due to its inaccuracies. It is necessary that financial analysts to clarify the financial health of a company while simultaneously use several methods of assessing prognosis. Every financial analyst can assess the financial situation of enterprises generate their own model. In terms of the results achieved financial and economic analysis financial manager should be focused on one indicator summaries on which could prolong the situation in which the company is located.

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Development of pro-consumption orientation in the behaviour of Polish consumers

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Abstrakt

The main aim of this paper is to describe the impact of the pro-consumption orientation on human behaviour in the sphere of consumption. The author at hand focuses on the answer to the following question: To what extent does the pro-consumption orientation associated with the ideology of consumerism influence the direction of consumer behaviour of Polish people? The realization of the assumed goal was possible thanks to the application of the method of critical analysis of literary sources relating to consumption and quantitative analysis methods. As a result of research, the development of the most important trends in consumer behaviour associated with pro-consumption attitudes were indicated, namely spontaneous consumption connected with over-consumption, consumption for pleasure and consumption directed towards novelties. The practical implication of the research run is the indication of the direction of the development of consumption, namely over-consumption stimulated by the ideology of consumerism. However, the social implication of this paper is the emphasis on the pro-consumption orientation in consumption and its social consequences.

Key words: consumption, consumer behaviour, consumerism.

1. Introduction

The socio-economic transformation that has taken place over the past twenty years in Poland has had a significant impact on changes in the sphere of consumption. Poland has become transformed from a society with insufficient consumer goods characteristic of the 1980s into a society with an excess of consumer goods, in which there is a prevalence of pro-consumption attitudes. The effect of this transformation in the social sphere is that of change in the attitude of people towards consumption. Consumption has become an aim to strive for in the case of a multitude of people, which has an impact on the direction of their activities. It is utilized as a factor enabling the building of individual identity and sense of belonging to a group. It serves to preserve the social status and confirm the position held in the social structure, as well as having an impact on the formation of the system of values and personality of a person.

The process of growth in the significance of consumption in society and in the lives of individuals is visible in terms of the consumer attitudes and behaviour that are geared towards the excessive possession of consumer goods. Pro-consumption orientation is becoming one of the significant factors determining social behaviour. These trends are reinforced by among other things, the spread of the ideology of consumerism, the growth in significance of hedonistic values in consumption, expansion of the offer of

goods and services into new spheres of social life, changes in the function of goods satisfying basic needs and the increase of leisure time. Becoming familiarized with the factors influencing the spread of pro-consumption orientation facilitates the definition of the direction of the development of consumption in Poland.

2. Consumerism as a factor stimulating the development of pro-consumption orientation

In the deliberations on the social transformation in the 21st century, it is worth considering the significance of consumption in contemporary society. Since the mid 1990s, a significant change in the perception of the role of consumption in social life has been taking place. Bauman (2008:13) indicates that consumption has become an aim in itself for the majority of people, thus it is a phenomenon that is self-driven. Consumption is of an autotelic nature, that is turned towards itself, or in other words: "... it sustains itself and enhances, exclusively serving" (Bauman 2007:174). All these areas of the lives of individuals are subject to the syndromes of consumption, which become evident in that they influence the perception and practically all areas of activities of people. Interpersonal and social ties are shaped on the similarity of the means and objects of consumption. Z. Bauman is of the opinion that this syndrome is in its own way: *"... a diverse group of approaches and strategies, cognitive dispositions, value judgements, exposed and hidden convictions about the world, as well as how to proceed along the ways through this world, visions of happiness and ways of achieving it, preferred value basis"*(quoted on behalf of Jawłowska 2005: 54-55). Hence, consumption is of special significance for the identification of individuals as by comparison with the family, the social level or work, its impact is greater. While family ties, the sense of belonging to a social group or working conditions constantly change, consumption remains unchanged, in which this does not refer to the fact that an individual actually consumes but rather constantly consumes. On the one hand, consumption enables the fulfilment of needs that are essential for existence, whereas on the other hand, it has become a central institution of socialization and predominant principle organizing social life.

As an element of new culture, the so-called *"culture of consumption"* is a part of the *"ideology of consumerism"*. In scientific literature, the term *"consumerism"* is perceived from the viewpoint of various perspectives. From the point of view of sociology, it is perceived to be a part of social life. A typical example of this notion is portrayed in the concept of Bauman (2009), which associates consumerism with a type of social structure, *"...which coordinates the reproduction of the system, social integration, social stratification and formation of human entities, as well as playing a basic role in the processes of creating the identity of these individuals and groups and in the choice and application of the strategies of life of the said individuals"*(Bauman 2009: 36).

In this perception, consumerism is of a totalitarian nature, which has an impact on all walks of social life, both in terms of society, as well as communities and indeed individuals. This does not leave any alternatives for the people themselves. In order to be a "fully accepted" member of society, it is necessary to become subject to the impact of consumerism. In turn, Miles (1998) feels that consumerism constitutes a bridge connecting an entity with the society as a whole. In these terms consumerism may be defined as follows: *"...as a psycho-social expression of the intersection between the structural and the individual within the realm of consumption. The consuming experience is psycho-social in the sense that it represents a bridge that links the individual and society."* (Miles 1998:1). An individual becomes a full member of society by means of consumption, in which he/she is accepted and rewarded for fulfilling the role of a consumer. However, Bockock (1993) perceives consumerism as an active ideology which suggests that life is based on first and foremost, purchasing items and feeling experiences provided in packages of consumer goods. (Bockock 1993:48). A characteristic feature of consumerism is that of the excessive consumption of goods which is not justified by the actual needs of an individual. Artificial needs are aroused under its impact, which give rise to the unfulfilled search for items on the market.

Nevertheless, from the perspective of ethics, consumerism is identified with the approach to life, which in turn is the unhindered strife towards the acquisition of consumer goods and services serving to solely satisfy personal needs and pleasures. In this perception, it fulfils a destructive function in society. In the words of (Marianński 2008:220) *“consumerism almost reduces the whole complexity of human life to an economic factor”*. A similar view is held by Slater (1997), according to whom consumerism is amoral, if not immoral. *“If there is no principle restricting who can consume what, there is also no principled constraint on what can be consumed: all social relations, activities and objects can in principle be exchanged as commodities. This is one of the most profound secularizations enacted by the modern world”* (Slater 1997:27).

The approach presented above indicates the multi-dimensional nature of the notion of consumerism. It may be both acknowledged as an ideology, as well as a way of life associated with excessive consumption. Consumerism shall be perceived in terms of the categories of ideology. Ideology is to more often than not justify the prevailing social order and control that is ensured by the ruling authorities. Hence, it is to reflect and justify the reality to which it relates to (Bell 1994:96). Consumerism plays an important function in a consumer society and provides a new vision of life for people. It indicates that the most important goal for a person should be that of consumption. In the view of S. Miles, consumerism subordinates streams of consumers all over the world. It penetrates everyday life and the structures of the everyday experiences of people. By means of the constant changes in its form, it becomes attractive, thus reinforcing its impact on people (Miles 1998:3).

(Bartholomew 1988: 6-9) in analysing consumerism, distinguishes the following features: Firstly, he indicates the culture of consumption as the basis of consumerism, in which values accrue from consumption. Secondly, consumerism is identified with the individual choice. The freedom to choose a product, lifestyle or personal identity is the prevailing principle in the contemporary consumer society. Thirdly, needs are restricted and unfulfilled in the consumer culture. Consumerism offers ways of satisfying our needs, however ironically speaking, new needs constantly emerge which leads to the feeling of unfulfilment and this in turn, forces consumers to search for increasingly new consumer goods.

The force of consumerism lies in the fact that it provides the instruments (consumer goods and patterns of consumption) serving the individual and collective identity of all entities at each time and place in the world. The advantage of this ideology is the fact that it offers new forms of social life and forms of identification that blur the social class differences. It is possible to state that it ensures the illusion of equality in inequality, or in other words, the fact that people have equal access to consumer goods, but only those who possess the appropriate financial resources may acquire them.

The impact of consumerism on the behaviour of consumers is strengthened by hedonistic values that take on the form of orientation towards pleasure and the “here and now” mantra. Orientation towards pleasure signifies the pursuit of feeling pleasure during the course of making a purchase and consumption of a given product. In turn, the orientation of “here and now” means that a consumer by buying a given product is striving towards the state of feeling satisfied immediately and in one instant. Consumer goods should bring satisfaction immediately and this feeling should conclude when the time of need for consumption passes. (Bauman 2000:97) feels that *“the reduction of time is attained with the greatest level of success if consumers can not focus their attentions or focus their desires on one item for a longer period of time”*. Temporal orientation is best reflected by the following motto “live for today”.

By way of conclusion, we may state that pro-consumption orientation is stimulated by the ideology of consumerism associated with hedonistic values and individualism, which results in over-consumption, as well as waste and destruction of consumer goods.

3. Research methods

The identification of the main orientations in consumer behaviour was one of the aims of the research on consumer competences that was realized within the framework of the research project entitled „Kompetencje konsumentów jako stymulanta innowacyjnych zachowań i zrównoważonej konsumpcji” (Competences of consumers as a stimulant of innovative behaviour and balanced consumption) no. 2011/03/b/hs4/04417. This research consisted of two stages. The first stage was that of quantitative analysis, which was carried out with the aid of the omnibus method. This method was carried out on a representative nationwide sample group of 1,000 Polish people aged between 15-74 in the period of June-July 2013. However, the second stage referred to research with the aid of a standardized questionnaire realized with the CATI technique. The CAPI technique was also applied (interview supported by a computer), during the course of face-to-face meetings in the homes of respondents. Respondents were selected for research in accordance with the quota with regard to the following features: sex type and age. The representative sample facilitated the extrapolation of results in terms of the adult population of Polish people with the margin of error at +/- 3.2%. Quantitative research provided empirical material, which enabled the analysis and evaluation of the consumer behaviour of Polish people.

4. Pro-consumption behaviour of Polish people in light of research

4.1 Spontaneous behaviour

One of the factors characterizing the pro-consumption orientation is that of the spontaneous behaviour that is displayed under the influence of emotions. Impulsive buying is characterized by the fact that the decision to purchase a given product is taken quickly without any deep thought. According to Haubl (1999), a large proportion of consumers make purchases under the influence of an impulse, while paradoxically “impulsive buying” is planned (Haubl 1999: 218) although this does not refer to planning on the part of the consumer, but the seller. Sellers in planning an increase in the sale of products offered by them search for solutions which would strengthen their impact on consumer decisions. With this aim in mind, they apply differentiated marketing techniques, e.g. gratification, gifts, discount offers or changes in the decor of the shop and playing attractive music in order to create a pleasant atmosphere that favours spontaneous purchases (Kaczorowska 2012: 83). Prisching (2009) feels that the aim of the producer and his offer is to create a state of consumption trance in terms of a potential buyer, which involves the situation whereby the world of consumer goods becomes the most important in the case of a consumer (Prisching 2009: 182). In order for consumers to carry out impulsive purchases, they should have the feeling that the act of purchasing is a pleasure for them, as well as a solution to psychological tension and fulfilment of dreams.

In Poland, consumers relatively frequently make purchases under the influence of impulse. Research on consumer behaviour indicates that 59% of Polish people declare having this type of behaviour. These are usually conscious consumers who possess knowledge in the following spheres: financial management of households, understanding information on labels/package of products, balanced consumption, availing of the Internet, browsers etc. (60% of conscious consumers declared that they frequently or sometimes purchase products in a spontaneous manner). Spontaneous consumers are usually women (62%), aged between 18-29 (69%), have higher level education (70%), evaluate their material situation as good (65%) and live in a city of over 100,000 inhabitants (74%). The feature of spontaneous purchases is that of irrationality in taking a decision to buy a product. This is the result of the pursuit of having goods regardless of the financial possibilities. This is characterized by the response “*If I want to have something, I buy it and I don't think about whether I can afford it or not*”. This answer is significant for 16% of the Polish people analysed. Other determinants of spontaneous behaviour are positive emotions associated with the purchasing process. These are the results of the impact of factors associated with a

product (e.g. nice packaging), as well as social factors (e.g. fashion). Nice packaging is an important determinant that influences the consumer decision in the case of 8% of the respondents under analysis, similarly to fashion which is also important in the case of 8% of Polish people. By way of conclusion, it is possible to say that spontaneous consumers are usually young women who have a relatively good material situation. They are featured by a fascination for consumption and abide by the principle “the cost doesn’t matter”, in which spending money is more important than earning it. They have the tendency to be exuberant purchasers, or in other words, they buy goods under the impact of the moment and frequently buy unnecessary items. The world of consumption and the world of dreams interpenetrate each other in their case (Bylok 2005:376).

Pro-consumption orientation is strengthened by advertising which entices a consumer to purchase and possess increasingly new consumer goods. The aim of advertising is on the one hand to arouse new desires, while on the other hand to modify those that already exist. In the opinion of (Bauman 2008:28), advertising serves to sustain the desire for items which we do not possess and feelings we have not yet experienced. Consequently, an individual is never fully satisfied with the consumption of a given product as new desires associated with new goods are constantly appearing. An advertisement, by availing of psychological techniques suggests to its target audience the possibilities of achieving happiness, beauty, good health and long life following the purchase of the advertised product. From this viewpoint, advertising functions similarly to mythology in a primitive society, namely it has all the simple answers to all the complex problems (Bylok 2013:134).

Research on the behaviour of Polish people in the sphere of consumption indicates that advertising has a significant impact on their purchasing behaviour. Analysis of responses to the following question: “*In your opinion, do Polish people buy items under the influence of advertising?*” reveals that 34% of Polish people definitely make purchases on the basis of advertising. However, 51% of Polish people rather buy under the influence of advertising. In turn, when the following question was asked: “*Do you buy products or services under the influence of advertising?*”, the responses were different. A mere 16% of those analysed indicated that they purchase consumer goods under the influence of advertising. This divergence in terms of responses results from the fact that most frequently, the Polish people analysed do not admit to the impact of advertising on their purchasing decisions. This is confirmed by other research carried out. For instance, research on the impact of advertising on purchasing behaviour reveals that only less than 1/4 of Polish people deem that an attractive advertisement is important when making a decision about purchasing a new product (OBOP 2003: 6). To conclude, it would seem that advertising has a significant impact on a purchasing decision despite the fact that people declare that its impact is slight as people gain knowledge about new products most often from advertisements. Analysis of consumption competences indicates that consumers find out about new products first and foremost from advertising (27%), while subsequently from shop shelves (during the course of making purchases - 18%), from the Internet (14%) and from acquaintances (10%).

4.2 Pleasure-seeking behaviour

Pro-consumption orientation is strictly connected with the pursuit of feeling pleasure. Motives associated with pleasure stimulate the activities of consumers. Pleasure constitutes the essence of contemporary consumerism. An attempt to clarify this was made by (Campbell 1987:338), who indicated that the feeling of pleasure is the result of tension occurring between a dream and usefulness. However, (Appaduraj 2005: pp.126-127) is of the opinion that pleasure lies in the tension between the existing nostalgia for the past and a dream where the present is illustrated as if it was the past. Orientation towards pleasure signifies the situation whereby a consumer purchases products not due to their functional value, but due to their intangible features, such as the following: taste, fragrance, aesthetic appearance etc. that have an impact on the feeling of pleasure. The intangible content of goods is becoming an important component in the subjectively felt quality of life (Weinberg 1986: 97-102).

Pleasure may be felt during the course of doing shopping, as well as consuming goods that contain the potential of pleasure.

Research on the behaviour of Polish consumers indicates that purchasing provides pleasure for 51% of respondents. Simultaneously, the act of purchasing a product is above all the source of pleasure for women aged 18-29 who live in cities of more than 100,000 inhabitants and have a positive evaluation of their knowledge in the sphere of consumption. Female consumers geared towards achieving pleasure are very well-educated (higher-level and medium-level education) and in the majority of cases belong to the middle class. These are people who are relatively wealthy and who assess their material situation as good. In the case of this group of consumers, satisfying the need for pleasure is an important motive in undertaking activities on the market of consumer goods. This is frequently the result of the impact of external factors, namely the mass means of communication, advertising, fashion, etc.

Another type of behaviour in terms of a consumer geared towards the feeling of pleasure is strolling around shops without the intention of purchasing a specific product. A consumer experiences pleasure during a stroll around shopping malls or shopping centres while viewing window displays, touching luxurious products without purchasing them. The main source of pleasure is the vision of the feeling of satisfaction from using the goods that are to be found in these malls, window displays or presented at fashion shows. The function of usefulness of these products is secondary in terms of significance as only the "dream potential" counts. Hence, it is possible to agree with the statement of (Bauman 2000:99) that *"Consumers are first and foremost collectors of impressions, they collect only secondary items as derivative experiences"*. Analysis of consumer competences reveals that consumers experience pleasure during the course of shopping not only through the act of purchasing, but also thanks to touching products, trying on clothing, walking around while they can observe window displays. This type of behaviour is characteristic for 41% of the Polish people analysed. These are usually women aged between 18-29 who live in cities of less than 100,000 inhabitants, while also earning relatively low incomes and having the status of unemployed. Hence, these are people who want to experience pleasure in terms of consumption, but who can not afford to purchase the goods that have the potential of pleasure. In order to substitute for this behaviour, consumers undertake different activities that are associated with observing window displays, as well as touching and trying on clothing in shops.

4.3 Behaviour associated with new products

Experiencing pleasure in consumption is associated with the constant pursuit of possessing new products. New goods are becoming the means of attaining pleasure. The novelty of a product is the incentive for the realization of the so-called "daydreaming". Thanks to the purchase of new goods, a consumer hopes to fulfil his dream, as potential pleasure lies in secrecy. Campbell (1987) explains this process with the aid of a modified model of consumer decisions as follows: *yearning - purchase - utilization – disappointment* (Campbell 1987: 84). In this model, need is replaced by yearning (dream). Fulfilment of a dream is the indicator of attaining pleasure. With the purchase of a new product, an individual confronts "daydreaming" with reality. In the case of a discrepancy between the dream and reality, a consumer searches for another new product which would match the vision of an ideal product.

In Poland, some consumers search for new products on the market for the purpose of entertainment. The response *"I like to buy new products to try them out"* is characteristic for 24% of the respondents analysed. These are usually women aged 18-29, relatively well-educated (30%), living in cities of 100,000 inhabitants or more, while evaluating their situation as good (30%). These people have a positive opinion about their consumer competences (24%). In the process of purchasing new products, the feeling of satisfaction with the purchase of a specific product is important. In many cases, the vision of a new ideal product is not matched by the goods purchased. The state of dissatisfaction appears, which however lasts only a short time and is the incentive to create new frameworks of dreams based on new goods (Campbell 1987: 92).

Polish consumers in purchasing new products under the influence of fulfilling a whim or dream display various attitudes with regard to this type of behaviour. In the case of some respondents, feelings of guilt were displayed with regard to the purchase of a new product (42%), while also indifference accompanies the purchase of a specific product (40%). However, joy is the feeling which is expressed by 14% of Polish people in terms of purchasing a new product. The feeling of joy from possessing a new product is first and foremost expressed by women (23%) aged between 30-39 (26%), with higher level education (22%), living in rural areas (20%) and defining their consumer competences as relatively high (20%).

5. Conclusion

In Poland in the 21st century, pro-consumption orientation associated with over-consumption is becoming increasingly widespread. Regardless of the class level, people pursue the possession of new goods and experience pleasure from their purchase and consumption. Nevertheless, a lifestyle associated with over-consumption deemed to be the peak of human development in many cases turns out to be the source of a constant lack of satisfaction and lack of happiness.

Research on the consumer behaviour of Polish people has confirmed the existence of pro-consumption orientation in Poland. A detailed socio-demographic analysis facilitated the definition of the profiles of consumers geared towards over-consumption. These are usually relatively young people, holding high social positions and evaluating their standard of living as good. The preferred lifestyle associated with increased consumption among young consumers is a significant determinant in the development of the pro-consumption orientation. Getting accustomed to possessing and consuming goods to satisfy the need to experience pleasure may become a constant trend in the development of consumption in Poland.

By way of conclusion, pro-consumption orientation shall continue to dominate for a long time in Poland as people do not want a "return to nature", or in other words, renouncing the pleasures of consumption. For a long time, Polish people could not afford to possess goods that would satisfy their higher needs associated with post-material values. In a situation whereby there is excess goods on the market and the growth of the potential possibilities of their purchase, they started purchasing the desired goods previously acknowledged to be luxurious without moderation. These pro-consumption attitudes have been present since the beginning of the 1990s in Poland (Bylok 2005:360-369).

Despite the increased significance of the pro-consumption orientation in terms of the behaviour of Polish people in the sphere of consumption, there are symptoms of the development of the orientation towards restricting consumption emerging. As in the case of a multitude of highly-developed societies, an increasingly greater role shall be played by a lifestyle propagating moderation in terms of consumption and greater care for the natural environment. For instance, research carried out by Alexander and Ussher reveals that a lifestyle associated with restricting consumption is already being practiced by 20% of the population of highly-developed countries (Alexander, Ussher 2012: 82).

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Google Applications and their usability for Business

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Abstract

The article deals with the importance and possibilities of use of services, products and applications offered by Google. Points to the fact that the correct use of these applications may result in to more effective communication within the organization to better document management and an overall better accessibility to get information to the employees. After the introduction to the problems provides a comprehensive overview of the research problems and presents an image of the current situation within the Slovak companies.

Key words Google, applications, business

1. INTRODUCTION

Attracting new customers, properly targeting the right people at the right in today's world is not as difficult as a few decades ago. The cause of this fact is the development of information technology and internet penetration. Google company takes the important position within internet services, which in addition to services for common users, provides a portfolio of tools aimed at businesses. Cognition and use of these instruments may for firms not only simplifying their work, but also save time, money and last but not least, gain a competitive advantage.

1.1 Google 's Offer for Business

In the past, if some company had an ambition to create and operate their own e-mail system, web pages, share data and information among users and ensure the normal communication between them, there were basically only two main options. In the first case, they built their own infrastructure with their own server, but this represented a high cost. The second option was to order a few types of services that were not integrated together and thus failed to effectively communicate together and work.

A few years ago new possibilities came to an Internet market a new offer and the possibility of creating their own compact and well-functioning "online" office using Google Apps. These applications were designed and are still operated by Google company (Stross 2009). These applications, of course, since 2006, when it was first started testing these programs have gone through a long development and improvement occurred when their spread. Today's appearance is vastly different from the original and is able to completely satisfy even the most demanding clients (Hoelzle 2012).

With correct using Google applications for businesses, the companies can gain both time and cost savings, as these funds would otherwise have to invest to manage IT services. Google applications can take care of most of the difficulties and problems that are associated with the processing of e-mails, but also with eg the issue of data security. Google company currently employs more than 10,000 employees, of course, these applications within the company's management are also used. Author Conner (2008) in his publication expressed the view that if those applications comply with such a great company, it clearly shows that it must be sufficient also by using then in the smaller companies.

Applications for Business are nowadays available in two versions. For the basic version are all Google applications completely free and companies can use memory size of 6 gigabytes. Premier version offers all of the products that are available in the standard (basic) version plus offers some extra applications. Additional amenities unquestionably are a 25 gigabytes storage space inbox for a single account, integration and transfer e-mails from the current system, support synchronization with mobile phone customer support and control mechanism for companies. For this extended package user pays an amount of approximately 40 euros per year, which is not very high price for companies (Hoelzle 2012).

Official Google site inform us about these main advantages when companies using Google Apps for Business:

- **Security:** all information and data is automatically backed up and under treaties for the protection and safety of the owner of the data continue to remains the firm. Tools for Google Apps only assist in managing data and files.
- **Connection and accessibility:** as these are online applications with access to documents, calendars and other services that are stored in the cloud, each company employee the opportunity to get them from anywhere. By connecting over the Internet can stay connected with employees with they work with, no matter where they are or what device they using. It may be a tablet, mobile phone or computer. Mobility has nowadays more and more importance in business. If the mobile phone includes any operating system, after log in using the username and password all data are updated automatically.
- **Cooperation:** each employee has access to updated data automatically with only a few simple clicks. Not necessarily only employees, but the approach can also be authorized for some chosen business partners, for some customers or eg suppliers. Common editing of documents, spreadsheets or presentations with colleagues at the same time is also possible at a unrestricted distance.
- **Speed:** Google Applications are used by more than 5,000,000 companies and firm especially for their usefulness. Whereas all files and data are stored in the one place, its saving the time associated with installing various services or search for particular data. That means more time to deal with more important things. For this reason there is not required any special training for employees.

- **Simplicity IT:** update service runs through the Google server, so all corrections and updates are performed automatically each time the user is logged on, which representing an inconsiderable advantage for the IT department. All that is necessary for the use of this Google Apps is an Internet connection and a browser. Not required any installation or additional hardware or software (google.com).
- **Environmental protection:** there are build energy-efficient data centers that enable cloud computing. Except that the application is trying to help companies to be more productive, also reduces energy consumption, carbon emissions and pollution. Thus save on the money that would pay for electricity. According to the statistics firm that uses Google Apps instead of the server in the company premises, can save 65-85% energy. E.g. Gmail is 80x more energy economical (google.com).

1.2 Major Google Apps services

Gmail: this is the e-mail service that is completely free. It allows users to connect to their email inbox, or download a mail using mail clients. Google company has implemented algorithm based on user preferences, sorts incoming messages of importance to a particular user. The user can also mark the message itself as a priority, and accordingly are always on top of previous reports. This function is very convenient for users who attend large quantities of mail and they need to sort them according to their personal priorities. Search messages allows whisperer, as well as live preview phrase search (google.com).

Gtalk: this service implemented in Gmail application. Gtalk service is a kind of instant messenger conversations with archiving. It can provides not only online text messages, but also audio and video communication. In addition to the classic text communication, you can send files and make a calls, but only if both users have a desktop client version installed. Another function, sending voice messages, is not tied to the presence of the same interface on the other hand, because the message is sent as an email with the attached file. It also offers audio notification of incoming messages and group chat. After installing a special plug-in provides extra video chat (using webcam) and audiochat (google.com).

Google Drive: this service includes a text editor and spreadsheet, presentation tool, drawing tool and a program for creating forms. Any amendments are archived into a version with the possibility of returning to one of these conditions. It is also used to back up data and settings from other Google services. This concerns for example the backup bookmarks, settings, appearance, an extension for Google Chrome that syncs themselves using Google account, where such data is then stored in Google Docs (google.com).

Google Calendar: this service is an electronic diary for organizing and planning time and appointments and coordinates the employees cooperation. It is linked to Gmail. The user can create multiple calendars (for work and personal activities) and also determine the level of access, and so share with specific people, organizations or users in external entities (such as can be customers or business partners). Each user of these groups is then informed of the event details on time. Another great function is the warning of the impending events in various forms such as the pop-up window, e-mail or by SMS notification (google.com).

Google Sites: by correct using this tool every users can very fast and simple create their own websites and web business presentations without the need for HTML formatting (programming language). Code for the webpages is automatically creating by mentioned editor itself. This application is

especially used for the publication of information with a permanent character, is focused rather on fixed content. This application offers the possibility of sharing, public sites are visible for everyone other sites are accessible only for authorized person from the owner or across the organization (google.com).

Google+: social network in order to offer reunification services in one place. Supports the sharing and linking users to collaborate. The user has a profile, where personal contact information are stored. It helps to share ideas, to publish information about the life of the company, its products, promotions, etc. By search results, the company can find out what are the references to it and what they say about providing products or brand. By map sharing is found who shares and disseminates company contributions. Google Analytics measures the impact assessment for the visit and sharing contributions, the balance of views (Bavaria 2012).

Google Analytics: is used to monitor website traffic, user activity, the time they spend on it and also to monitor the effectiveness of marketing and advertising campaigns. It is used in internet commerce, online marketing and advertising. It uses the information gathered as a basis for decision making and planning Using is very simple, the user can configure and adjust the display depending on which data he want to see, sohe can focus only on the content that is most important for him (Tonkin, Whitmore, Cutrona 2011).

Google Adwords: nowadays it is the world's largest PPC system which allows you to display advertisements and classifieds in the search results or on other sites and in an environment of other services that are provided by Google corporation (eg Gmail etc.). Advertiser who opens an account in Google Adwords decides himself which sites, in what form and at for what price will the ads be shown and placed, who will be the target group and also can determines the cost per click. There are also control payments and finance. Among the biggest benefits of this service include allowing successful targeting users, 80 % of the intervene and flexibility in administreating (Marshall, Todd 2007).

2. OBJECTIVES AND METHODS

The main object of this part of the article is to explain and compare the awareness of companies about Google applications as well as whether are those services used. For this purpose, a survey was conducted, in which we managed to get the data from 40 micro-enterprises and 36 small and medium enterprises (SMEs) operating in the Slovak Republic. All necessary data were obtained on the basis of the questionnaires were subsequently decoded, graded and evaluated. To perform the necessary calculations as well as for producing graphic output was used Excel 2007 spreadsheet editor from Microsoft Office.

Since Google Apps mainly serve to simplifying daily agenda of companies, we investigated which area would micro-enterprises and SMEs like to improve. The results of this survey are presented in Figure 1.

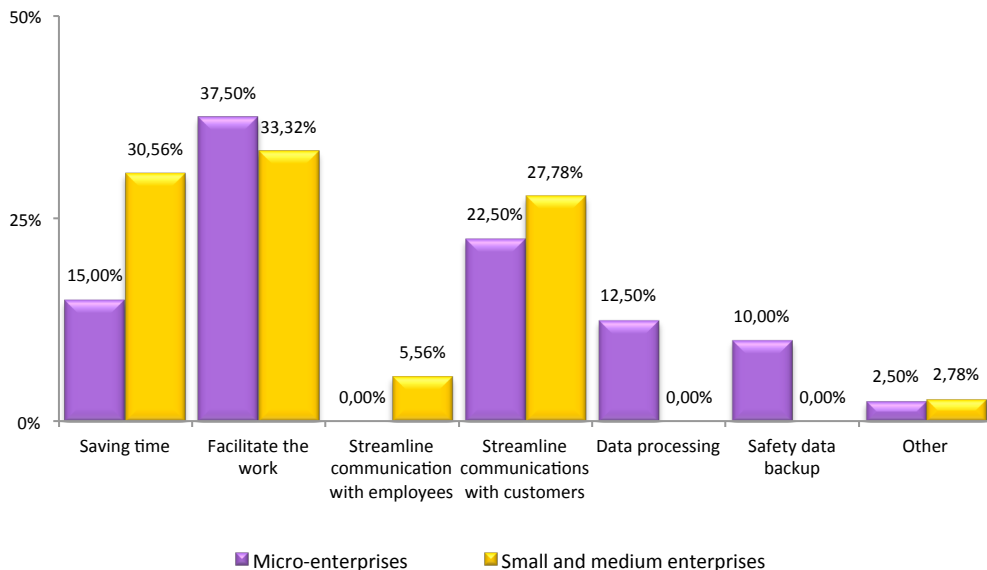


Figure 1 Development of indices over time

Source: own processing

From the graph we see that most of the micro-enterprises (37.50%) chose to prefer would like to „Facilitate the work“. In contrast to these small businesses did not agree on any answer. Almost equally represented responses were „Saving time“, „Facilitate the work“ and „Streamline communication with customers“. Frequency of these options was around the 30%.

Consequently, we interested to which of the Google Apps are companies real use. After reading the results, we published the following distribution of responses.

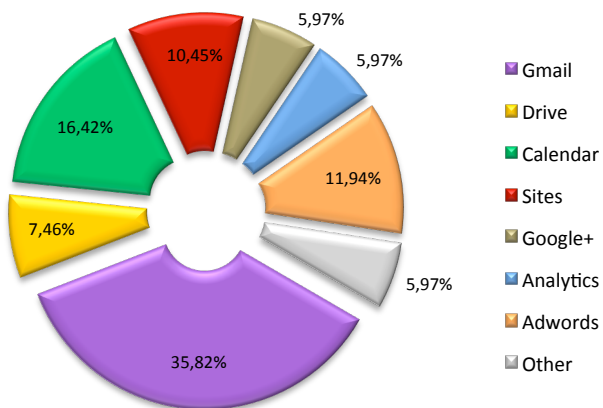


Figure 2 The most frequently used Google apps

Source: own processing

The survey turned out that the most frequently used is Gmail (31.58%), at the second place is Google Calendar (14.47%) and in third place, Google Adwords (11.94%). The order of use of other applications can be read from the graph.

As primarily for the companies and businesses full package of services was by Google developed, which however is, as we have mentioned before, charged, in next question we interested in whether the company were willing to pay for its use, or whether they just use this products free of charge. The results are presented in Figure 3.

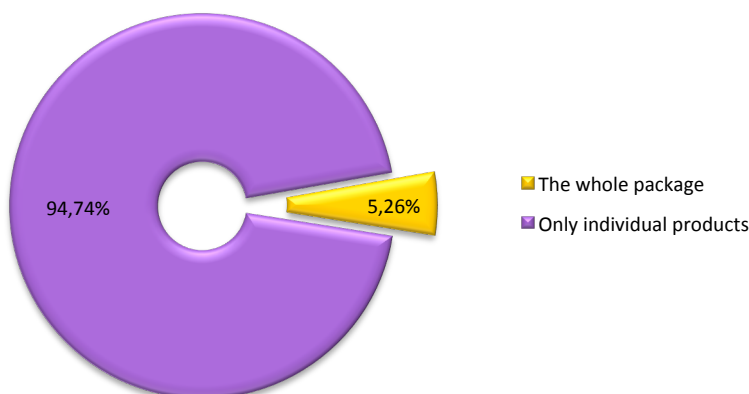


Figure 3 Interest in versions of Google applications for companies

Source: own processing

Of the 76 firms reported only 4 (5.26%) that would be interested and would be willing to buy a whole package of these applications. In contrast to the remaining 72 (94.74%) said that they prefer to use only the individual products. We are not consider this approach as the most effective and is not indicative of a long term approach to business firms. Investment in such a package would quickly returned.

3. CONCLUSION

Google Apps suite of tools is an interesting utility that manages companies can use to improve their operation and not least also provide cost savings. There are many examples to confirm this finding in the world. In our conditions, this trend is not yet widespread and thus there is a space in which the company that uses these services can vary significantly. Of course the use of these functions is conditioned by certain knowledge employees. But as computer skills in our country constantly increasing in the future it can be assumed that in this area there in our country to more often use.

This article is one of the partial outputs of currently solved research grant VEGA no. 1/0145/14 named "On-line reputation management (ORM) as a tool for the enhancement of competitiveness of Slovak SME's and its use in conditions of central European virtual market".

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Possibilities of Facebook insight data analysis on organization further strategic decision making

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Abstract

The emergence of new media has changed the way how companies interact with the public. This study analyzes how selected company use one of the most popular new media platforms, Facebook, to manage public relations, communicate with customers and diversify their sales channels. Article describes the current state of using Facebook as a tool of communication based on the performed analysis. Another object of the article is to evaluate the opportunities for organizations in their strategic decision-making.

Key words Social media, Social networks, Facebook

1. INTRODUCTION

Though social media is still a rather recent phenomenon, an increasing body of marketing research has already focused on this subject. But even if there is an evergrowing number of books, articles and studies, disagreement still exists regarding the definition and use of the term (Kaplan - Haenlein 2010; Scott - Jacka 2011). What is accepted by the majority in research, though, is the fact that social media enables, facilitates and supports the communication and interaction between users and the creation and exchange of user generated content. At the core of social media is a shift from the traditional broadcast mechanism to a many-to-many conversational model: Content is no longer (exclusively) created and published by organizations, but is instead continuously created, modified and disseminated by all kinds of users in a participatory and collaborative fashion (Weinberg 2009; Kaplan - Haenlein 2010).

According to Karlíček – Král (2011, p. 182), the concept of social media can be defined as interactive online applications that encourage the emergence of informal user networks. Users then create and share in these networks different content, such as personal experience, opinions, videos, music or photos.

Social networking sites like Facebook are unlike social media based on the social bonds that are mutually interconnected. These social ties can have various levels, from the individual (friends, family) to organizational or global (Van Dijk, 2006). Another point of view related to the topic of social networks has Blanchard (2011), he states that social networking sites represent a communication tool such as a phone or email, which serves to fulfil the essential corporate functions including public relations, marketing, management, customer service and market research. Social networking sites as a part of social media generally represent services based on websites that enable individuals to create public or semi-public profile within a closed system, create a list of other users with whom they are

connected, see and explore connections that were created by other users within the system. The character and distribution of these connections may vary from website to website (Boyd - Ellison 2007).

An interesting view on the issue of social networks is presented by Olivier Blanchard (2011), who in his publication states that social networking is a communication tool, such as phone or email, which is used for the purpose of corporate actions including public relations, marketing, establishing leadership position, customer service and market research.

Byron and Broback (2006) define the narrower concept of social networking as a web service and together with Janouch (2011) ascribe it functions of maintaining connections, contacts, communication, sharing of information, multimedia content and photographs between users among which, according to Byron and Broback (2006) dominate students or graduates.

Amongst users, social media are widely regarded as an opportunity for self-presentation and interaction with other participants around the globe. Due to the wide circulation and growing popularity of social media sites, even for-profit organizations, such as companies, and non-profit organizations have gained interest in presenting themselves and reaching potential customers. A presence on Facebook is nearly taken for granted. These values offers companies the way to promote their products and services not only to the general public but also specific people, knowing that there exists a high probability that they would welcome the given offer (Krombholz et al. 2012; Dunda 2011).

Social networks, as a part of social media, are in general service-based websites that allow individuals to create public or semi-public profile within a closed system, to establish a list of other users with whom they are related, see and explore connections created by other users within the system. The nature and distribution of these connections may vary from web site to web site (Boyd - Ellison 2007).

Social networks are, unlike social media, based on the interconnected social ties. These bonds can have several levels, from individual (friends, family) to corporate or global (Dijk 2012). It follows that social networks are inherently specific categories of social media.

According to Stern (2011), the above definitions can be complemented. He states that social media represent everything that allows anyone to communicate with anyone, in other words, it is a user-generated content distributed via easily accessible internet tools.

The authors Prikrylová, Jahodová (2010) describe the current situation and the use of social networking sites and states the following about the other options of marketing withing social networking sites: creating a profile of a brand in selected social networks

- collecting data about users and fans of the product or brand
- creating applications that allow users to come with the ideas that are related to the company or brand
- cooperation with the most active blogger or debater (mutually beneficial),
- monitoring attitudes and opinions in discussion forums
- uploading suitable videos and photographs on YouTube and other websites with shared content
- creating discussion forums and contributing to them
- creating a corporate blog
- publishing special press releases for the area of social networks

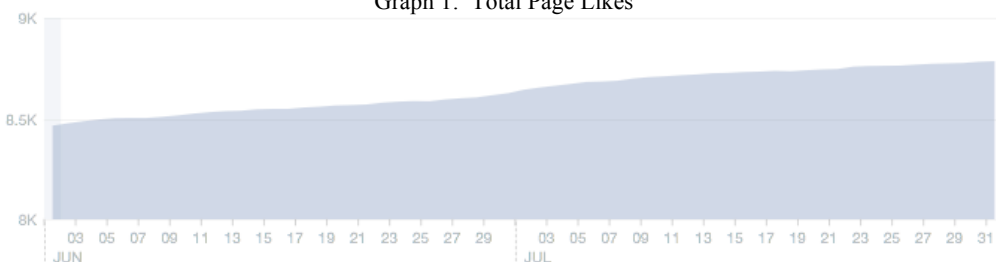
With the expansion of the Internet and the increasing popularity of social and collaborative computing, recently commonly called social computing, social networks have emerged as a significant and

promising field of study within computer science. Social computing involves such activities as collecting, extracting, accessing, processing, computing, and visualizing of all kind of social information (King 2010).

2. SOCIAL MARKETING REPORT

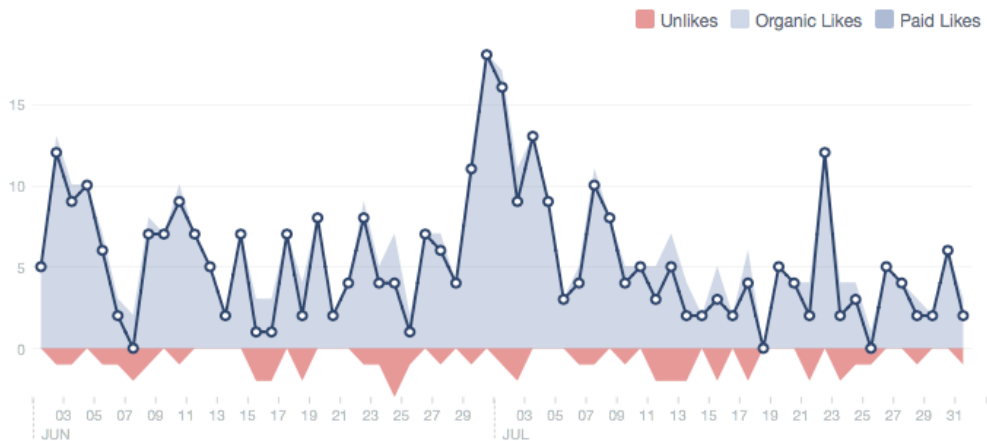
We analyzed the data of the selected Slovak Facebook page with a total of 8896 likes for the period of June and July 2014th. To collect data, we used the Facebook Insights tool.

Graph 1: Total Page Likes



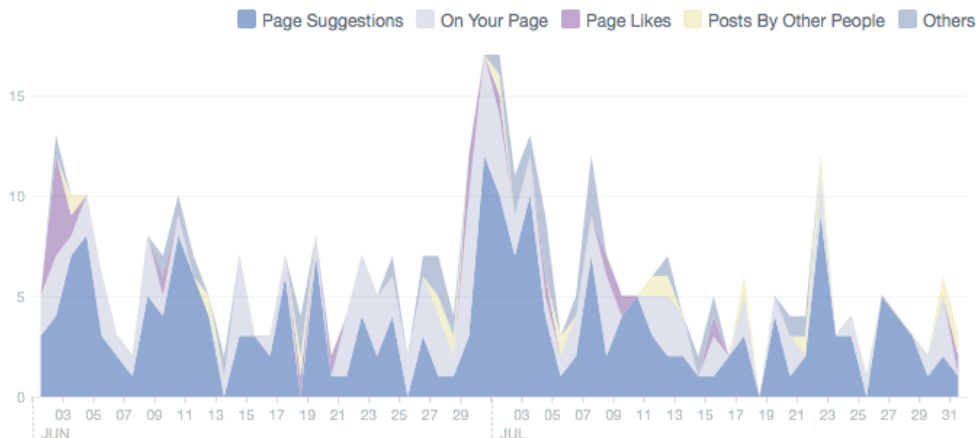
This is the sum of all the people who have clicked the Like button to Like Facebook Page. It's not time sensitive, so it's sometimes referred to as "Lifetime Likes."

Graph 2: Net Likes - What Changed

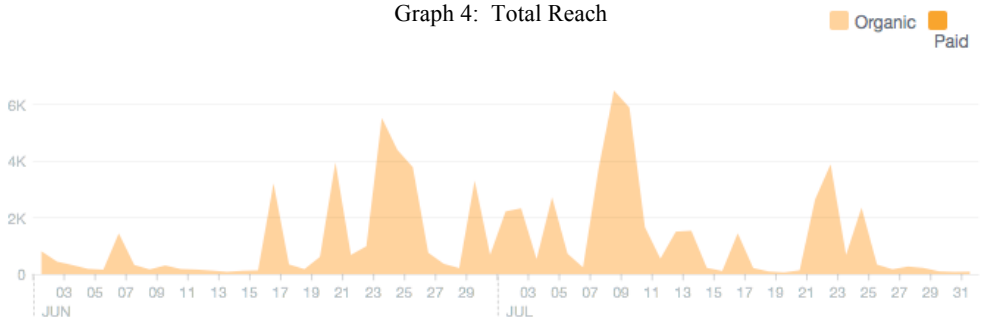


This is the difference between the number of people that have Liked page and "unlikes" over a specific period.

Graph 3: Where Page Likes Came From

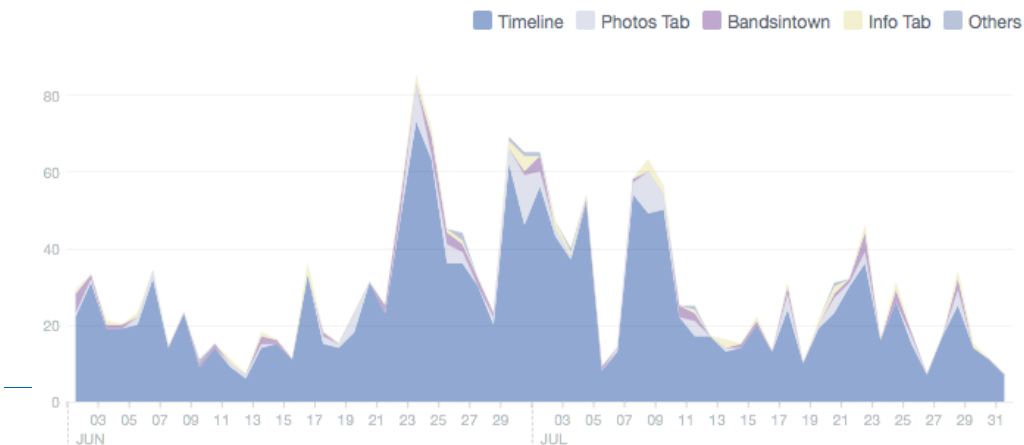


Graph 4: Total Reach



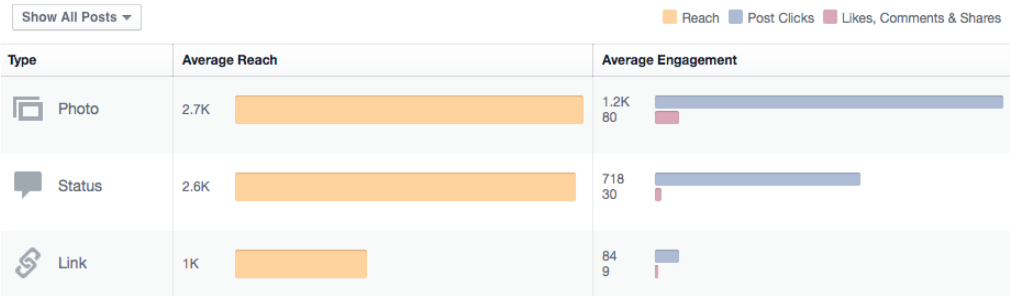
Total Reach is arguably the single more important Facebook Page metric as it measures the number of unique individuals that have seen any content related to your page. That means content you've published to your page, as well as Facebook Ads and Sponsored Stories that lead people to your page.

Graph 5: Page and Tab Visits



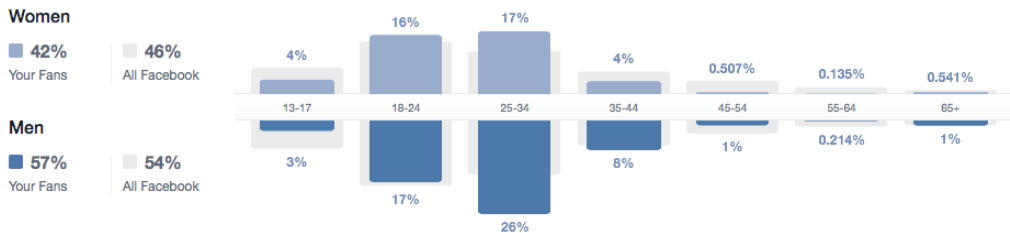
Page views is the total number of times Facebook Page was viewed during the time period you select. Tab view measures the total number of times each tab in your Facebook Page was viewed when people were logged in to Facebook, during the time period you select.

Graph 6: The success of different post types based on average reach and engagement



Average engagement metrics represent the number of engaged individuals who have clicked anywhere on one of your Facebook Page posts. They could have Liked your post, commented on it, shared it, or engaged in it in any other way.

Graph 7: The people who like Page



3. CONCLUSION

The emergence of new media has changed the way how companies interact with the public. This study analyzes how selected company use one of the most popular new media platforms, Facebook, to manage public relations, communicate with customers and diversify their sales channels. This topic has not been covered by scientific literature so far. A well-planned social media communication strategy can generate strong positive publicity with low financial costs. Conversely, neglect of social media can lead to long-term problems with negative image. Social networks play an increasingly important role in marketing and customer service of companies. We expect the usage of social media by organizations to further increase in the future. The study focused only on Facebook, as it is the most popular social network of today. Social networking sites such as Facebook which became a global communication platform form a part of the modern social media. These days are characterised by the fast development of technologies and communication tools, which means new issues arising in marketing field as the reaction to the changes in the ways of communication or activities done during the free time of the target groups in relation to the new communication channels. These facts are important also from the perspective of the target audience and the potential use when deciding on the investment decisions of regional governments. Online communication through social networking sites like Facebook for institutions with the target audience is one of the possible aspects of making an investment decision.

Research purpose, Project

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The potential of the social networking sites as a marketing promotion tool of cultural and historical monuments and places

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Abstract

The aim of the article is to describe the specific aspects of social networking sites as a marketing communication tool for the promotion of cultural and historical monuments and places. In the evaluation, the direction of the issue article summarizes the theoretical bases of social networking sites as part of social media. Based on the analysis describes the current status of the use of social networks, which focuses its attention on the most polar social network Facebook. Another object of the article is to evaluate the opportunities for marketers this issue brings and also point out the pitfalls

Key words Marketing, Internet, Social Media, Facebook

1. INTRODUCTION

Social networks dominate communications in the online environment, and as a global trend are part of the modern social media. Currently online environment is continuing progress in this dimension, where social networks like Facebook world's most popular micro-blogging site Twitter or younger Google Plus associate individuals without any restriction. Options such as community building, accurate targeting of advertising campaigns, the possibility of immediate communication with the target groups and closely analytical indicators constitute a coherent system to the implementation of marketing strategies is undeniable. These days are characterised by the fast development of technologies and communication tools, which means new issues arising in marketing field as the reaction to the changes in the ways of communication or activities done during the free time of the target groups in relation to the new communication channels. During the last few years, social networks have been in a significant way indicating trends in communication and online marketing almost worldwide. This system which is with the use of technologies and human thinking continuously evolving and at the same time makes an interpersonal communication easier represents a relevant place and opportunity for the implementation of many various marketing strategies.

2. THEORETICAL BASIS

Social media represent a phenomenon that has first appeared in the early 21st century, their essence is based on online applications that support the existence of informal user networking sites which enable to generate and share various kinds of digital content such as opinions, attitudes, texts, links, photographs, videos or music (Karliček, 2011). Social media play a significant role in current electronic marketing. Trust put into classical advertising is decreasing, on the other hand the power of

Word-of-mouth (good word) is beginning to fully appear again. This power is intensified by Internet, which allows a return back to the "collective wisdom". Social media form a place where it is possible for people to meet, form their circle of friends or to join any community with specific interests. Social networking sites are also called socialising networks or simply communities. These networks represent a way in which it is possible to influence certain group of people to accept, change or abandon certain thoughts, behaviours, practices or approaches with the use of these media (Janouch, 2011). Author Sterne (2010) has another point of view, as he understands the term "social media" as everything that would allow any person to communicate with any other person- or in another words, content generated by users and distributed by internet tools that are easily accessible.

We have the same point of view as the author Janouch (2011), as he in our opinion describes the nature of social media and thus social networking sites in the best way: "Social media are online media where is the content co-created and shared by users. Social media are constantly changing as their content is changing (increasing) and also because of a creation of a large number of functions. Social media enable marketers to directly find out the requirements of the customers, what are their attitudes towards the brand or a company, what do they complain about, etc."

Online communication is closely related with other disciplines within marketing communication mix. This is also displayed by the high number of the functions that it usually performs. With the use of the Internet, it is possible to introduce new categories of the products, raise awareness of the existing products (or labels), improve the image and reputation of the brand and communicate with target groups (Karlíček, 2011).

As we can conclude from the above mentioned fact, social media networks represent online platform where users share their thoughts, personal information, photos, videos or quotes that they find interesting. They are forming groups that share the same ideas, visions, opinions and encourage one specific goal. This results in social relations, that can also be used for marketing purposes (Success Magazine, 2010). This opinion is supported by the author Bednář (2001), who described the following basic characteristics of social networking sites in his publication:

- Majority of the content is created by users themselves,
- the main basis is formed by the relations between users, their mutual communication, comments, links and reviews,
- server operators do interact with the users and enter the service as minimally as possible.

It is indubitable that benefits coming with the use of social media and their role in marketing form an important part of internet business. It is therefore important to understand the potential of social networking sites in order to achieve marketing goals, that are best defined by the online marketing agency Krea (2011):

- Building a good reputation and Public Relations,
- Forming community of fans, customers and supporters,
- Communication with customers,
- Providing a space for publishing and sharing content,
- Creation of advertising campaigns with focus on the target groups.

Based on the stated facts, we can summarise the most important features of social media (Bednar, 2011 - Tredaway, 2011 - Janouch, 2011):

- provide feedback
- social media are not only a source of information, but also a way to exchange and find information, create connections between members of social networks
- they form a place that allows to apply various types of advertising

- they help to acquire new clients
- enable to spread the reputation and positive feedback about the products

Treadaway (2011) in his publication uses an interesting way to define the rules of the concept of social media, which in our opinion clearly summarises the discussed topic:

- Although social media are based on the bonds of friendship, the meaning of this term is now quite vague. The profiles that can be seen by people, companies or used by brands in different ways are similarly benevolent,
- Social media represent the preferred method of mutual communication among young people,
- The more active is the customer online, the more likely it is that they are involved in various social networks. These people can often influence their circle of friends and have an impact on the opinions of their social community,
- As soon as any information appears on the social network, it is there and therefore can not be stopped,
- Social media work best if they are applied together with the modern methods of internet marketing. It is necessary to be aware of the bigger picture when making strategies,
- The rules are still being created and etiquette of social media is relatively fresh.

As social media and therefore also social networking sites have their undeniable benefits and rules, they also have important functions from a marketing point of view, which are defined by author Bednář (2011) as:

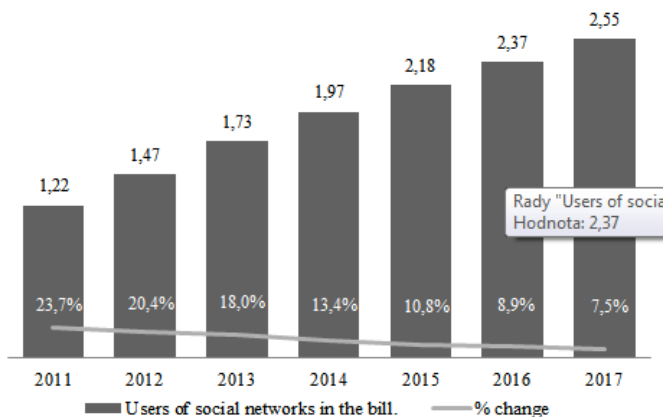
- Spreading information about the brand: creating general awareness and introducing people to the brand that was unfamiliar until now,
- Pre-promotion of product or service- this includes advertising of a product or service as well as making people familiar with its general features,
- Convincing potential clients about the benefits of the product - arguments that influence the customer's decision to purchase a product or service,
- Support after sale – solution of any potential issues and communication with clients or providing the necessary service
- Forming a user community - in this case it refers to building long-term customer communication with the clients and customer support during mutual communication
- Solution of problems and crisis communication.

With the use of social media is possible to find out what is the customer's perception of the product. This fact is not only important to the users who are looking for the right product or service, but also to relevant companies that offer their products and services on the market. Marketing with the use of social media means learning and understanding, observation of the market, experimenting, capturing an audience, analysing and evaluation (McPheat, 2011). On the other hand author Dunda (2011) states that, in practice there are certain situations in which social networking sites help us to save time, obtain and process information, which we would not obtain within a reasonable time with the use of just conventional tools.

3. CURRENT STATE OF THE MATTERS

It is not news that social networking sites influence the way in which we spend time in online environment. Analysis of the company Experian Marketing Services (2013) which was focused on online users of the Internet in the U.S., UK and Australia, and their behavior for the period of the year 2012 points out to the fact that 27 % of time spent online is devoted to the social networks. Social networking sites are currently used worldwide by nearly every fourth person on earth with over 1.73 billion users. There is also an obvious trend of increase of the user base, with its YOY increase in 2013

predicted to be at 18.00 %. It is important to note that 67.70 % of Internet users worldwide in 2013 has used social networking sites services at least once a month, with predictions for year 2017 assuming that 78.80 % of internet users will use social networking sites services at least once a month. As it is clear by observing Graph 1, the increase of the number of social networking sites users has decreasing trend. On the other hand, it does not change the fact that the estimated number of users of social networking sites for 2017 is predicted to be at approximately 2.55 billion users (eMarketer, 2013).

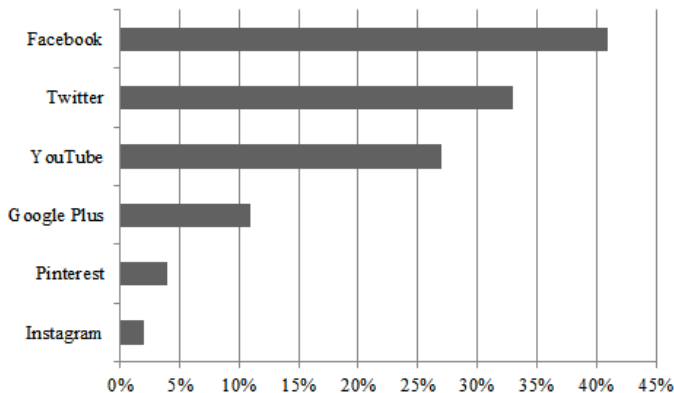


Graph 1 The number of users of social networks globally

Source: Own work based on eMarketer.com

Preferences of the users are also reflected in the corporate sector, what is confirmed by the results of a study published in the analysis (January 2013) of an organisation Platt Retail Institute (2013), which cooperated with the American Marketing Association (AMA), where the social networking site Facebook dominates (Graph 2) in the case of the evaluated criteria the level of significance. This study was conducted on a sample of 859 people who were interviewed anonymously and they were both members and non members of the AMA, without any consideration of the geographical classification of the company in which the respondent operates. As shown by Graph 2, social networking sites such as Twitter achieved a degree of significance above 30 %, together with YouTube which compared to the other social networks achieved more significant number to the perceived level of significance above 25 %. Below 5 % are social networking sites that are designed to share visual content - Pinterest, Flickr.

Social networking site Facebook also dominates as a source of traffic generated through referrals of the websites operators, as confirmed by the results of analysis of a company Shareaholic (2013). During the period between September 2012 and September 2013 this company collected data from more than 200 000 internet websites. The total sample of monthly unique visits to these websites achieved a value of more than 250 million. It is clearly displayed by the published results of the analysis that visits through referrals of the social network Facebook on the monitored websites of the operators formed in September 2013 more than 10%, in case of inter-annual comparison there is 58.80% increase from the value of 6.53%. We must also point out that the social network Pinterest within relevant variable of traffic generated through referrals achieved 3.68%, which is more than a cumulative value of social networking sites Twitter, LinkedIn or Google+.



Graph 2 Significance of various networking sites

Source: Platt Retail Institute, 2013

This worldwide trend did not avoid Slovakia, where the value of active users is over 2 million users, representing 37.6 % of the total population, while in the case of the Internet population, it is 47.57 % (Socialbakers, 2013). During the last six months (Oct 2012 - Mar. 2013) the number of Slovaks on the social networking site Facebook has increased by 57,520 users, representing 6 % growth. Based on this fact, we can state that we are currently in a phase of slight increase. In order to compare the numbers, the number of Facebook users in the Czech Republic to this date is more than 3.38 million, which represents 53.32 % of total internet population .

On the other hand social networking site Twitter globally with more than 500 million registered users (Semiocast.com, 2013), with 215 million monthly (MAP) and 100 million daily active users (DAP) (as of Oct. 2013) is the second most popular social networking site in ranking (Protalinski, 2013). The mentioned ranking is dominated by the social networking site Facebook, which with more than 1.11 billion monthly active users (MAP) and more than 665 million daily active users (DAP) represents the world's most widespread social networking site (Constine, 2013). A closer observation of the age structure of the social networking site Twitter is provided by an analysis of the Pew Research Center's Internet & American Life Project (2013). The results of the analysis describe overall observed period from November 2010 until May 2013, whereby the data related to the period of year 2013 are built on the responses of 1,895 respondents living in the U.S., which had been collected during the months of April-May 2013. As stated, the fastest growing and the largest age group within the social networking site Twitter are users within the age range 18 to 29 years. Based on the stated data, it is possible to conclude that in all the observed age groups except for a group of users aged 65 + during the period between November 2010 and May 2013 has been recorded an increase of more than 100 %.

4. CONCLUSION

Current topic of social networks as the leader in market of social media during last years caught interest of marketers all around the world. The actual technological progress online enables marketers to constantly expand the possibilities. And it is this social networks like Facebook or Twitter which for the several years keeps proving that it represents a significant choice for the marketers during their decision making about choosing the suitable channel of communication with their target groups, as confirmed by the results of the surveys specified in the text conducted on users as well as organizations. Following the

above text can be applied to this communication tool and the actual cultural and historical monuments and sites in the plane of destination marketing. Target group in this respect constitutes the population of the region itself as well as potential visitors of the cultural and historical monuments and sites. Facebook page or Twitter profile cultural and historical monuments or places where space is a content except for your own organization is also content created by fans themselves, in the form of references, videos and photos. Thus generated content adds value, and thus multiplies the reach of a broadcast message to a wider range of potential customers in the form of visitors. Social networking should be seen as a relevant tool of promotion. Marketing staff through a wide variety of options, such as the presentation itself, creating fan communities and not least the possibility of immediate communication with the target groups enables efficient way to implement their marketing strategies

Research purpose, Project

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