

SOCIAL MARKETING CONCEPT: BENEFITS OF USING PUBLIC RELATIONS IN THE PRACTICE OF FOOD ENTERPRISES IN SLOVAKIA

Zdenka Kádeková, Ľudmila Nagyová

Slovak University of Agriculture in Nitra, Slovakia

Key words: Social Marketing Concept, Corporate Social Responsibility (CSR), Public Relations (PR), Food Enterprises, Events, Publicity, Education, Benefits

Słowa kluczowe: koncepcja marketingu społecznego, społeczna odpowiedzialność biznesu, public relations, przedsiębiorstwa sektora żywnościowego

A b s t r a c t. Paper defines applying of social marketing concept in the practice of food enterprises in Slovakia and connected benefits. Under review were activities of Public Relations (PR) and its most used tools in condition of the Slovak Republic - event marketing, publicity and education. The reputation of company leads customers to the company when deciding about purchase. Public relations create the base for an economic growth of the company and its prosperity, as well as the ability to survive in the fierce competition, which are considered as the economic benefits resulting from the application of PR activities, in the practice of food enterprises. The survey showed that using of chosen PR tools - events, publicity and education, offer significant benefits to food enterprises. Social benefits resulting from implementation of PR in their practice could be taken as building and protecting reputation and awareness in the public eyes.

INTRODUCTION

Social marketing concept is gaining an increasing importance, acceptance and application in the business practice. Various authors define this concept in different ways. In short, it could be described as a business base with a broader than just profit-oriented focus. Corporate social responsibility (CSR), as its integral part, is primarily mainly about social and environmental considerations integrated into business activities. CSR is also about understanding the company, its activities as an integral part of the whole society and the life of the company as a whole [Horská et al. 2010]. The company is not just a means of making money, or just a provider of work for its employees. This concept points at the fact that companies should not be interested only on its own profitability and economic efficiency, but their interest and responsibility must necessarily extend to the impacts on the surrounding society and the environment [Kleinová, Ťrgeová 2011]. Economic efficiency, social involvement in the community and environmental responsibility are reflected in triple bottom line (Fig. 1) [Catherwood et al. 2005].

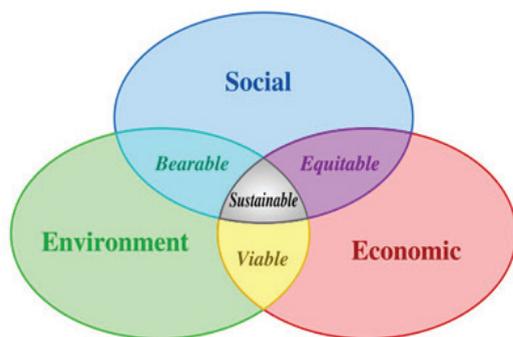


Figure 1: Tripple Bottom Line
Source: Catherwood et al. 2005.

CSR could be divided into several areas from market-oriented through social to environmental one. This areas should influence the way of managing the company and company's ability of positive responding to the surrounding society. Every company on the market should develop its activities not only effective, but ethically particularly in relation to its own customers, suppliers, owners, competitors, and any potential subject in a market area [Kubicová, Kádeková 2011]. Other external field

which is necessary to aim at, covers the environment and involvement in community support through collaboration with non-profit organizations, government and local government as well as the public. The behavior of the company, its community relations and attitudes to environmental protection are an expression of corporate social responsibility [Lušňáková et al. 2010]. CSR is aimed at two dimensions: internal (towards internal stakeholders, employees etc.) and external (customers, partners, suppliers, competitors, local communities and others). Interest of each company should be to build a strong position on the market, be more than just a strong company, and therefore to hire motivated, loyal and capable staff. In addition, it is necessary to build good relations with trade unions. This is the internal dimension of CSR [Zamazalová 2009].

The external dimension of CSR includes mainly an area of public relations. Relations with public and with entities outside the company are necessity for the success of every business. Increasing competition is forcing the companies to search for the new ways to improve the quality of their products, reduce costs and gain new customers in order to create a long-term and proper relationship within the supply chain and customers certainly as well as to promote the overall competitiveness of the company on the market [Shukla, Nuntsu 2005]. Ethics in this context focuses on the ethical, efficient and environmentally friendly treatment of customers, partners as well as competitors in every possible situation. Although the application of these principles can be in the initial phase very expensive, in the medium and long term significantly helps to build confidence, overall image and reputation of the company. Ultimately, this helps to reduce costs and gain new customers. At the same time adds the value to corporate identity of company and a positive effect on its economic performance [Marček 2003].

MATERIAL AND METHODS

Under review of social marketing concept survey in the practice of food enterprises in Slovakia were activities of marketing communication, mainly Public Relations (PR) and its chosen tools - event marketing, publicity and education. In order to find the solution of the given problem there have been analyzed information of using external CSR by Public Relations. These data was important in terms of the initial analysis of the market situation. The actual research applying social marketing concept in the practice of food enterprises

was implemented in 123 food enterprises. Anonymous questionnaire survey by authors of this paper took place from July 2010 to January 2012 in area of the Slovak Republic. The questionnaire contained open dichotomous (choice of two variants of the answers), trichotomizing (three variants of the answers), but also polytomous questions (multiple response options), as well as some open questions.

Among 219 companies listed in the official Business Register [2012], the questionnaire was sent to 170 ones in electronic form. The problem was the low return on these questionnaires, some companies did not complete the questionnaire because of unwillingness to provide information about the company, other did not reflect on our request at all. In one questionnaire absent completeness of the data and the questionnaire could be included in the final review process. Electronically received questionnaires were collected in total number of 67 questionnaires. However, this number was insufficient. In person we have asked another 56 companies to provide complete information to the questionnaire. The survey ultimately included 123 food enterprises from Slovakia.

When processing the statistic data, we have used several methods of statistical evaluation, as the frequency and contingency tables, the absolute and relative frequencies, Likert scale, Cramer's V Coefficient. The representativeness of the sample number of food enterprises has been tested by χ^2 test of good agreement Table 1 shows the results of this test. Based on a comparison of the calculated values and test criteria we do not reject the null hypothesis, sample number of food enterprises is representative on the significance level alpha 0.01.

When applying nonparametric Kruskal-Wallis H test, the following hypothesis were formulated:

H_0 : there is no difference in the mean values within the group, ie. are identical,

H_1 : the difference in the mean values of the groups is statistically (highly) significant.

Tested criterion H was calculated according to formula (1):

$$H = \frac{12}{N(N+1)} \cdot \frac{\sum_{j=1}^n R_j^2}{n_j} - 3(N+1) \quad (1)$$

Where:

R_j^2 – the sum of the samples order (or groups),

n_j – the frequency of each sample,

N – the sum of all samples.

In the case of identical data in the sample, needs to be done next correction (2):

$$H^* = \frac{H}{1 - \frac{\sum_{j=1}^g T_j}{N^3 - N}}, \quad T_j = t_j^3 - t_j \quad (2)$$

Table 1. χ^2 Test of Good Agreement – Representativeness of Sample Number of Food Enterprises

Number of Food Enterprises	219*
Result of the Test	
Calculated Value	16.06906
Table Value	16.81189

* number of food enterprises in Slovakia in 2011 according to VUEPP

Source: VUEPP, Authors calculations, output XLSTAT.

Where:

H^* – the value calculated test criterion H ,

g – the number of groups with frequency more than 1,

t_j – abundance in these groups.

When there is a large scale within the group, approximation is performed on the Chi-square (χ^2) distribution (3):

$$\chi^2(\alpha, k - 1) \quad (3)$$

If the critical value is lower than tested criterion (H, H^*), we reject the null hypothesis H_0 and confirm there are (highly) significant differences between at least one pair of mean values within groups (or, if the value of p-value < 0.05 , respectively 0.01).

Table 2. Top Companies Using PR Activities in Slovakia

TOP Companies Using PR Activities in Slovakia
NESTLÉ SLOVENSKO
UNILEVER SLOVENSKO
DANONE SLOVENSKO
COCA-COLA SLOVAKIA
WRIGLEY
SLOVAKIA CHIPS
DR. OETKER
HEINEKEN SLOVENSKO
KOFOLA
HUBERT J.E.
HYZA
MCCAIN
PENAM
TOPVAR
BECHEROVKA
PEPSI-COLA SR
HAMÉ SLOVAKIA
TEEKANE

Source: authors research based on data from TOP 10 PR agencies in Slovakia [Neopublic Porter... 2012].

RESULTS AND DISCUSSION

Our research was aimed at food enterprises in Slovakia. TOP 10 most important PR agencies in Slovakia reported as their best clients in 2011 following companies: Nestlé Slovensko, Unilever Slovensko, Danone Slovensko, Coca-Cola Slovakia, Wrigley, Slovakia Chips, Dr. Oetker, Heineken Slovensko, Kofola, Hubert J.E., Hyza, McCain, Penam, Topvar, Becherovka, Pepsi-Cola SR, Hamé Slovakia, Teekane (Tab. 2).

These companies cover from 30 to 40% of PR agencies turnover, the rest is covered by client companies from the other areas, particularly from the areas of trade, services, automotive and banking.

The aim was to point at using the most common tools of PR [Horská, Ťrgeová 2009] as a part of social marketing concept in the practice of food enterprises in condition of Slovakia: events, publicity and education. To fulfill mentioned goal was established following hypothesis: *Using of chosen PR tools- events, publicity and education, bring to food companies a significant social and economic benefits.*

BENEFITS OF USING EVENTS

Using events in the food enterprises in Slovakia is very popular. The most of all take part mainly Days of open doors, Christmas party, Anniversary party and Discussion with Professionals.

The benefits of using events were assessed by Likert scale, where 80% of companies organize events, 20% of the companies do not organize events at all.

The result of the Kruskal-Wallis test (Tab. 3) found out the statistically significant differences between the benefits from using the chosen events. Since the calculated theoreti-

cal significance level is less than the significance level alpha 0.05, we reject the null hypothesis of no difference between the benefits in using the chosen events. The risk of rejection of the true null hypothesis is less than 0.01%.

Benefits of using the chosen events in questionnaire were expressed through a Likert scale (1 – very important, 5 – unimportant). Figure 1 proofs the most companies (62.83%) agreed that „Building a good reputation“ is a very important benefit from using the events. To the most important benefits of applying events in the companies were marked also „Protecting the reputation of the company,“ reported by 48.67% of the enterprises and the same number of enterprises reported a very significant benefit of applying the events „Thanks to events, company is known by the public”. Food enterprises had indifferent attitude to the other benefits such as „Increasing number of customers”, „Increasing of profit” and “Increasing sales of products”.

Table 3. Results of Kruskal-Wallis test – Benefits of Using Events

Kruskal-Wallis test:	
K (Observed value)	77.906
K (Critical value)	11.070
DF	5
p-value (two-tailed)	< 0.0001
Alpha	0.05

Source: authors calculations, output XLSTAT.

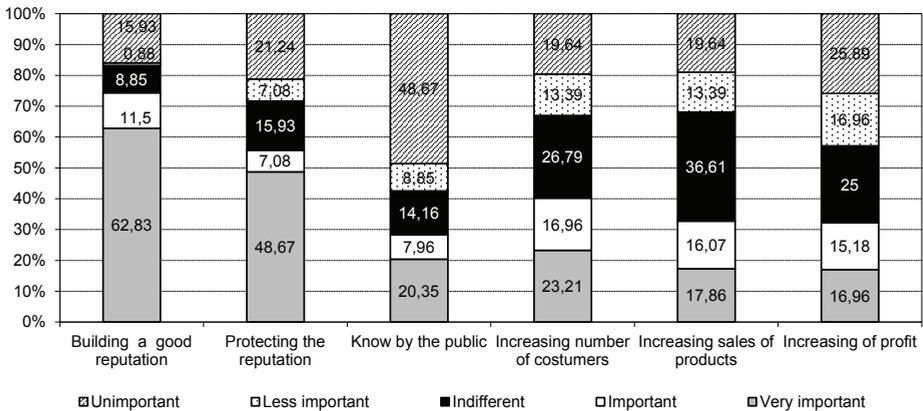


Figure 1. Benefits of Using Events
Source: authors calculations.

BENEFITS OF USING PUBLICITY

The benefits of using publicity of the company in the newspaper, TV, radio and in other media was assessed by Likert scale. Total 94% of companies use publicity for 6 of all unused). Using the Kruskal-Wallis test was found that there were statistically significant differences in the perception of selected benefit utilization publicity. Table 4 shows the results of Kruskal-Wallis test. Calculated p value is less than the specified level of significance alpha 0.05, which means that the null hypothesis of absence of differences in the perception of the benefits of using the selected publicity and the risk of rejection of the null hypothesis true is less than 0.01.

Graph 2 illustrates the percentages of benefits of using publicity, which is expressed by Likert scale (1 – very important, 5 – unimportant). Total 64.75% of food enterprises consider „Building a good reputation” as a very important contribution of using of public-

Table 4: Results of Kruskal-Wallis test – Benefits of Using Publicity

Kruskal-Wallis test:	
K (Observed value)	77.906
K (Critical value)	11.070
DF	5
p-value (Two-tailed)	< 0.0001
Alpha	0.05

Source: authors calculations, output XLSTAT

ity. As the second most important benefit of using of publicity has been labelled the fact that „Company is known by the general public“. This was marked by 55.74% of the enterprises. Protecting the company’s reputation by using of publicity is very important for about half of the companies (50.41%). Indifferent attitude was noticed at three benefits: “Increasing number of customers”, “Increase sales of products“ and “Increasing profit“. That is why the most important aim of using of publicity is to build and protect reputation of the company in the public.

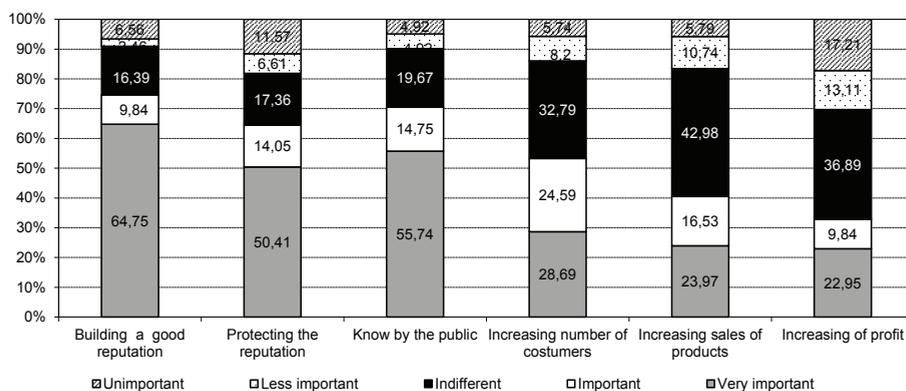


Figure 2. Benefits of Using Publicity

Source: Authors calculations

BENEFITS OF USING EDUCATION IN THE COMPANY

Total 87% of food enterprises use in their practice education of internal and external public, 13% of all food enterprises do not use any education at all. When analyzing the benefits of using education, Likert scale was used to reach the results also in this case. Results of Kruskal-Wallis test confirmed statistically significant differences in the perception

Table 5. Results of Kruskal-Wallis test – Benefits of Using Education

Kruskal-Wallis test:	
K (Observed value)	77.906
K (Critical value)	11.070
DF	5
p-value (two-tailed)	< 0.0001
Alpha	0.05

Source: authors calculations, output XLSTAT.

of the benefits from using education in the practice. The calculated p-value of Kruskal-Wallis test was lower than the specified significance level alpha 0.05, we reject the null hypothesis of the absence of differences in the perception of selected benefit utilization publicity (Tab. 5).

The percentages of benefits of using the employees and public education were analyzed through a Likert scale (1 – very important, 5 – unimportant). As shown on graph 3, up to 63.64% of companies considered as a very important contri-

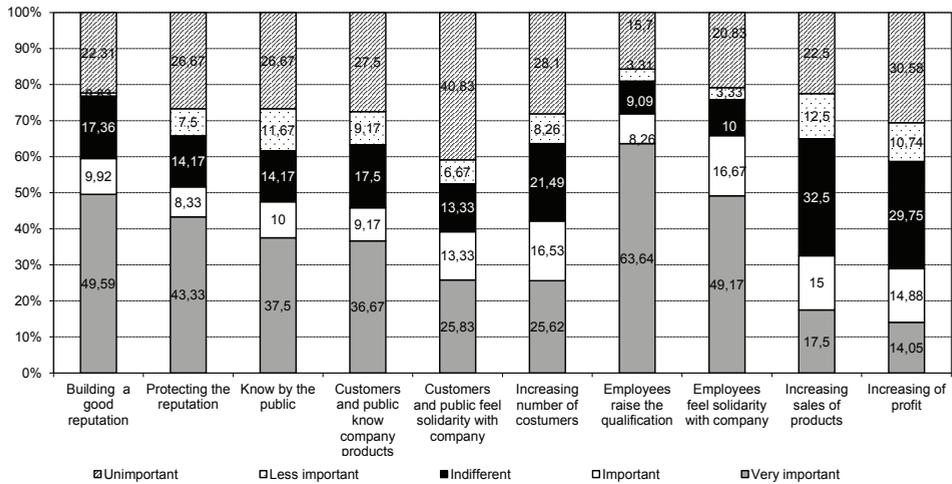


Figure 3. Benefits of Using Education

Source: authors calculations.

bution of using the education of their own employees in order to raise their qualification. The second and third most important benefit from using the education in the companies were “Building the good reputation of the company” and the fact that “Employees feel solidarity with their company”. Another significant benefit from using the education includes “Protecting the company’s reputation”, “Building awareness of the company in the eyes of the public, so company is known by public” and the benefit that “Customers and the general public know more about the company’s products”.

CONCLUSIONS

The survey showed that using of chosen PR tools – events, publicity and education, offers significant benefits to food enterprises in Slovakia. 80% of surveyed food enterprises organize events. Social benefits resulting from implementation of PR in their practice could be taken as building and protecting reputation and awareness in the public eyes. Total 94% of food enterprises in Slovakia use publicity of the company in the newspaper, TV, radio and in other media as the strongest and most believable way to create strong and trustworthy reputation of the company on the market. Making profit, increase number of customers or sales is not that important from this point of view. Publicity offers more than information about the company, it can also rescue and save the company in the crisis situation, this is just question of how to communicate with employees and public, the publicity is the right tool to deal with this situation in the possible way. Education of employees as well as public, use up to 87% of food enterprises in Slovakia. It is rather high number, anyway we do believe this number should be 100%, as each company should educate at least its own employees. As the most important contribution of education in the food enterprises in Slovakia is considered raising the employees qualification. By providing education to employees and public, these feel stronger bond with the company which leads to build-

ing of good reputation. The company can not buy a good reputation for any money. PR is known as the only non-profit marketing communication tool. Anyway this can be argued because their using bring the company also economic benefits in the form of a growing demand for products, services, because satisfied customers who trust the company with a good reputation will definitely return. The food enterprises in Slovakia using PR tools the most are following companies: Nestlé Slovensko, Unilever Slovensko, Danone Slovensko, Coca-Cola Slovakia, Wrigley, Slovakia Chips, Dr.Oetker, Heineken Slovensko, Kofola, Hubert J.E., Hyza, McCain, Penam, Topvar, Becherovka, Pepsi-Cola SR, Hamé Slovakia, Teekane. We dare say that without active using of PR tools, especially in medium and large companies would not be able to successfully survive in an atmosphere of increasingly stronger competition on the market.

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Zdenka Kádeková, Ľudmila Nagyová

KONCEPCJA MARKETINGU SPOŁECZNEGO – KORZYŚCI WYKORZYSTANIA *PUBLIC RELATIONS* W PRZEDSIĘBIORSTWACH BRANŻY SPOŻYWCZEJ NA SŁOWACJI

Streszczenie

W opracowaniu zaprezentowano możliwości wykorzystania koncepcji marketingu społecznego w przedsiębiorstwach branży spożywczej na Słowacji. Opinia przedsiębiorstwa na rynku jest tworzona przez sposoby przyciąga do niego klientów i działania sprzyjające decyzji o zakupie. Działania *public relations* (PR) tworzą podstawę rozwoju ekonomicznego przedsiębiorstwa i zwiększają jego możliwości konkurowania na rynku. Wyniki badań wskazują, że zastosowanie narzędzi PR (*eventy, publicity* i działania edukacyjne) generuje znaczne korzyści dla przedsiębiorstw branży spożywczej. Społecznymi efektami działań PR w praktyce są przede wszystkim budowa reputacji firmy oraz kreowanie świadomości konsumenta i szerszych społeczności.

Correspondence address:

Ing. Zdenka Kádeková, PhD., prof. Ing. Ľudmila Nagyová, PhD.
Slovak University of Agriculture in Nitra
Faculty of Economics and Management, Department of Marketing
Tr. A. Hlinku2, 949 76 Nitra
e-mail: zdenka_kadekova@yahoo.com,
ludmila.nagyova@uniag.sk