PERCEPTION OF EXTERNAL MARKETING COMMUNICATION OF COMPANIES BY YOUNG CUSTOMERS

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Abstract

External marketing communication of companies is a purposeful process of transferring information to the company's environment - society, competitors, clients and receiving their feedback. Based on the signals, the company adapts its way of communication. Choosing the most suitable type of communication may be one of the factors deciding about a company's success. Even the best offer would not be able to attract customer's attention if the information did not reach one.

The article combines secondary data - results of the research conducted in Polish compa- nies regarding the use of communication tools, and primary data obtained from own surveys carried out on students regarding the perception of those tools. The purpose of the article is to evaluate the perception of different communication forms by young customers.

Keywords: external communication of companies, marketing tools, marketing communication.

Introduction

High variability in the marketing industry comes from a vast number of companies on the market, among which each tries to distinguish itself from others and convince potential customers. Therefore, to keep the effectiveness of the advertisement, market- ers around the world continually work on the introduction of new content to the market, as well as on the selection of the most effective ways of delivering that information to potential clients.

The choice of appropriate way of communication with the market environment is very crucial if the company wants to achieve success in the market. Even the best-of- fered products or attractive promotions will not give the expected outcome if potential customers do not receive information about them. Currently, there is a wide choice of tools thanks to which the companies can deliver the news. Some of them have already been used for a long time, and other appeared only recently. However, it is important to remember that the process of communication (also marketing communication) works in both directions. Not only companies send the messages, but also acquire the data from the market environment. This informative feedback has the purpose of evaluating the quality and value of used tools. It is essential to consider feedback when choosing right communication tools, but it is also important to be aware of the fact that individual con- sumers may perceive some tools as annoying and therefore subjectively interpret them.

Methods of external communication of companies

External communication is a method of exchanging the information between the company and its market environment. There can be distinguished two types of commu- nication:

- formal – planned advertising actions (ads, direct promotion, PR);
- informal – unplanned, continuous activities that have the purpose of delivering information about the company and its offers.

Table 1. General classification of marketing communication

Source: Own elaboration based on "The Basic Classification of Marketing Communica- tion" [Kaczmarczyk, 2015, p. 34-35]

Elements of communication	Types of promotion and its research		Promotion tools and its research
Formal communication	Non-personal promotion (indirect)	Company promotion	– Public relations (PR)
			– Corporate identity (CI)
			– Publicity
			– Sponsoring
		Product or service promotion	– Ads
			– Other types of product promotion
		Sale promotion	– Commercial promotion
			– Consumer promotion
			– Internal promotion
			– Merchandising
	Personal promotion (direct or indirect)		– Acquisition and representation
			– Personal sales, telemarketing
			– Demonstrations
Promotion research	Research of promotion's environment		– Analysis of competitive advertising
			– Market of advertising research
			– Research of the recipi- ents of the advertising
			– Analysis of channels of promotion
	Research on promotion's effect		– Study of promotion's effectiveness
			– Study of promotion's efficiency

There are many various classifications of marketing communication. Table 1. pres- ents one of them, elaborated by Stanisław Kaczmarczyk [2015]. According to it, market- ing communication consists of formal communication and promotion research working

as feedback.

Non-personal promotion:

- company promotion – has a purpose of delivering information concerning the whole enterprise, its employees, and other projects to the environment. It is mostly re- alized with the use of tools such as, e.g., sponsoring, websites, social media marketing, PR, gadgets, etc.;
- product or service promotion – relies on informing potential customers about the existence of a product or service, and convincing them to the purchase by presenting the benefits of doing so. To do this, companies utilize such forms of communication tools like TV, radio ads, product placement, billboards, citylights, etc.;
- sale promotion – conducted for maximizing the number of products/services sold, and consequently the profit. It is often bound to offering various coupons delivered with leaflets, commodity discounts, or even just influencing the client's behaviour via mer- chandising.

Personal promotion consists of an individual recommendation of offered products or services by employees in the company (e.g., sellers, sales representative, etc.). An unquestionable advantage of this communication form is the possibility of conducting a dialogue with a potential buyer, during which a worker can adjust the information given by receiving immediate feedback. Personal promotion can have two forms:

- direct- an employee meets potential buyers face to face;
- indirect – an employee contacts the client by phone, an e-mail or by a letter.

Promotion research allows the company to obtain the information from a market environment. It consists of two elements:

- research of promotion's environment – usually conducted in the first order, as the results obtained allow for planning better marketing actions. Research on information recipients is extraordinarily useful, as the data provided by them allows for adjusting the content of the messages for adequate market sections in which the enterprise works. Research on transmission channels also plays a significant role. Possessing optimized content messages allows for establishing which way of its transmission would convince the most significant number of customers. During planning a marketing action, it is im- portant to remember the factor which is competition.

Therefore, it is crucial to analyse its actions in the market environment and to re- spond accordingly;

- research on promotion's effect – according to a rule which says that to govern something, it needs to be measured first. The situation looks similar in case of mes- sages sent to the market environment by the companies. To invest in the ones making relatively the most significant profit, it is first necessary to select them. Two criteria can be used in marketing communication tools evaluation: effectiveness (to what degree a statement allowed for realizing of goals) and efficiency (effective statements are those which the outcome exceeds the input).

Measurement of broadcasted messages' efficiency can have many various forms. A way of measurement is in a big part dependant on a communication tool and the goal that a company wants to achieve thanks to it. In case of promotions of specific brand products, brand awareness indicators are commonly used. To the most popular ones belong:

- spontaneous awareness – a percentage of a target message recipient group, who can name the brand without researcher's help;
- supported awareness – the proportion of target recipient group, who declares fa- miliarity with a brand after mentioning its name;
- top of mind – a percentage of research participants who point at a brand as the first

that comes to their minds.

The situation is simpler in case of various sale promotions or product and service promotions. The most straightforward effectiveness evaluation methods include e.g.:

- market penetration index – shows a relation of people who bought a specific prod- uct or service to a general respondent number, during a certain period;
- attitude adjustment ROI – consists of researching the attitude to a product in two customer groups: message recipients and people who were not targeted by them. Then, by comparison of both groups' results, attitude adjustment index is obtained;
- sale value estimated after releasing the message and its comparison to a value from a similar period with no promotion. This allows to obtain meaningful results, which then just have to be elaborated based on set goals;
- in case of promotional leaflets or codes sent via text messages or e-mails, the mea- surement process is even more straightforward. The only thing a company needs to do is to check the number of purchases with the use of such codes.

Apart from the above mentioned methods of measuring the effectiveness of exter- nal communication tools of companies there are many others, such as: audiometric and visiometric methods utilised in TV and radio ads, or various analytical instruments used to measure the effect of advertising on the Internet, e.g.: Google Analytics for tracking traffic on websites ; Brand24, which allows to monitor the network and social media; Freshmail - e-mail marketing support.

On the other hand, when it comes to assessing efficiency, it is essential to compare the benefits with the costs that have been incurred. This is a relatively undemanding ac- tion. A situation gets more complicated when it comes to effects which cannot be mea- sured, like company's image. Evaluation in such cases is generally based on an objective rating of an enterprise's governing personnel.

There is a wide choice of tools, thanks to which enterprises communicate with the environment and their selection is often dependant on a budget planned for this kind of actions, as well as on a goal which the companies want to achieve. According to litera- ture, there can be distinguished three fundamental objectives of marketing communica- tion:

- reminding a client of the product;
- informing about an offered article and the place where it can be purchased;
- convincing to buy specific goods.

During planning phase on how to use each tool, companies usually want to obtain more concrete effects, for instance: gaining new clients, building awareness and cre- ation of brand's image or general sale support.

As stated in the report 'Nowa rola marketingu' [2016], summarizing 'Marketing Progress' conference, communication tools that are the most commonly used by com- panies in the market environment are websites. Among enterprises taking part in the survey, as many as 187 (93.5%) declared owning one. The research sample consisted of 200 companies operating on the Polish market: 34% small (10-49 employees), 34 medi- um-sized (50-249 employees) and 32% large (over 250 employees) businesses. Most of them were service (35,5%) and trading (32,5%) companies. The remaining 32% were pro- duction companies (29%) and companies of an administrative nature (3%). All of them ran marketing activities on the Internet during the time the survey was conducted.

Figure 1. The most popular methods of external communication Source: www.marketingprogress.pl/publikac-ja/raport-nowa-rola-marketingu [online: June 4, 2017]

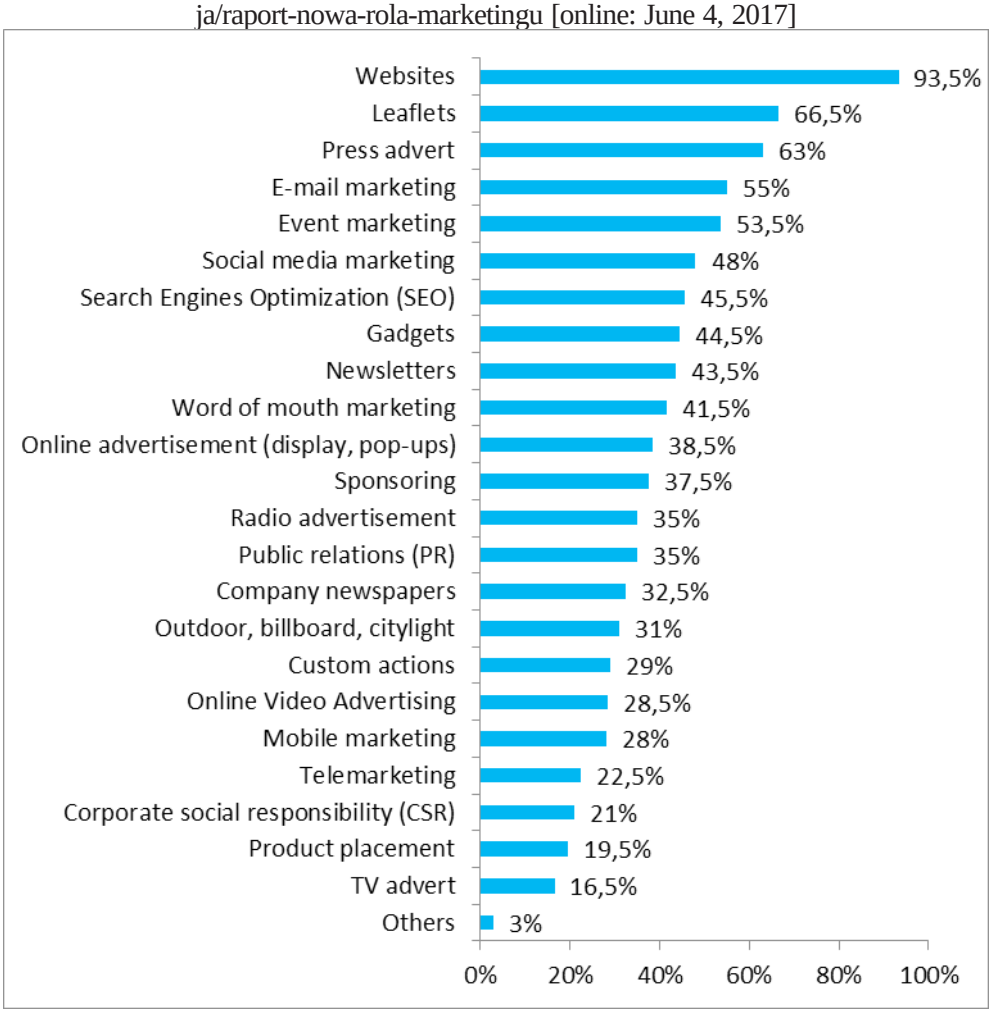


Figure 1 presents detailed results of research. Apart from websites, which are the unquestionable leaders amongst the most frequently used ways of companies' mar- keting communication, very popular are also leaflets (66.5%) and press advertisements (63%). E-mails and event marketing were placed slightly lower, being used by a bit more than a half of respondents. The least popular proved to be TV ads (16.5%), product place- ment (19.5%) and activities related to the social responsibility of business (21%). Above all, this comes from relatively high costs, as a result of which those methods are mostly used by big businesses. Taking into consideration popularity of social media, the fact that only 48% of companies declared their usage in the process of communication with the environment, can be surprising. The reason for this is the variety of presumptions concerning limited reach of the content published on the popular social networking site Facebook, which is the first thing that comes to mind when it comes to social media. Some of those rumors are significantly exaggerated; some are based on independent studies. All of them, however, may influence the effectiveness rating of this tool among the marketers. Such circumstances had a significant impact on increasing influencers' popularity in the marketing. Engaging such people in campaigns may remind recommen- dation marketing, but in contrast to it, influencer marketing is based exclusively on sub- jective opinions, which people share with a broader audience. Having said that, it should be remembered that there is a thin line between engaging well-known personalities and their sponsoring. It mainly depends on the conditions of cooperation with companies – in case of sponsoring they are required to publicize certain content (often skipping its

negative aspects), whereas above-mentioned influencer marketing mostly relies on sub- jective opinions of those people who are usually much more authentic than a traditional advertisement.

Another handy tool for communicating information that has come up relatively re- cently and has gained enormous popularity not only in marketing but also in other areas of life are beacons - small Bluetooth transmitters that give signals received by the appli- cations on smartphones. A high potential of this solution is because today a significant proportion of people leave their home without smartphones. This gives a considerable number of potential recipients of messages which are sent to the mobile device when the person is within reach of the transmitter. The advantage of this solution is that poten- tial customers receive marketing information when they are located close to the outlets from which they are sent. This makes it possible to visit a particular store without much effort and to explore its offer.

Tools used for external communication are an integral part of the company's mar- keting strategy, and their adequate selection is often a deciding factor in the organiza- tion's success. Consequently, by choosing the way information is communicated to the market environment, marketers try to combine the various tools so that they can mini- mize their weaknesses to optimize the flow of data to potential customers.

External communication of companies in student's perception - survey results

Purpose and methodology

The purpose of the study was to examine the perception of various forms of com- panies' external communication by young consumers – university students.

The study was primal, quantitative. The method that was used is a diagnostic sur- vey, based on a self–designed questionnaire. It consisted of 12 questions. To reach the respondents more easily and quickly, the questionnaire was posted on the ankietka.pl portal, and the links to it were published on groups of students on the social media web- site – Facebook.

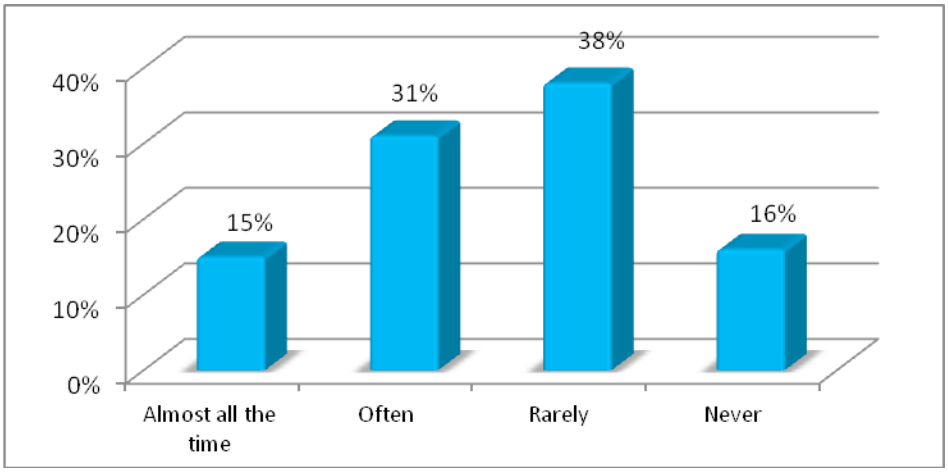
Characteristics of the research sample

The research sample was selected in a targeted way, a 100% of which were stu- dents from Bialystok University of Technology and the University of Bialystok. The de- cisive role in the selection of this particular social group played its prospectiveness. University students, as young consumers who develop different patterns of behaviour in the market environment, will become significant buying power in the coming years. The sample size was 100 people – consisting of 50 undergraduate students from the Univer- sity of Bialystok and 50 Master degree students from Bialystok University of Technology. Most of the surveyed (93%) were 18–24 years old. Remaining 7% constituted of students at the age of 25–29. Majority of the respondents (57%) were female university students, and male accounted for 43%.

Subjective evaluation of the external business communication forms in per- ceptions of young customers

Figure 2 refers to respondents' answers to the frequency of encounters with various forms of external business communications within a single day. 46% declared that they come across multiple messages almost always (15%) or often (31%). Surprisingly, 16% responded that they had not met any form of marketing messages. Most likely they do not pay any attention to it, or they do not even realize the nature of the various activities of the companies. The remaining 38% of the respondents encountered multiple forms of transmission relatively rarely. Given that students spend a significant part of the day at college, this is a reasonable result.

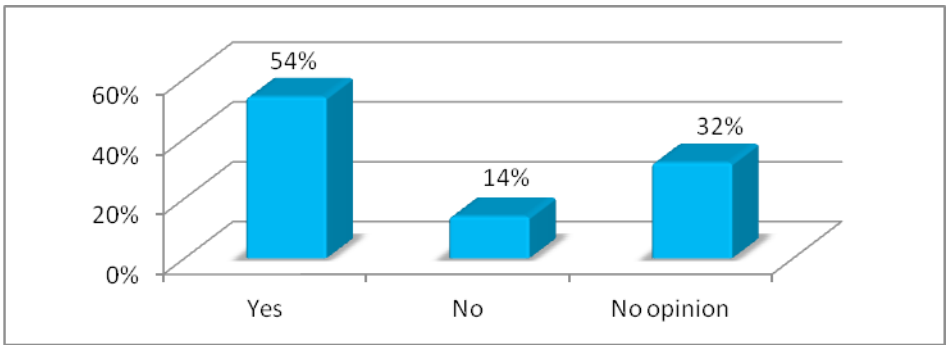
Figure 2. A frequency of respondents' daily encounters with various forms of external business communication



The next question concerned the relevance of the information provided by the com- panies to the recipients. The distribution of the responses obtained is shown in fig. 3.

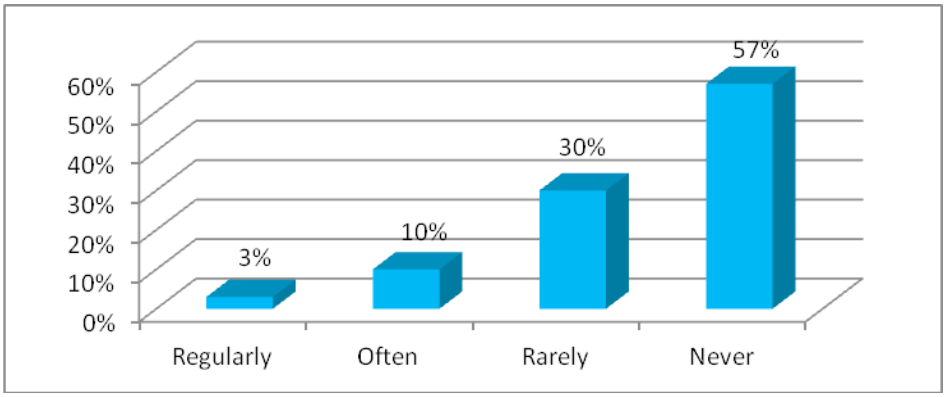
More than half (54% of respondents) considers the information provided by com- panies to be relevant from their point of view. Only 14% had a different opinion on that matter. It is likely that these people see external communication of companies as a way to make them buy a particular product or service. Consequently, they often avoid market- ing messages or just ignore them. This result is to a large extent coincidental with 16% of respondents who responded in the earlier part (fig. 2) that they had not met any external communication during the day. The remaining 32% had no opinion on that subject.

Figure 3. Assessment of the relevance of information provided by the company from the customer's point of view



When asked about how often they bought something based on the information pro- vided by the company during the previous week (fig. 4), only 13% declared doing so regu- larly (3%) or often (10%). This might be the result of searching for additional information while shopping for selectable goods (e.g., TV, clothes). The majority (57%) answered that they did not buy anything. Remaining 30% said that they are probably people, who did not know which product to choose and they ended buying something, that they had seen in an ad before, instead of buying an entirely unknown product.

Figure 4. A frequency of purchase due to the company – information provided in the previous week



In the next part of the survey, respondents were asked to share their subjective opin- ion about various communication tools used by companies. A 6-grade scale was used for the assessment, where 5 meant that the tool in their opinion was very effective, 1 – ineffective, and 0 – they have not encountered this communication method. A detailed breakdown of scores is presented in table 2.

Table 2. Rating of communication tools in perceptions of respondents

		Rating					
		0	1	2	3	4	5
Communication Tools	Websites	1%	6%	11%	24%	25%	33%
	Leaflets	5%	21%	30%	23%	14%	7%
	Press advert	8%	33%	24%	23%	9%	3%
	TV advert	2%	6%	13%	34%	24%	21%
	Product placement	5%	13%	28%	36%	12%	6%
	E-mail marketing	3%	42%	29%	18%	6%	2%
	Social media marketing	5%	10%	18%	32%	20%	15%
	Company newspapers	7%	21%	26%	24%	18%	4%
	Telemarketing	9%	39%	25%	16%	8%	3%
	Radio advertisement	10%	24%	31%	27%	8%	0%
	Word of mouth marketing	15%	9%	17%	21%	24%	14%
	Sponsoring	9%	14%	22%	24%	21%	10%
	Outdoor, billboard, citylight	1%	8%	13%	50%	21%	7%
	Gadgets	4%	6%	20%	36%	19%	15%
	Public relations (PR)	14%	16%	32%	20%	11%	7%
	Beacons	25%	13%	20%	28%	11%	3%
	Online advertisement (dis- play, pop-up)	7%	29%	29%	16%	12%	7%
	Influencer marketing	14%	15%	24%	29%	14%	4%

Out of the most often used external communication tools, respondents see web- sites as the most effective in communication with clients (33% rated them as very ef- fective and 25% effective) and TV adverts (21% – very effective, 24% – effective). This is probably due to the range that those tools offer. Next in the ranking, as "doing fairly well", are: outdoor advertising, billboards, citylights, social media marketing, and gadgets. Ac- cording to their opinion, the worst communication tools are e-mail marketing (42% rated this form of communication as ineffective), telemarketing (39%) and press advertising (33%). The least recognizable communication tool, which was not recognized by a quar- ter of the respondents were beacons. This may be due to the fact that this is a relatively rare solution in Bialystok and that messages sent by beacons to mobile devices are often considered to be application notifications rather than signals from an external device.

Figure 5. The most often encountered and the most effective communication tools according to the respondents

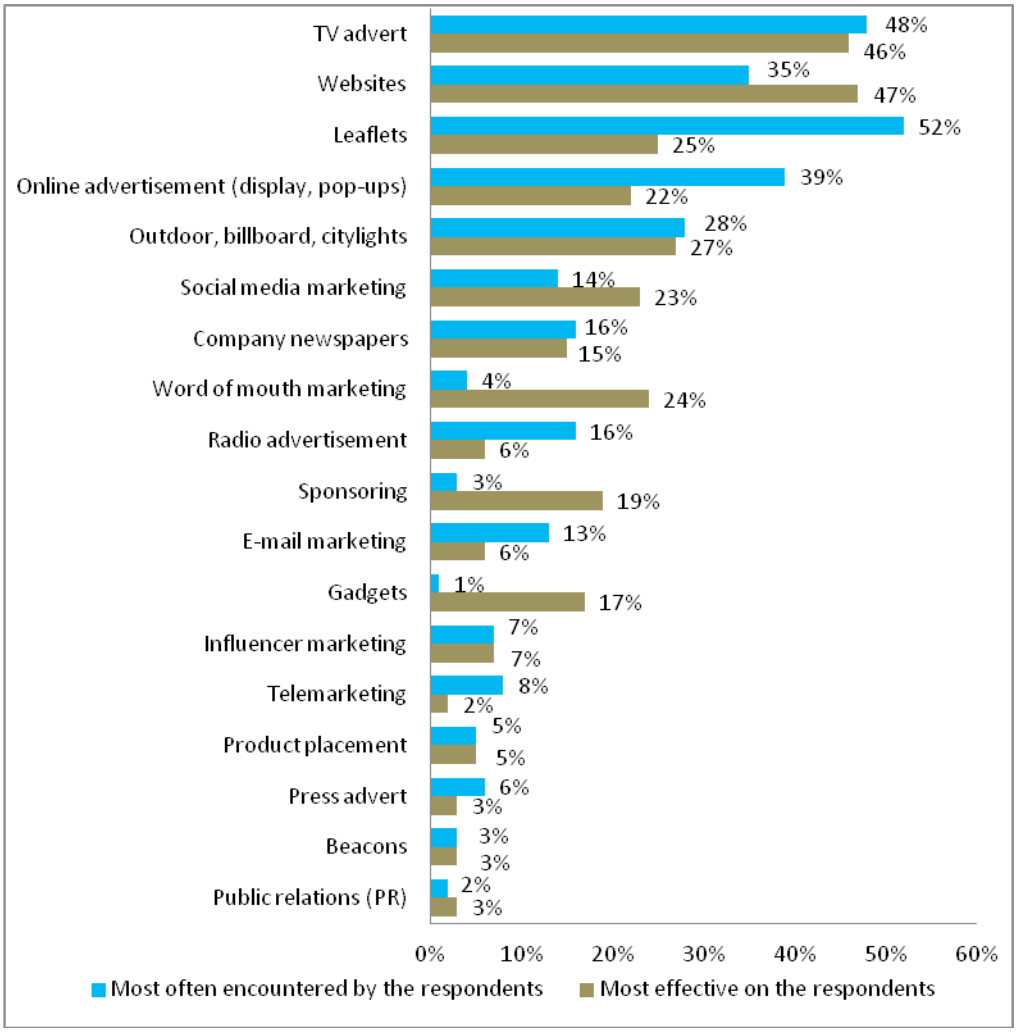


Figure 5. reflects respondents' answers to two questions – which forms of com- munication tools have the most significant impact on them, and which they encounter the most often. Each respondent could choose from 3 tools on the attached list. As in the previous question (Table 2), websites (47%) and TV advertising (46%) are the most successful in their opinion. The frequency with which they encounter those tools is also relatively high - websites are listed as the most commonly used external communica- tion tool by 35% of students, while TV advertising by 48%. In the category of the most frequently encountered, the 1st place was occupied by the leaflets (52%), with 25% of re- spondents considering this tool effective. There is much less efficiency here, compared to other often common tools. This may be due to the fact that leaflets are a relatively

inexpensive tool for marketing communication, and therefore are commonly used by many businesses. The lowest rank in the ranking was: PR (3% declared PR as effective, 2% - most often encountered) and beacons (3% - effective and 3% - most common).

Conclusion

Companies have a wide range of tools available to communicate with the market environment. The purpose of the article was to assess customers' perception of the forms of external business communication. In the study, 100 students shared a subjec- tive opinion on the topic. In their view, the best are websites, leaflets, and TV advertising. These tools have a broad reach. However, the cost of TV commercials is relatively high, and so mostly only large companies choose this medium to promote their products. Websites, on the other hand, are much cheaper and usually fulfill informative functions. However, one cannot ignore the fact that many companies sell online on their websites, which certainly has a positive impact on the ratings. Leaflets are a popular, low-cost solution used by companies of all kinds. The ratings were much lower than websites and TV commercials, but 52% of respondents mentioned the tool as the most common. A big downside for this type of advertising may be the fact that some people can see it as an annoying, useless paper clogging their mailbox.

An important aspect is that 54% of respondents considered the information pro- vided by companies as relevant to the customers, and 43% report to have bought some- thing (with different frequency) based on this information. Tools such as outdoor adver- tising, billboards, citylights, social media marketing, and gadgets, were also positively evaluated. The worst in the communicating with the young customers (in their opinion) is in turn: e-mail marketing, telemarketing, and press advertising. Also, PR and beacons did not get very high ratings. This may be due to the fact that students often do not pay attention to PR activities, considering them a standard. As for beacons, this is probably the result of the fact that it is a relatively new solution, and not commonly used in Bial- ystok. In addition, it is also affected by thinking of information, sent by beacons, as of mobile app notifications.

The test group was not representative and the results obtained in the study cannot be generalized to the entire population. Also, it should be kept in mind that while examin- ing the student's perception of different communication tools, the impact of advertising on the human being's subconscious was omitted. Therefore, in order to select the opti- mal combination of tools for communicating information by companies, it is necessary to measure their effectiveness with more accurate methods, for example brand aware- ness indicators, market penetration index or other analytical tools.

High variability characterizes the marketing industry, therefore it is necessary to carry out continuous research in order to appropriately respond to the changes taking place in the market environment. It is also important to keep an eye on technological de- velopments that can lead to better and cheaper ways of communicating with the market environment.

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