

THE USE OF ELECTRONIC COMMUNICATIONS IN MARKETING ACTIVITIES - QUALITATIVE RESEARCH - EXPLORING THE PERCEPTIONS AND ATTITUDES OF ECONOMIC AGENTS FROM BRASOV

Alexis DAJ¹

Abstract: *This study presents, with the help of literature review and qualitative marketing research, the main aspects to be taken into account in order to ensure a more effective adaptation to the peculiarities of strategy formulation in the digital environment, and determines the main issues regarding the attitude of Romanian companies from Brasov toward the use of electronic communications in implementing digital marketing tools. The paper also identifies different behaviour patterns of decision-makers in terms of their strategic options in the implementation of digital marketing.*

Key words: *digital marketing, information technologies, modern electronic communications, e-business strategy.*

1. Introduction

The impact of information technologies and modern electronic communications is most prevalent in the economic field, while having important influences on other areas of human life, as well.

Electronic commerce fulfils the needs of dynamic and active consumers, for whom the lack of time is a permanent problem; thus it is the most developed area of the new economy.

In this context, modern marketing has to handle the new types of business relations occurring between: two companies (Business-to-Business); a company and its customers (Business-to-Consumer); two or

more customers (Consumer-to-Consumer); or between a company and its employees (Business-to-Employee).

Since marketing is influenced directly by the realities of the information society, it has evolved from tele-marketing (marketing conducted through the phone and television), to e-marketing (Internet marketing), developing into the digital marketing phase (marketing based on the use of electronic communications) - in which marketers exploit opportunities offered by the Internet and all the other tools made available through information and communication technologies. [1]

¹ Department of Economic Sciences and Business Administration, *Transilvania* University of Braşov.

1.1. Problem of Research

In this new economic, technological and cultural context, adapting Porter's generic strategies to the digital environment and determining the managerial implications is useful and necessary.

The pursuit of a distinct strategic position - *differentiation* - has always been more difficult and caught up much more creativity than the pursuit of operational efficiency or a generic strategy of *cost leadership*, but, once attained, it gives a higher probability of maintaining performance at a high level.

Instead of placing emphasis on price competition, firms should take advantage of the ability of the Internet to provide comfort, speed, interactive services and personalization.

Thus, the reputation, credibility and confidence toward the brand - which form the basis of differentiation - become even more important in the world of online businesses where there is no direct contact between company and client or, if present, this contact is at a very low intensity.

At the same time, neglecting the untapped possibilities of the Internet to reduce costs would be, of course, a wrong decision. Thus, we suggest that online companies should move from the pure strategy of cost leadership toward a differentiation strategy or an *integrated strategy* that combines the best features of both strategies (cost leadership and differentiation). [2]

1.2. Research Focus

Currently, a special place in all customer loyalty programs is held by the organization's *communication policy*, whose main purpose is to create a steady and interactive dialogue with customers.

In the last 15 years, the *information and marketing communication channels* - through which the relationship of an organization or business with its customers is maintained and developed - have

diversified from face to face interaction, toward digital communication through E-marketing.

The existence of these new ways of communication offers opportunities for real time observation and evaluation of the relationship with the customer, no matter of its location (either on the national or international markets).

Although most of the works of foreign and prestigious Romanian authors discuss aspects of Internet and ICT use in certain components of the marketing activity, this is done, especially in the form of individual chapters, which supplement the traditional "themes" of marketing. The drawbacks of such approaches may be theoretical in nature - by the dissociation of the online strategic marketing and vision from that of the offline environment; but also from the practical point of view - in form of the marketers' difficulty of integrating digital marketing tools in other components of the traditional marketing mix.

For these reasons, the scientific works and research dedicated to "E-marketing", "Internet marketing", "online marketing" or "digital marketing" should be considered a commendable approach - that is trying to outline an overview of marketing activities performed through electronic communications, providing more strategic elements and a broader range of specific online techniques and tools.

However, many authors do not fully correlate digital marketing concepts with the approach and concepts of traditional marketing - particularly in respect of the classification of tools within the marketing mix.

We can also observe a thematic focus of this work on Internet marketing, to the detriment of the development of marketing through other means related to the broader domain of electronic communication, such

as: **mobile marketing**, marketing through **context-aware digital technologies** or **location-based marketing**.

Among those who contributed to the affirmation of the field of marketing through electronic communications, the work of foreign authors is especially notable: D. Chaffey et al., J. Strauss et al., J. O'Connor et al. or K.C. Laudon. [1], [3]

In Romania, the scientific work on this subject (with the exception of works focused on certain sub domains - for example, "Marketing and communications on the Internet" by G. Grossec) are of a smaller scale (e.g. "Cybermarketing"), being represented, in particular, by articles and research reports (e.g. G. Grossec, M. Popescu, Gheorghe Orzan).

Among the foreign authors who have legitimated the topic of marketing in the digital environment - through the inclusion of new theoretical concepts, the following must be mentioned: M. Porter, E. Kim and colleagues, MD Smith and colleagues, B. Merrilees, S. Rapp and T. Collins, G. Wertz, DL Hoffman and T.P. Novak and E. Constantinides. [2]

The current study is of scientific interest due to its novel endeavour in determining how the international theory and practice is reflected by the behaviour patterns and attitudes of Romanian managers toward the use of electronic communications in their business processes and marketing activities.

2. Objectives and Research Hypotheses

The **objectives** of the qualitative research encompass the following:

- a.) Identification of the extent to which managers of surveyed companies use electronic communications to implement modern techniques and strategies in their marketing activity.
- b.) Finding the consumption behaviour for electronic communications services,

according to the category of economic agent.

- c.) The study of the way the marketing activity is performed in the digital environment, by the surveyed companies.
- d.) The determination of the extent to which digital marketing tools are adopted by different categories of companies.
- e.) The measurement of attitudes of managers on the digital marketing tools that can be used in their future marketing activity.

The **research hypotheses** were formulated as follows:

- Electronic communications are used in an increasing degree in marketing activities by the managers from Brasov;
- In some areas of economic activity, the managers have a predilection to further the use of digital marketing tools;
- The attitude of managers toward electronic communications is positive, which, in the future, will lead to a more accelerated adoption of digital marketing tools;
- Strategic choices of the surveyed companies on the implementation of digital marketing instruments are correlated with the overall strategy of the company.

3. Methodology of Research - Material and Methods

The research was conducted during the year 2010 by means of an **in-depth interview** - a qualitative research technique that involves carrying out intensive individual interviews with a small number of respondents to explore their perspectives on a particular issue, activity, or situation, thus developing a deeper understanding of manager attitudes and the reasons behind specific behaviours in relation to the use of electronic communications in business processes.

The in-depth interview was complemented by a projective technique in the form of *sentence completion*. Using this method makes it possible to obtain answers with a much greater fidelity when compared to the answers to direct questions on the same theme, as it calls upon the subconscious of the individual. [4]

3.1. Sample of Research

For an efficient in-depth interview, the sample is kept small. Thus, only a few purposively selected managers were subjected to a detailed interview.

We chose a sample of seven companies or subsidiaries of companies based in Brasov in different fields of activity.

Firms' selection in the sample was done randomly by using as a sampling frame a list of companies that carry out economic activities in Brasov, offered by the Chamber of Commerce and Industry of Brasov. To cover a wide range of management practices related to the use of electronic communications in marketing activities, the following sample structure was observed:

- 2 managers of firms with a number of 0-9 employees
- 2 managers of firms with a number of 10-49 employees
- 2 managers of firms with a number of 50-249 employees
- 1 manager of a company with more than 249 employees.

3.2. Instruments and Procedures

In planning for the interview, we took into account the following *rules*:

- Preparation of detailed questions so that they can be easily understood by respondents.
- Guiding questions for the purposes of facilitating the transition from general issues to specific details, further details and examples being offered by the interviewer only if the subject did not address those issues.

- Choosing a similar setting for conducting interviews for all candidates and a common set of questions. When necessary, however, specific questions were also asked.

As the main instrument, an *interview protocol* was developed - comprising the rules that guide the administration and implementation of the interviews (these are the instructions that are followed for each interview, ensuring consistency between interviews, and thus increasing the reliability of the findings).

With regard to the *conduct and duration* of the interview: the interview was structured into 4 phases, with a total length of 60-80 minutes. The complete interviews were audio-recorded. [4]

4. Results and Discussions

Obtaining primary data involved the study of the audio recordings and of responses to the sentence completion test.

Further, through the transcription and coding of responses from interviews and projective techniques, results were determined using *content analysis*, combining the *tabular method* with *the cut and paste approach*.

Because the gathered data represent confidential information obtained during the interview, the names of managers and companies surveyed will not be used.

4.1. Main Findings and Discussions

The analysis of the data resulting from the *sentence-completion technique* reveals the following:

- *Today, businesses in Brasov use in their marketing activity:* fixed telephony, mobile telephony, Internet connections, and own computer networks - according to their needs.
- *Most managers consider that digital marketing is:* a beneficial tool which becomes more and more necessary.
- *Among the biggest advantages of electronic communication are:* speed,

efficiency, and the enormous volume of information.

- ***In comparison to classic marketing, digital marketing tools provide:*** the same utility area, with the advantage of speed and volume of information provided at much lower costs.
- ***Digital marketing tools, which are most important for companies in Romania, include:*** using websites, e-mail marketing and those tools, which offer complex possibilities for communication.
- ***The assertion that the digital marketing strategy should not be linked with the overall business strategy is:*** a mistake.

Strategic issues identified and presented at the beginning of the paper could be corroborated with the results of qualitative research, showing the following:

A.) The prevailing opinion of the managers surveyed is that, the adoption of digital marketing tools varies depending on the extent to which customers (current and potential) are able to know the product offered by the company and interact with it in the digital environment:

- If the product cannot be sufficiently examined and tested in the virtual environment, managers use digital marketing tools mainly for communication and information and less for concluding the transaction, the consumer preferring to take the purchase decision after the direct contact with company representatives and the offered product (especially through physical, real interaction with it);
- If the product can be easily examined and tested (through virtual interaction with it), the use of digital marketing tools is aimed not only at informing and communicating with consumers, but also at determining the buying decision (e.g. by customizing the offer) and finalising the transaction.

Several comments and exceptions from these criteria could be recorded, some managers describing as justified the extended use of digital marketing instruments (up to an exclusive use of the online channels), in the following situations:

- In the case of software that may be offered in a demo version with a trial period or reduced functionality, but which enables the consumer to assess the main characteristics of the product;
- For products that are purchased frequently by consumers, being already known and tested by them;
- In a situation where there are enough evaluations (recommendations) and information from persons who have used a particular product and these reviews are made public in the digital environment;
- If the product is not available (through a traditional channel distribution) in the geographical area of the consumer;
- For niche products aimed at specific target audiences;
- On the markets where the price variation is accelerated, being used as a means of obtaining a competitive advantage by competition.

B.) With regard to the confirmation or refutation of the research hypotheses, we can assert that:

The ***first hypothesis*** - “*electronic communications are used in an increasing degree in marketing activities by the managers from Brasov*”: ***is confirmed*** by the large number of electronic means of communication used by subjects and supported by the positive expectations of managers on the future development of electronic communications in Romania.

The ***second hypothesis*** - “*in some areas of economic activity, the managers have a predilection to further the use of digital marketing tools*”: ***is partially confirmed***, because the criteria depending on which digital marketing tools are chosen are not

strictly related to the field of activity, but more likely to a cost-benefit analysis.

The **third hypothesis** - “the attitude of managers toward electronic communications is positive which, in the future, will lead to a more accelerated adoption of digital marketing tools”: **is fully confirmed**, as most managers currently use a very diverse range of electronic communication techniques in their marketing activity.

The **fourth hypothesis** - “strategic choices of the surveyed companies on the implementation of digital marketing instruments are correlated with the overall strategy of the company”: **is partially confirmed** because - although it is an aspiration of the majority of the managers - they either do not have enough qualified personnel or do not dispose of the resources needed to achieve a harmonization of the two components of the company’s strategy.

C.) From the analysis of managers’ responses, **three types of decision-making behaviour** can be identified (with respect to their strategic options in the implementation of digital marketing):

- The **conservative approach**: involves the minimal use of digital marketing tools, only to the extent that they are imposed by the dynamics of the market and by customer requirements;
- The **pragmatic approach**: implies the use of digital marketing tools, depending on the cost-benefit ratio obtained;
- The **innovative approach**: advocates the use of digital marketing instruments as a business philosophy, the adopted business models being characteristic of the digital environment.

4.2. Advantages and Limitations

The **most important advantage** of in-depth interviews is that they provide much more detailed information than what is available through other data collection methods, such as surveys. **Limitations** of the research lay mainly in that:

- The qualitative results cannot be extrapolated to the entire population and
- Due to limitations of time and resources, the number of subjects interviewed was reduced to seven representatives of companies in the municipality of Brasov.

5. Conclusions

Given the explosive developments in the field of ICT, forecasts of well-known authors, even though dramatic, could be quite close to reality: if we look 10 years into the future, we will be confronted with the realities of a generation that knows only the digital technology. This category of consumers will expect companies to conduct transactions with them in an “always on”, “always connected” and “real time” manner.

In marketing, these developments will require automatic market re-segmentation based on real time information (e.g. from RFID tags attached to products or through navigation systems and real-time customer location), prices set by auction and customers willing to actively collaborate - through feedback in real time - in order to test products and services.

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