Communication and Information Technology in Society

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Volume 2 Information and Communication Technologies (ICT) in Management

Edited by

Jolanta Kowal,
Mirosława Wawrzak-Chodaczek
and Henryk Żeligowski

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INFORMATION AND COMMUNICATION TECHNOLOGIES (ICT) IN MANAGEMENT – OUTLINE OF ISSUES

*"We have two ears and one mouth
so that we can listen twice as much
as we speak."*
Epicteus

The role of Information and Communication Technologies (ICT) in management increases permanently in today's global market especially in emerging and transition economies. The particular importance of social communication as well as marketing communication can be observed through various electronic media and the Internet that are included in information technology. Some researchers even define management as an art, consisting of combining different media to manage the company so that it reaches their goals with maximum efficiency (Caude and Moles 1964). Management in organizations is the activity that coordinates the efforts of people to reach goals and objectives with the use of available resources efficiently and effectively. Its functions are planning, organizing, staffing, leading or directing, and controlling an organization or initiative to accomplish a goal (Nag, Hambrick, Chen 2007; Barret 2003). Implementations of these functions and objectives are not possible today without communication and information technology.

Information technology (IT) may be defined as one of the fields of science (including electronic media like computer hardware and software applied to create, transmit, display and protect information), joining telecommunications, utilities, and other technology–related information. It enables the users to find appropriate tools by which they can obtain information and select, analyze, process, manage and communicate it to other people (Kowal 2012).

Levels and methods of communication characterize and have an influence on the level of national income and socio–economic and human development, which is reflected by the HDI coefficient, taking into account such features as computer ownership, internet access, education and national income (Kowal and Roztocki 2013).

Social e–communication is a significant factor of management, and is used in processes of decision making by organization management, making it easier to achieve the desired objectives. It is an essential element of operational e–marketing, which includes such measures in policy communication as: advertising, promotion and PR on the Internet. Public relations is the management function of a continuous and planned nature leading to a balanced position in the market. The systematic analysis of the opinions concerning the organization in internal and external environments enables us to identify such tools of e–communication that are effective in achieving the company's success and maintaining a good image of the firm in the community. E–communication in PR is today a strategic, planned and long–lasting element of policy of the company. E–PR and e–communication are vital elements of the contemporary global market and may impact on clients in conscious and unconscious ways, for example in Internet advertising via colors, symbolism or frames of self–presentation in constructing persuasive messages (Kowal and Węgłowska–Rzepa 2010; 2013; Kuzio 2013).

Marketing e–communication may be defined as the system of disseminating information (symbolic content) between the company (sender) and its environment (recipients and other groups of customers) via certain channels and the electronic communication tools of Information Technology. International corporations to small retail sale companies depend on marketing e–communication in their goods and services sales, because marketing communication has become an integral part of a social and economic system in many countries in trying to win new customers or keep previous buyers. The main purpose of marketing e–communication is to reach a specific customer by creating his/her awareness in such a way as to affect his/her behavior, to win him/her as a new customer and encourage him/her to purchase specific brand products. E–communication strategies have an influence on economic rate growth and brand recognition. What is more, they favor new business contacts and customers' loyalty. They affect the increase of employee identification with the company, as well as the brand positioning. There is a large supply and a wide range of products of information and communication technologies enabling their application in business on a large scale on the global market (see Kowal and Węgłowska–Rzepa 2010; Wawrzak–Chodaczek 2011).

Economic growth and information technology are extremely important for emerging and transition economies that try to reduce the distance towards the developed countries. According to Roztocki and Weistroffer (2008), emerging economies are defined as countries or regions that are moving from developing to developed status and are characterized by low standards of living, a weak industrial and commercial base, and a poor infrastructure. The economic growth may be encouraged by developing a competitive industrial and commercial base, and improving infrastructure, including Information and

Communication Technologies (ICT) in management (Roztocki and Weistroffer 2008). Some of these ideas were considered, examined and discussed by the authors of this volume, and their conclusions are briefly presented below.

Mirosława Wawrzak–Chodaczek's study concerns marketing communication, marketing, brand promotion and models of marketing communication. In "Communication Strategies in Marketing", the author considers a conceptual framework that makes it possible to answer questions concerning communication strategies. The main question is: 'When the focus switches to the consumer where the integration takes place, what is integrated and how?' The author notes that some of the messages communicated by a firm may be integrated with one or several factors in meaning creation, whereas other messages may not be integrated with any other factor.

Robert Piechota, in "IT Governance – How to increase the impact of Information Technology on a firm's performance?", emphasizes that Information Technology (IT) plays a very important role in modern enterprises, considering almost every aspect of their business. The long–term activity of companies depends on their ability to manage Information Technologies effectively in the contemporary global and rapidly changing local business environments. The structured approach to the effective use of Information Technology may help to maximize the performance and value of the enterprise, taking into account IT Governance. The author presents the stages of implementing IT Governance, comprising the following areas: strategic fit of IT, creating value of enterprise through IT, effective use of IT resources, IT risk management and IT performance measurement. The use of IT Governance allows the enterprises to maximize the resulting business benefits and has a substantial impact on a firm's performance.

Maria Johann, in "Marketing Communications in the Network Organizations", presents the current trends in marketing communications and discusses the complexity and specificity of marketing communication processes in relation to network organizations in a service–dominated economy. The author formulates the thesis that effective communications, being an important source of competitive advantage, should be applied in order to develop and enhance the relationships with the company's stakeholders. The dominance of services in the global economy additionally implies that the integrated marketing communications strategy, focused on developing, maintaining and enhancing relationships through a variety of tools, should be designed with regard to the services communications challenges. Designing and developing effective communications in a service–dominated economy, consisting of network organizations, require an understanding of services communications challenges, current trends in marketing communications, as well as knowledge of business networks and the crucial role of developing relationships with customers and other groups of stakeholders in the process of creating a competitive marketing network.

Jarosław Wąsiński reports the results of his research (Information and communication technologies in the management systems of small businesses) conducted on the basis of 50 small Polish firms located in Lower Silesia. The author presents the security requirements of information contained in international standards for information security management systems and information technology security techniques, and their degree of compliance in small businesses. The implementation of diverse IT applications in the workplace network (Intranet) and global network (Internet) and the use of mobile communication are obvious but lead to a significant reduction in the ability to provide information security in the organization. According to Jarosław's conclusion, employees often do not care about the security of information during work on the computer as well when they use the flow of information through traditional media. However, many inconsistencies can be identified in the companies which, due to implemented actions, are expected to show more awareness in this field, i.e. providing training. The users of IT systems have to know that the success of any company depends on information which should be protected from adverse effects.

Tom Kwanya, Christine Stilwell and Peter Underwood present the results of an interesting study concerning the apomediated marketplace, intermediation, and disintermediation in developing countries (the apomediated marketplace means leveraging the power of direct social interactions for knowledge sharing among local Civil Service Organisations in developing countries). They observed that the growth rate of civil society organizations (CSOs) in developing countries has been increasing and several donors currently channel development funds through CSOs. The authors perceives that the inadequate capacity to work with governments, donors and other stakeholders has hampered the ability of local CSOs to deliver effective services. Different approaches, including mentorship and formal training, have been used to strengthen the capacity of CSOs but with little apparent impact. The authors analyze and compare the concept of the apomediated knowledge marketplace with its alternatives on the basis of the data collected in sub–Saharan Africa and Eastern Europe. The most important conclusion concerns facilitating the creation of a safer, more versatile and effective knowledge by apomediation.

Helena Lindskog, Staffan Brege and Per–Olof Brehmer discuss themes concerning electronic and public procurement and corruption in developing countries (better public buyers with electronic procurement). The authors consider electronic public procurement as a big part of any country's economy, independent of its geographical location, political inclination or level of development, under strict jurisdiction. The authors indicate the reasons for strict jurisdiction, like the protection of tendering companies from unfair treatment and avoiding corruption, bribery and the misuse of power by public procurers and the main benefits of eProcurement. The researchers discuss greater

transparency and accountability in public procurements, competition and opportunities for SMEs to participate in tendering for public contracts, and better visibility, control and insight. They argue that eProcurement can be an effective tool against corruption and discrimination in awarding public contracts in developed and particularly developing countries.

Jerzy Łunarski and Aiman Z. Gabdulina, in "Regional Aspects of Standardization and Innovation in Technology Management", describe the conditions of economy, technology and current technology management in Poland and the Republic of Kazakhstan. They indicate some important and significant differences affected on the processes of further development among other vital aspects of technology that influence an organization's competitiveness. The authors discuss the fundamental elements of management systems that are oriented to the optimization of technological activity. The authors also consider the need for innovative and effective technology management including quality standards (ISO 9004, ISO 10014, ISO 21500, prCEN 16555–1), and indicate the recommended way of building an effective system of technology management in an organization. They point out that designing the system of technology management in an organization, based on qualitative and quantitative assessment, should be a vital element of its global management. The authors formulate their conclusions on the grounds of the comparative analysis of the condition of technology in Poland and the Republic of Kazakhstan, indicating the preferred projects on technology management in the above–mentioned countries.

Paweł Trojanowski and Marcin Chrobot report the results of research concerning the process of social integration and system transformation in managing a farm with the use of a social portal (the farmer's social portal and its impact on the deficits of the management of medium–size farms). The authors were interested in the socio–psychological aspects of using particular Internet–based communication tools in agriculture, i.e. that branch of the national economy which entered the post–transformation developmental era with the most deficits. They determine, on the basis of the available literature and empirical studies, how individuals make use of the opportunity to acquire information and communicate with other producers via the Internet. The authors emphasize that the modern ways of communicating not only allow farmers to acquire new information and confront the experience and practical knowledge of production and market operating rules with other producers, but are also instruments for fighting the isolation that farmers may feel as producers. The authors conclude that the main tools available at the agro–portal play a strictly serviceable and consulting function and are oriented towards integration. The Internet, due to the specific "verifiable anonymity", eases the making of new contacts, the lack of spatial barriers, and the speed of finding information offers support in terms of expertise and business decisions.

Janusz Martan and Katarzyna Tworek, in "Suitability Analysis of a New Method for Measuring Information Technology Acceptance", describe and propose the use of the TAM model to measure the degree of acceptance of information technology. The method is based on a study of hard data characterizing the organization. The authors show how the method was developed and present detailed forms of all its measures. The results of empirical research conducted in five organizations were also described. The description of empirical work has enabled the verification of the proposed method and allowed the authors to deduce that it is applicable in assessing the degree of acceptance of information technology. The authors indicate the possible directions of development that would allow one to make changes in the proposed method, which would increase its effectiveness.

Mirosław Mrówka and Zygmunt Żerkowski, in "An Empirical Study of the Theoretical Claim for the Relationship between Economic Value Added and Stock Return in the Polish Production Sector", analyzed the practical relationship between VAE and stock returns. Having reviewed the theoretical research on a scale of VAE in terms of the relationship between stock prices and earnings, the extent of the benefit of the scale of the VAE in the design of investment policies in the production sector will be used to achieve extraordinary returns. The authors also present research results of the study supporting the operation of the previous studies indicating that, in spite of the existence of the logical justification of the relationship between the theory of VAE, stock prices and revenues, the results do not justify this relationship.

Not only is communication crucial for understanding but so is culture, as Mieczysław K. Leniartek mentions in his chapter "Mission, Organization and Form of the Museum as an Expression of Culture in 'Liquid Modernity'", He compares the contemporary world to a mega shop in which culture seems to play the role of a department in which the shelves are filled to the brim with attractions which are exchanged every day, and the counters are decorated. The multiplicity, variety and variability of cultural offers cause changes in personality traits, which become as "liquid" as the whole surrounding reality.

This volume considers some issues concerning the various dimensions of information and communication technologies (ICT) in management, and in the economic and psycho–pedagogical frames. It is a trial of some important questions concerning the theme and fills the gap in this sphere in science and practice with an interdisciplinary approach. The editors hope for to contribute to the wider social and scientific discussion on the theoretical and practical use of ICT in management, economics, education, psychology and several other scientific disciplines.

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Jolanta Kowal
University of Wrocław

Anna Kuzio
College of Management "Edukacja"

Mirosława Wawrzak–Chodaczek
University of Wrocław

Mirosława Wawrzak–Chodaczek

University of Wroclaw

COMMUNICATION STRATEGIES IN MARKETING

ABSTRACT

The main purpose of this chapter is to present a conceptual framework that makes it possible to answer the question of when the focus switches to the consumer and integration takes place, what is integrated and how? Some of the messages communicated by a firm may be integrated with one or several factors in meaning creation, whereas some messages may not be integrated with any other factor.

KEYWORDS: marketing communication, marketing, brand promotion, models of marketing communication.

The aim of marketing is the optimization of company profits, which means the maintenance of previous profits at least on the same level. Communication strategies that are being created here are very helpful.

Marketing communication is defined as the system of disseminating information (symbolic content) between the company (sender) and its environment (recipients and other groups of customers) via certain channels and communication means.[1] Firms, ranging from international corporations to small retail companies, depend on marketing communication in their goods and services sale because it has become an integral part of a social and economic system for many countries trying to win new customers or keep previous buyers.

The main purpose of marketing communication is to reach a specific customer by creating awareness in such a way as to affect their behavior, to win them as a new customer and encourage them to purchase specific brand products. Communication strategies influence the economic rates growth, and brand recognition. What is more, they favor new business contacts and cus-

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[1] J.W. Wiktor, Teoretyczne podstawy systemu komunikacji marketingowej, "Świat Marketingu" 2001, no 11.

tomer loyalty. They affect the increase of employee identification with the company, as well as the brand positioning.[2] Traditional marketing communication was perceived as the company's presentation through outside information passing, and advertising started to lose its meaning in respect to its ability to perform promotional tasks towards homogeneous recipient groups. Communication in marketing plays an important role because it influences the awareness of a product or brand existence, supplies information to purchasers about the features of an offered product or service, convinces them about the quality of its offers in comparison to other products, creates a positive image of the firm, forms the customer's needs and persuades them to purchase, accomplishing the company's market objectives.

Communication in marketing has a two–way flow: on the one hand, the company sends to a certain market segment a persuading message whose aim is to cause intentional reactions and actions in the recipient; on the other, it receives return information in a form of acceptance or negation of its marketing offer.[3]

The basis of marketing communication is a dialogue that should have an interactive character because the professional service marketing is assumed as a relational marketing. That kind of communication is provided by social networks, because every firm that has access to the Internet has its own profile not only on one, but often on several web portals. Nowadays this is the best way to reach society and gain new customers. The most popular social network is Facebook which outruns other media in its range of communication with customers.

Firms have started to seek new ways of activity coordination in passing on information used by consumers and other potential clients about products and the firm. New ways of communication are the result of changes in consumer behaviors caused by discouragement from advertisements, drawing attention to ethical aspects in companies' actions, education and customer expectations, and also by the requirement to consider each customer individually.[4]

New technologies pro vide new possibilities, creating a situation wherein people talk about a brand's integrated marketing communication whose characteristics are: (a) the contents of a message directly referring to a particular brand, not to the whole company's offer or to the firm itself as an organization, (b) a broader spectrum of communication means because, apart from typical promotion instruments, it also covers the other instruments of mixmar-

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[2] G. Szczuka, Komunikacja marketingowa w małych i średnich przedsiębiorstwach jako jedna z determinant efektywności funkcjonowania biznesu, Kombinat Artystyczny sp. z o.o., Gdańsk, 2007, p. 15.

[3] J.W. Wiktor, Promocja. System komunikacji przedsiębiorstwa z rynkiem, Warszawa, 2001, p. 41.

[4] J. Peltier, J. Schibrowsky, D. Schulz, Interactive integrated marketing communication, "International Journal of Advertising" 22(01)/2003, p. 93–115.

keting.[5] Integrated marketing communication began to be implemented through the development of comprehensive databases of clients and potential clients, the segmentation of present and potential clients on groups with a common level of consciousness, predispositions and behaviors, and also the creation of information and media strategies based on communication tactics aimed at achieving marketing aims. In that way, the purpose of integrated marketing communication is to build and reinforce mutually profitable relations with customers and other important groups that are interested. This generates synergy in all the promotion elements in the mix program which must contain information that is clear, consistent and maximally affecting the recipient. The characteristics of marketing information are:

1. specific goals of communication connected with needs forming and simulating demand among the buyers;
2. specific communication means – those are mostly promotion instruments which create the composition of mix–promotion;
3. the (usually) one–sided direction of the message (although one can notice the increasing significance of a two–way flow of information between the company and its customers, which is a sign of the buyers' changing expectations especially in the face of the appearance of such media like the Internet);
4. multilevel communication – marketing communication includes (a) an interpersonal communication (e.g. connected with decoding of the advertisement signals sent by a company by the addressee), (b) an interpersonal communication (e.g. the interactions between a seller and a buyer), (c) a group communication (addressing the message to chosen, narrow market segments – for example, meeting with agents offering the company's products during a fair), (d) a corporate communication (directing the message to corporate addressees, e.g. to mass media representatives), (e) a mass communication;
5. the economic character of the message – the marketing communication must be subject to careful budget planning and evaluation of expense efficiency.[6]

An effective marketing communication is based on the possibility of mixing and combining different options of promotion actions. Those options cover commercials, sales promotion, public relations, direct marketing and door–to–door sales. In marketing communications a marketing database seems to be extremely important. Its effectiveness is influenced by the current updating of the lists of both existing and potential clients, defining who they are, what

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[5] J. Kall, Kreowanie kapitału marki poprzez komunikację marketingową, "Zeszyty Naukowe Gnieźnieńskiej Wyższej Szkoły Humanistyczno–Menadżerskiej «Milenium»" 2007, Nr 1 Zarządzanie i Marketing.

[6] J.W. Wiktor, Teoretyczne..., op. cit.

they are, what they are buying now and what they might buy in the future. Thanks to database marketing a firm can offer its products and/or packages of products in such a way to satisfy its clients' needs and develop creative media strategies which meet the clients' likings, taking into account their lifestyles and values. But, first of all, the success of marketing communication depends on an administrative decision competence that must concern three areas of mix–marketing: product, service and idea. The price of offered brands and places where the customers can purchase them also play an important role. New forms and instruments of communication are also created because of the presence of two fundamental driving forces: new technologies and transformations in customer behaviors. Being innovative in the field of communication with their clients is the main strategy for many firms. If advertising agencies want to gain and keep their clients, they must seek new inspirations. As it is harder to invent something new, and for many old ideas new forms are being created which require appropriate instruments. The most important instrument of marketing communication is an advertisement addressed to customers in varied forms, but PR (Public Relations), often called marketing propaganda, is also meaningful. Its role is creating an image of the company in the eyes of potential buyers. PR includes event marketing in which one can distinguish special events, business events, social events, integration, entertainment or sports events. In marketing communication the field is led by specialized firms offering specialist messages providing various forms of promotion of a particular brand. The team of brand promotion creators prepares a few topics of expert articles in which the promoted brand may occur. Maintained contacts with professionals (e.g. doctors, technologists, psychologists or sociologists) make their actions more efficient and allow valuable specialists' services to be used. The size of advertising campaigns depends on the company's financial condition. Therefore, in small companies there is usually no advertisement, with only a manager responsible for the promotion. Advertising actions are divided into two types: inside and outside advertisement.[7]

Integrated communication comprises the basic elements illustrated in Figure 1 below.

Integrated communication means the cooperation between each company department (marketing, public relations, sales promotion) in the range of budget planning. This requires the selection of appropriate communication instruments which facilitate the fast flow of information between the separate company departments responsible for promotion, resulting in its reach to outside entities specialized in marketing communication. The possibility of a company's fast marketing adjustment to changeable market realities is of

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[7] G.E. Belch, M.A. Belch, Advertising and Promotion, An Integrated Marketing Communications Perspective, 5th ed., McGraw–Hill, Boston, 2001, pp. 89–92.
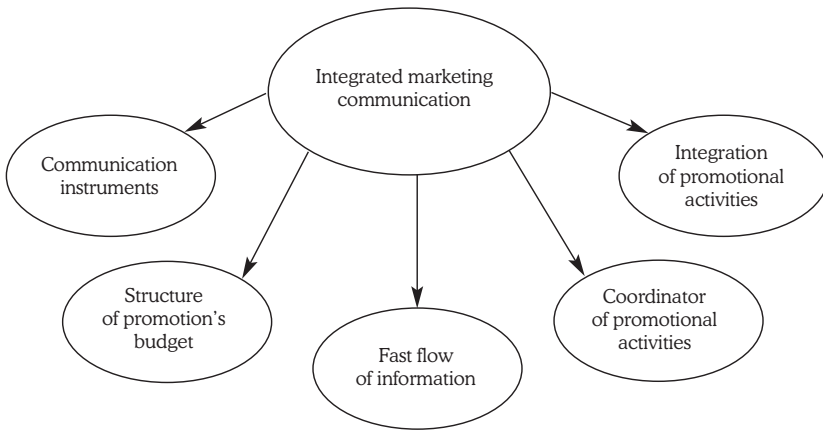
Figure 1. Elements of integrated marketing communication

key importance here. This facilitates the activity of the integrated marketing communication coordinator and their cooperation with department managers responsible for marketing, sales and public relations who decide on the good contacts of the firm with the environment, creating positive attitudes towards it.

During marketing communication planning and while using different kinds of knowledge in communication activities, it was noticed that the influence on customers is dependent on the following factors: time (historical factor and an element of the future) and situation (inside and outside ones). Taking these factors into account will cause the integration of marketing communication from the point of view of clients and marketing communication planning, which has become an outside process. The customers began to be treated not as the goal, but as partners of interaction in marketing.[8]

In the integrated marketing communication, passing on information concerning the brand or company does not happen in a vacuum but in a wider context that covers not only traditional mass media, but also other communication channels, as well as business meetings. Above all, the role of the client in the communication process and their capacity to perceive and integrate acquired information are important.[9]

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[8] D. Mick, C. Buhl, A meaning–based model of advertising experiences, "Journal of Consumer Research" 1992.19, December: 317–38; B. Stern, Textual analysis in advertising research: Construction and deconstruction of meanings, "Journal of Advertising" 1996.25, no 6, pp. 61–73.

[9] T. Duncan, S. Moriarty, Driving brand value, McGraw–Hill, New York, 1997; L. Percy, R. Elliott, Strategic advertising management, 2nd ed., Oxford University Press, Oxford, 2005; P. De Pelsmacker, M. Geuens, J. van den Bergh, Marketing communications: A European perspective, FT Prentice Hall, Harlow, 2007.

Customer behaviors have changed over the last decade, as have the lifestyle and shopping habits. In the area of marketing communication, differences between the effectiveness of traditional forms and the use of new media in marketing are visible. Thus, the popularity of classical forms of marketing communication have started to decrease. A function prognosis refers to the change of client behaviors and preferences. In order to achieve success in the field of marketing communication, international corporations had to take the geographical region where the product was targeted into account. Therefore, marketing strategies considering regionalization have been developed. The global marketing communication includes the ideas of a global standardization that oscillates between an extreme glocalization and extreme globalization.[10] Preparing a global marketing strategy of companies has become more and more common and is connected with the term 'strategic regionalism'. It needs to take the requirements of local markets and the cultural context into account. An effective marketing communication, in order to adjust its brands to the local market expectations, forces the concerns to plan promotional strategies on the regional level.[11]

Obviously, the market globalization enables some concerns to use a uniform advertisement which is addressed to the worldwide market and as an example we can enumerate such advertising magnates as Coca–Cola, McDonald's or Colgate–Palmolive. However, the permanent competition and more difficult struggle of Coca–Cola to keep pace with global Pepsi Cola caused Coca–Cola's key thesis in reference to some markets to be the recommendation: 'Think and act locally'.[12] In connection with the above, Coca–Cola started to depart from global campaigns of standard advertisements with a global character, and concentrated on the local ones. As a result, different advertisements and commercials are prepared for different markets.[13]

Nowadays, on the global market only strong company brands succeed. They are able to achieve a competitive advantage, and through the marketing communication they offer different emotions that can attract and keep the clients. Firms can reach their objectives with new instruments of marketing communication or by the revitalization of the old ones, and start promotions of their products and services thanks to new media. To attain the goal in integrated marketing communication, new ways of communication are applied. Traditional ways are also used but in a new form. Competitive situa-

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[10] T. Duncan, J. Ramaprasad, Standardized multinational advertising: the influencing factors, "Journal of Advertising" 1995, 24(3), pp. 55–68.

[11] A.M. Rugman, Viewpoint: The myth of global strategy, "International Marketing Review" 2001, 18(6), p. 584.

[12] US brands' appeal declines, "Advertising Age" 2006, 27 February, p. 26.

[13] K. MacArthur, Coca–Cola Light employs local edge: new ads show how cola giant is moving away from global campaigns, "Advertising Age" 2000, 21 August, p. 18.

tions extort a constant improvement of the communication process. The instruments of marketing communication have become a standard element of mix–marketing.

An interesting way of marketing communication is partisan marketing, which is product advertisement and promotion by unconventional techniques, similar to viral marketing. In Poland partisan marketing has not yet become popular, but probably soon will.

Another kind of partisan marketing is ambush marketing,[14] i.e. marketing action through massive media events, especially sports or musical ones, as well as political events. Ambush marketing occurs in the situation when one brand pays to be an official sponsor of a particular event (which is mostly connected with exclusivity), and another brand tries to advertise itself during the event without incurring the costs of sponsoring.[15]

Nowadays, the products are recognized due to an ordinary message, events and comments directed to many people. Here, the phenomenon of a permanent flow of events appears, connected with happenings and emotional and visual experience that arouse certain psychical and emotional stimuli linked with the advertised product or firm's image. Another form of a partisan marketing is buzz marketing, also called whispering marketing, which can be defined as advertisement by verbal communication between people.[16] The core is ambush marketing resulting from conversation based on an advertisement or information appearing in commercial communication. This type of communication is an added value which occurs as reliable information because people have predispositions to believe in information passed by authoritative people acting in commercials. An effective advertisement satisfies the needs, involves emotions and is so interesting that we want to share it with other Internet users.

A specific sort of whispering marketing is viral marketing thanks to which marketing managers, using their imagination, creativity and interactivity, are able to achieve their goals of gaining new customers. Viral marketing is based on affecting users in order to promote a firm or product. Viral marketing techniques are used on the Internet platform via e–mail, Internet applications (virtual cards and Web sites); interesting commercial films or humorous multimedia presentations, web–logging, video–logging or mobile–logging. Viral marketing has some pluses in comparison to traditional whispering marketing. The most important advantages are the low costs of a campaign, a wide range and

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[14] P. Frey, Marketing Communication, new trends and their application, Marketingová komunikace. Nové trendy a jejich využití, Management Press, Praha, 2005.

[15] Ambush marketing, http://hatalska.com/slownik/ambush–marketing/, 23.08.2012.

[16] M. Heskova, P. Štarchon, Event marketing the sport programs. Event marketing a jeho uplatnění v turistických a sportovních programech, [in:] Management a marketing sportu a cestovního ruchu, Západočeská univerzita v Plzni, Plzeň, 2009.

high effectiveness.[17] Information can be stored in computers and the web for a long time.

Viral marketing contains both positive and negative opinions concerning a product or service passed on via the Internet to many social groups by potential or former clients. Anonymity reduces the limitation caused by personal identity making mutual communication on the Internet much easier than in the real world. Chronologically, the oldest form of viral marketing is e–mail marketing, and the most recent are Internet communicators, forums, discussion groups and chats. Computer games also play an important role in viral marketing. They are more expensive and attract a lower number of customers, but the level of player involvement is much bigger.

The Internet allows to direct an advertising message to a chosen group thanks to information sent by the browser, the users' profiles or their behaviors monitored within the computer network. This form of advertisement has been developing rapidly, and new advertising possibilities have been introduced together with new forms of Internet users' activities.

During the promotional planning of a product or firm's service it is hard to ignore the significance of the brand in customers' decision making, and the motives that influence their decisions while buying brand goods.

The quality of the brand is created as a sum of customer experiences connected with the product or service. When a customer decides to purchase a particular brand, they demonstrate its certain value. Thus, the brand may become an instrument of identity formation. Buyers are able to save their money to purchase a chosen brand which gives them pleasant emotions. A good brand quality is fundamental to its good image. It is universally known that customers buy the products of popular brands to diminish the risk of their fast wear, tear or damage. In many cases, people buy well–known brand products to show their social status or to feel accepted by a certain social group. The research on factors which motivate customers to buy famous brands is also important, because such knowledge is very helpful in preparing a strategy of brand promotion.

Researching motivation is necessary in consumer behavior studies. According to A. Maslow's theory, the sense of security and feeling of belonging play a crucial role in the human's life. Maslow explains that people usually want to feel safe and be loved and accepted by others.[18] He also indicates that self-assessment is necessary for customers. When people buy brand name goods they want to increase their self–esteem, especially when the product is of the same brand as that used by film stars or famous celebrities. Product brands

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[17] J. Yang, C. Yao, W. Ma, G. Chen, A Study of the Spreading Scheme for Viral Marketing Based on a Complex Network Model, "Physica A" 2010, pp. 389, 859–870.

[18] R. Karaś, Teorie motywacji w zarządzaniu, Wyd. AE, Poznań, 2003, p. 13.

play an important role in the scope of communication and identification of different products. Product brands are symbolic instruments which enable the consumers to express their own images.[19] As regards a symbolic expression, the product brand may be an inherent value in the consumers' increase of prestige. Everyday consumers try to keep and reinforce their self–esteem and do so through the purchase of certain products. The social consequences of knowledge about a particular brand are priceless, and especially when buying a particular product a client is investing their own ego. Such situations concern the young, so–called 'Generation Y' that has grown up in a digital culture. This means that these young people are constantly surrounded by modern technologies which allow them to do their tasks in any place and any time. 'Generation Y' members are consumers born between 1977 and 1995 who substantially differ from their parents' generation. They are aware that one must work hard to achieve success because there are no social institutions which will take care their future. They consider education, proficiency in finances, knowing information technologies and a good appearance as the most important means to achieving their goals. 'Generation Y' grew up surrounded by commercials and expensive labels, thanks to which they do not trust advertisements or trademarks, identifying with those products which are adjusted to their express lifestyles. They are critical of advertisements which, if they are to be effective, must include practical and clear information, be humorous and concentrate on the 'Generation Y' lifestyle. Marketing communication directed at 'Generation Y' encourages copying the images of rich and famous people who represent individuality in the modern world.

Current studies in the area of marketing communication show that while passing on information the sender is traditionally concentrated on a hierarchical sequence model (e.g. AIDA), as well as being a passive participant of a communication process.[20] In a marketing model based on mutual relations, both sides of the process should meet on more balanced conditions, and the image of a passive consumer will be forgotten. That model has a wider attitude than is visible in the models concentrated only on broadcast news and its integration.[21]

Any kind of marketing communication that has an influence on a long–term relation between the sender and the recipient, facilitating the understanding of the announcement by its integration with the factor of time and the situational context, should also take into consideration how history is perceived and foresee the relation between the sender and the recipient in the future.

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[19] J.E. Escalas, J.R. Bettman, Self–construal, Reference Groups, and Brand Meaning, "Journal of Consumer Research" 2005, 32 (December), pp. 378–389.

[20] L. Percy, R. Elliott, Strategic advertising management, 2nd ed. Oxford University Press, Oxford, 2005.

[21] Å. Finne, Ch. Grönroos, Journal of…, op. cit., p. 176.

For the purpose of the classification and description of marketing communication, three simplified models, with reference to D. Hoffman and T. Novak's suggestion, can be distinguished: interpersonal communication, mass communication and the model of communication in hypermedia and computer–mediated environments.[22]

Interpersonal communication has an original and basic character for a marketing activity, describing the process of passing on information (symbolic contents) between the sender and the buyer. Basically, that model shows the essence of communication as contact, mutual informing and communication between different entities, including the natural need for feedback expressing understanding, acceptance and recognition, but also the negation of the delivered contents. The mass communication model expresses communication of the company with the market via mass media. In practice, it realizes the global communication network and is not a simple synthesis of the interpersonal and mass communication models, although it links and uses their categories and terms. The model describes a new type of communication – 'many–to–many', introducing not only a new meaning of a message, but also a different type of interaction and the interpretation function of the new medium. Virtual worlds are fast developing places for alternative meetings in relation to communication in the real world. They are an area of cooperation between the producer and the consumer, and are also used to organize economic activities. Stricter regulations concerning personal data protection can reinforce consumer positions, enabling them to filter messages to block unwanted marketing communication elements.[23]

The Internet is developing so fast that there is no complex research concerning the force and range of actions within it. Research questions should concern the process of the creation of new business strategies which can be developed in the virtual world. It is worth knowing the codes used by participants in virtual world communication. The codes are conventions we are so accustomed to that they seem obvious to us, or we do not even notice them, and knowing them seems to be necessary to create announcements. However, there are many codes and one should know which are to be used in marketing. A cultural code enables the correspondence between the structures of social reality and culturally formed behaviors, and its use allows to 'contact' with culture. Semiotics is helpful in understanding cultural codes. It does not ask the clients about anything, but only analyses the contents–codes–meanings enclosed in pictures, words and sounds, which can be found in a paradigm of marketing studies, being a development of the semiotic method in marketing

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[22] D. Hoffman, T. Novak, Marketing in Hypermedia Computer–Mediated Environments: Conceptual foundations, "Journal of Marketing" 1996, Vol. 60, No 3, p. 52.

[23] M.T. Ewing, Integrated marketing communications measurement and evaluation, "Journal of Marketing Communications" 2009, Volume 15, Issue 2 & 3, p. 103–117.

studies. The creator of the method, Douglas Holt, stresses the similarity of some brands to cultural icons. In his opinion, some brands succeed thanks to correlation gained by marketing specialists between product attributes and values included in the myths and archetypes of certain cultures. To achieve such an effect, it is necessary to use an unconventional marketing activities attitude to the communication issue. In political brand management, communication is an aim in itself, not – as in traditional marketing – a means of passing on messages about the brand and convincing clients of the offered advantages.[24] A key factor in semiotics is understanding the culture as a process of communication in which some symbolic messages take place. Understood statically and objectively, they are the sum of comments, a symbolic duration and means of communication as well as single symbols (languages, gestures, ceremonies etc.). This objectivity and its analysis comprise the foundation of semiotic culture depiction.

The semiotic method in marketing research and its development are marketing activities that reject understanding culture as a durable system of beliefs and values, being a set of occasions for connecting the brand with particular values via mass communication. The latter are characteristic for traditional marketing studies. The above paradigms are directed, first of all, to the description of behaviors and consumers' attitudes towards a particular product on the basis of present–day linguistics. Culture semiotics completes a missing part of an equation, providing knowledge with the cultural context that forms consumers' emotions, beliefs and needs. It shows in what way the consumers are being 'programmed' by the system of signs present both in marketing communication and the culture surrounding us.[25]

The semiotic studies try not to analyze the determiners of the customers' attitudes or behaviors, rather than what is in the customers' heads. Semiotic analyses show why a certain brand, product or advertisement becomes popular in a certain culture while others do not. Therefore, it is important to consider the cultural background before launching a new brand, which as a final result may be the optimization of a marketing message and product offer.

The integration of all message sources about a particular product or service is a key issue because it is important to take it as a whole, not on the level of particular actions. Marketing communication should be based on the market research, concentrate on its target, and all the information should be coherent. For example, when a firm is introduced by its product then the marketing must use all the promotional materials, including brochures, Websites, and slogans. It must coordinate all the actions.

Marketing communication has become an integral part of the social and economic system in many countries. Consumers often rely on information

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[24] P. Wojcieszuk, Branding kulturowy, Encyklopedia "Epistema", 19 stycznia 2008.

[25] A. Borasińska, Branding kulturowy jako novum w zarządzaniu marką polityczną, "Dialogi Polityczne" 9/2008, Varia.

gained in the process of marketing communication, which leads to making rational decisions concerning a certain product purchase.

In order to improve marketing communication, complex studies on the use of new information technologies should be carried out. They should demonstrate how particular and integrated stimuli, containing certain information passed on in the process of communication, are perceived by consumers. It is also important to check when and in what way integrated marketing communication is implemented. While planning and realizing communication marketing in any form, the requirements and lifestyles of particular social groups should be considered.

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Robert Piechota

College of Management "Edukacja" in Wrocław

IT GOVERNANCE – HOW TO INCREASE THE IMPACT OF INFORMATION TECHNOLOGY ON A FIRM'S PERFORMANCE

ABSTRACT

Information Technology (IT) plays a very important role in modern enterprises, influencing almost every aspect of business. The long–term survival of firms is closely related to their ability to successfully manage Information Technologies in today's harsh and rapidly changing business environment. Expenditure and investment in IT often consume more than half of the total capital expenditure of enterprises. At the same time, they often do not bring about the expected effects. There is a need for a structured approach to the effective use of information technology which will seek to maximize the performance and the value of the enterprise. The answer to this need is the concept of IT Governance.

The aim of this study is to present the stages of implementing IT Governance which cover the following areas: the strategic fit of IT, creating the value of enterprise through IT, the effective use of IT resources, IT risk management and IT performance measurement. The use of IT Governance allows enterprises to maximize the resulting business benefits and has an substantial impact on good performance.

KEYWORDS: Information Technology, IT Governance, effective use of IT, creating value, performance.

INTRODUCTION

Information Technology "is a general term that describes any technology which helps to produce, manipulate process, store, communicate, and/or disseminate information" (Williams, 2005). In a very short time, IT, with rapid growth, has become the backbone of modern industrial society and the major contributor to the progress of both developing and developed countries (Vasudevan, 2003; Long & Long, 1999).

Organizations view investments in information technology as a way to combat competition by improving productivity, profitability and the quality of operations. Corporations have invested billions of dollars in information technology

over the last 20 years (Byrd & Marshall, 1997). The U.S. Department of Commerce (1998) estimates that about 46% of all equipment spending in the United States is on IT equipment and software, and in spite of the economic slowdown, spending by the IT sector is expected to increase (U.S. Department of Commerce, 2001). Information Technology is today the fastest growing sector in the economy, with a 68% increase in output growth rate projected between 2002 and 2012 (Callahan, Gabriel & Smith, 2009).

This growth is the result of three factors. First, IT is no longer primarily confined to backroom operations. As the Chief Executive Officer (CEO) of Wal–Mart says, 'At Wal–Mart and at many other companies, technology has become integrated with every aspect of the business'. Second, the role of the Chief Information Officer (CIO) has been elevated from the back office to the board room and companies now emphasize the ability of CIOs to contribute beyond IT functionality. Third, the use and misuse of IT has become fertile ground for an ever increasing number of opportunities to either gain a competitive advantage or fall into a position of competitive disadvantage (Dehning, Richardson & Staratpoulos, 2005). Therefore, manufacturer and service organizations must follow the IT trend. This trend is about investments in hardware, software and globalization of the information technology networks (Wen & Sylia, 1999).

The relationship between the use of information technology and firm performance has been widely researched over the recent years. Many economy–level studies (Baily, 1986; Roach, 1987; Morrison & Berndt, 1991) observed a negative relationship between technology–related variables and performance. At the industry level the results are mixed, with some studies documenting a positive impact of technological investments (Kelley, 1994; Siegel & Griliches 1992), while other studies by Berndt and Morrison (1995) and Koski (1999) detect no significant advantage of IT investments. As Robert Solow claimed, "You can see the computer age everywhere, but not in the productivity statistics" (Solow, 1987). He uses the term "productivity paradox" to show this fact. Brynjolfsson (1996) proposes four explanations for the productivity paradox:

1) mismeasurement of inputs and outputs,
2) lags due to learning and adjustment,
3) mismanagement of information and technology,
4) redistribution and dissipation of profits.

Brynjolfsson attributes the measurement error to the difficulty of developing accurate, quality–adjusted price deflators. He argues that improvements in product quality and the introduction of new products need to be properly accounted for in the value of output. Lags as an explanation of the "productivity paradox" suggest that the benefits associated with investments in IT may not show the bottom line for several years. This is due to a period of learning asso-