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Companies and digital space

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ABSTRACT

This article presents contemporary companies, which function or intend to function in cyberspace. It stressed certain aspects concerning communication between a company and its surroundings as well as tools that should be used to maintain and even increase competitive advantage. What is more, the article shows the aspects of company's proper functioning within presented area that should be born in mind, as these aspects prevent companies from making mistakes while deciding to operate in the offline and online world. In the research section, there were presented polish companies which are digitalised. The article demonstrated contemporary tools and communication channels with a client, sales channels, places where consumers may gain information. Attention was also focused on monitoring of the information flow that is of increasing importance for enterprises operating in cyberspace.

Keywords: digital enterprise, digital

1. INTRODUCTION

The truth is that the Internet has changed lives of each member of our society. It allowed to obtain information faster, make contacts, it has also increased awareness horizon in terms of technology, computers, the world, etc. Thus, some changes must emerge in the scope of marketing strategies which were used in traditional company's activity.

The old communication method with clients, applied by those dealing with marketing, has changed, and therefore the old method is not accepted anymore, regarding the new methods to reach to and to communicate with clients [1].

Companies which decide to digitalise their business, are those endangered by the decrease in competitive advantage [2].

Currently, the 21st century faces a boom in communication. One of the reasons for this is social media. Thanks to them, social revolution which changed the way of communication with consumers, becoming a certain phenomenon for consumers themselves, as well as for the researchers of this area of marketing [3].

Nowadays, digital transformation occurs in each business. All areas of contemporary enterprise are exposed. Hence, people and capital can be mobile, and access to the Internet enables dynamic influence on adding value to the offered products or services [4].

These days, a consumer wants to do shopping easily and to get a product quickly. Therefore, companies face a challenge of fast deliveries and costs control, as well as establishing a successful and flexible production chain. The risk of costs raise may be caused by the growing personalisation trend and market pressure [5-7].

It can be even stated that advertising sector plays a crucial role in the growth and development of digital contents and services [8]. Hence, the companies can make the first step in cyberspace. Naturally, it seems that digital space is a matter of interest of various scientists, where a lot of these R&D works are focused on interactive technology applied in marketing.

The previous advertising and marketing methods were different from those employed nowadays. In the era of digital marketing, advertising and its measurement are correlated [9]. In order to gain competitive advantage in cyberspace, the following features should be applied:

- ubiquitous connectivity,
- personalisation,
- peer-to-peer networking,
- engagement,
- immersion,
- content creation.

The above-mentioned areas are briefly characterised below.

Ubiquitous connectivity - most consumers have learned that digital media are everywhere and they are accessible practically from every spot. Despite some concerns about this access, consumers' awareness is still explicit - we function in digital world and access to the Internet should be unlimited [10]. In other words, digital world should be treated as 360 degrees' connectivity. Contemporary marketing aims to connect consumers wherever they are and whatever they do. Moreover, it should all be monitored and then analysed to prepare an even more accurate offer for the potential clients.

Personalisation - meaning to adjust the company's offer to the recipients. For example: social media sites which provide templates for users so they can express their own personality in cyberspace, where the older generation had no such an opportunity [11,12]. Furthermore, personalisation broadened the role of people who deal with marketing within digital dimension [13].

Peer-to-peer networking - the Internet enables greater communication with a consumer than traditional media. First, such a message may be controlled and adjusted to the group of recipients. The young generation should participate in this process, as they have huge influence on their friends, and they have already created a community. They allow a promotional message to be channeled to their friends, families, mates etc. Thanks to available technologies, a user of social network may be monitored, and it can be defined which one has the strongest influence [14,15].

Enagement - opposite to watching television which is of a passive character, cyberspace is an active and committed environment. It may be observed among young people who make the biggest group of recipients'. In the area of digital marketing, involvement of recipients is understood as an ability to create an interaction between a consumer and a brand throughout its activities wants to become a part of its client's everyday life [16].

Immersion - is the most visible within a young people's community, which is almost totally devoted to the virtual world of games. This form of entertainment intensifies throughout the world and triggers the consumers' involvement into the contents offered by the brands. According to research conducted on a group of 25 million people at the age 12-17, 20 million were players [17]. Skilful localisation, gathering data about users, an adequate strategy and even viral marketing [18,19] - these are proper activities undertaken by companies, useful in cyberspace. Advertisements that appear in cyberspace are getting more addictive. Interactivity of advertising is visible on social media platforms. Good analytics, i.e. measuring and monitoring tools, helps to create personalised databases of clients [16].

Content creation - creation of content by companies, together with its proper targeting allows faster communication with target audience. However, content created in cyberspace is not only established by companies, but also by consumers. The perfect visualisation of this lies within young generation which uses available possibilities to create their own documentation about themselves [20]. Own contents may be generated in a form of comments, blogs, social media profiles or video materials.

Fluent integration of content, ads, marketing, direct relations with the surrounding may cause that cyberspace will be limitless in the area of realisation of any activities e.g. marketing employed by companies. Moreover, a recipient who is present in cyberspace treats it as a part of his life, often by identifying with it. It is most visible among children and teenagers who are touched by communication directed to them. According to Piaget's theory, children at the age of 7-8 do not possess cognitive abilities in the scope of advertising messages [21-25]. The other research extended the cognitive scope with the period when people develop persuasive abilities, etc. [26].

2. TEST RESULTS

The test [27] was conducted between 5th July and 6th August in digitalised companies. The test included 328 interviews performed via a questionnaire in an electronic version. Recruitment of respondents was carried out with the use of mailing databases. It must be stressed that such a test does not reflect the whole picture of Polish companies in the scope of

digitalisation changes. In the test the attention was concentrated on the following areas of business which affected the online revolution, i.e.:

- tools for communication with a client,
- accounting,
- sales of goods and services, including trans-border trade,
- marketing.

The table below (Figure 1) presents channels which are used for communication purposes between a company and a client. The most frequently applied is electronic correspondence. When comparing years 2014 and 2016 we can see that there some crucial changes occurred then. In turn, the use of social media raised by almost 10%. It was also noticed that there was an increase in use of the mobile channel, from 8% to 11%. And 32% of the questioned companies declare that their websites are also available in a mobile version. This may seem bizarre because of high popularity of smartphones. The number of clients may depend on whether a company has a mobile version of its website.

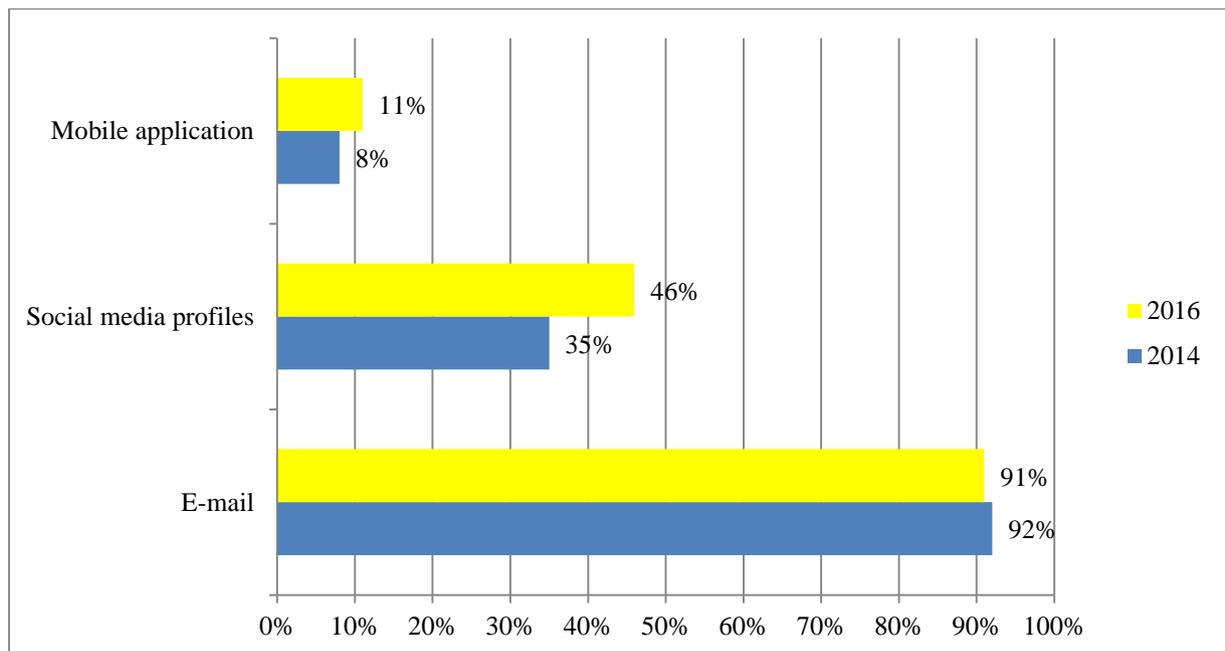


Figure 1. Chosen communication channels between a company and a client

Source: IAB, „Biznes w sieci” -2016, p. 10

The most common tools (Figure 2) applied for customer acquisition are graphic ads and e-mail marketing. These tools are used in almost 50% cases concerning other marketing tools. The research shows that the difference between planned and factual exploitation of a particular tool is small. On the other hand, there is only a small interest in using B2B announcements and SEM/SEO.

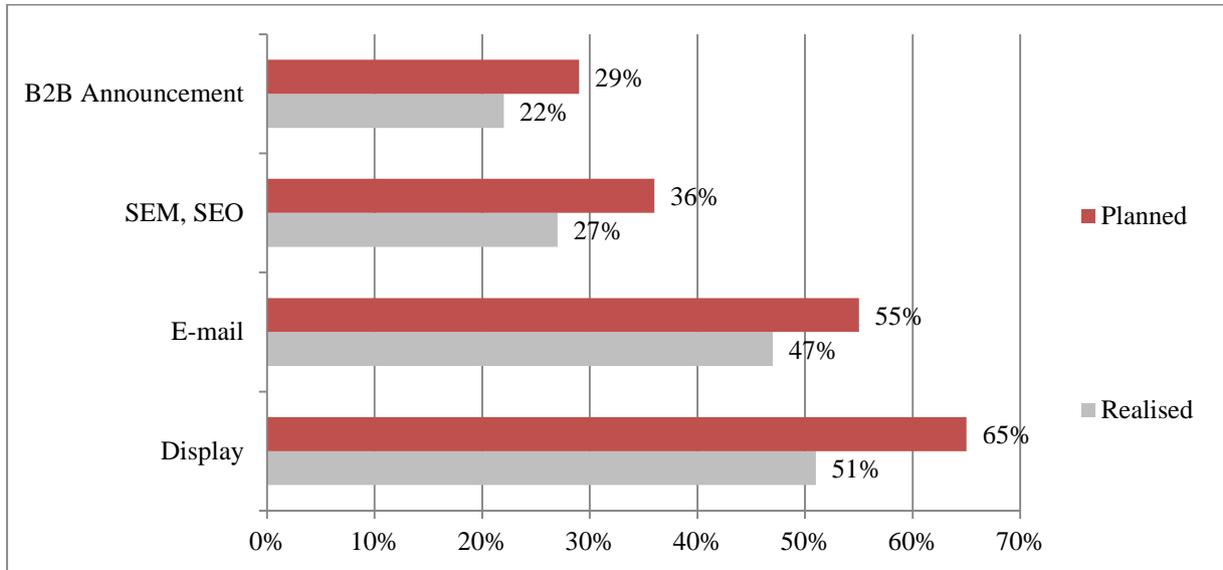


Figure 2. Basic online marketing tools in 2016.

Source: IAB, „Biznes w sieci” -2016, p. 11.

What is more, research shows that more and more companies decide to sell products/services on the Internet. There was even noticed a growth of companies which own online shops. This is a distribution channel selected by most companies. The smaller interest is in order forms on websites, or even external selling platforms. The Figure 2 presents that in 2016 over half of the companies questioned owned their own online shop. It is an increase by almost 20 percentage points when compared to 2014.

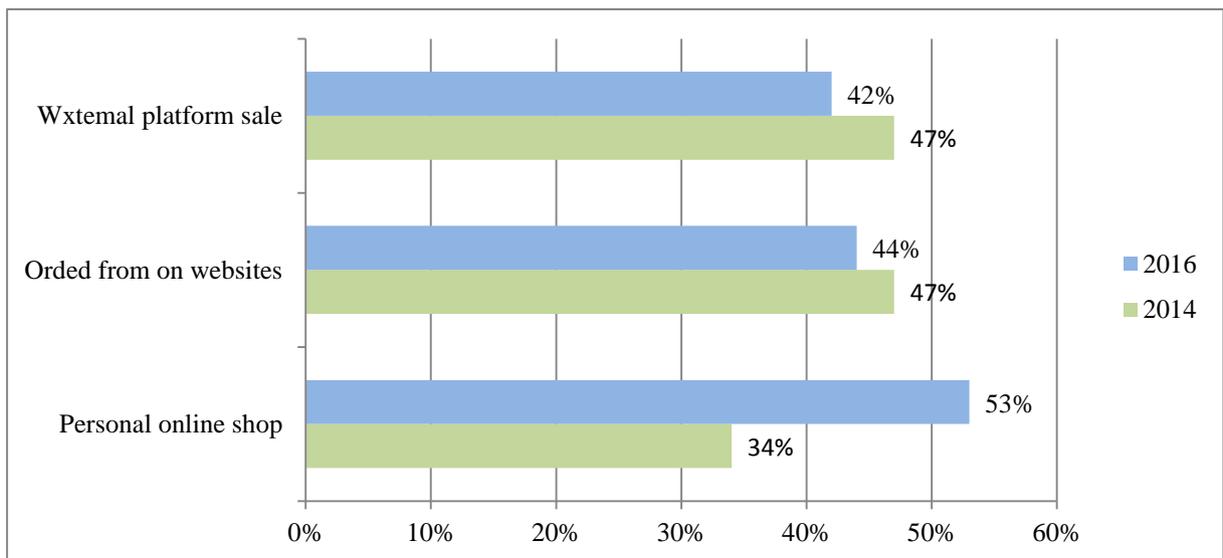


Figure 3. Online sale channels

Source: IAB, „Biznes w sieci” - 2016, p. 11.

The above-presented results enable to formulate a conclusion that adaptation of digital tools among Polish companies is noticeable, but still not fully developed. The degree of applied digital data depends on the size of company. The basic tool selected for the analytical purposes is website, which not only generates sale, but also enables communication with a potential customer, as well as gathers information about this customer. When it comes to big companies over 90% of them own a website. This percentage decreases together with a number of employees - it drops below 60%. Similar situation occurs in case of mobile applications. When it comes to the company's size, there were no differences noticed in the aspect of use of electronic mail. Similar tendencies occur in the area of online marketing and analytic tools. Big companies use wide range of solutions, while smaller companies are limited to the activity in social media, browsers or to e-mail marketing. Sizeable companies possess financial resources and this is a reason why they are not restricted in using online marketing tools, so small companies, which belong to MMŚP (Micro, Macro and Small Companies) sector have developmental possibilities in the scope of digitalisation, and should focus on digital tools' development. Moreover, there was an increase tendency caused by frequent online shopping. The frequent online shopping provides higher number of clients who use the Internet for online shopping purposes. This trend may seem obvious as we face constant lack of time, e.g. to go to a stationary shop. Therefore, companies need to introduce this solution and enable customers to buy product/service by extending functionality of their websites. However, development of a website does not guarantee "sales" or client's satisfaction. Another aspect of digital transformation is constant gathering and monitoring of client's data. The results of analysis influence the way of communication, shopping and even help to create relations. It should be stressed out that 70% of Poles use the Internet by being online for 73 hours during a month, and so leaving their mark after surfing. For a company which knows how to analyse the mobility of users, it is huge amount of knowledge. The table below presents the level of use of monitoring and analytic tools.

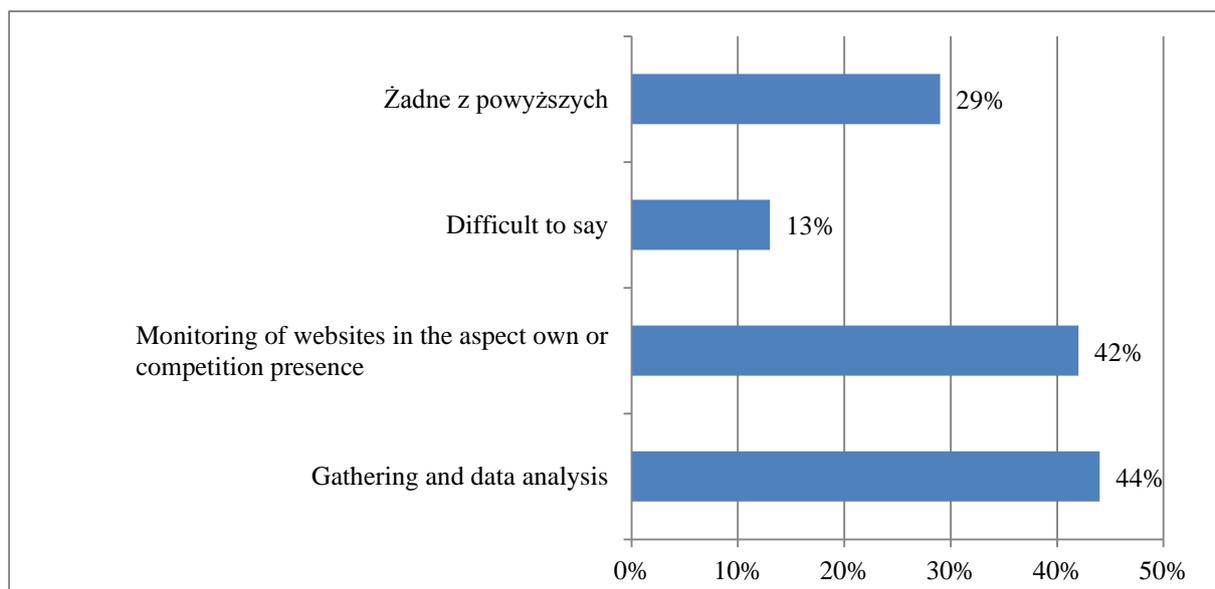


Figure 4. Level of use of analytic and monitoring tools.

Source: IAB, „Biznes w sieci” - 2016, p. 17.

As it is shown at the diagram above, 44% of the companies surveyed gather and analyse clients' data. It should be remembered that such process is not enough to optimise communication or sale. It is also crucial to select appropriate value for the company's needs. Proper analysis of data will enable the company to offer recipients a product/service which will suit their individual needs. Over 40% of the surveyed companies monitor their websites. Monitoring may be seen as a limitless source of information which concern e.g. clients' opinions about provided offer or the whole company.

The client's emotion during e.g. visiting online shop may be important, as well as the activity of the competition. It is the truth that the Internet users, meaning clients, eagerly exchange their opinions online, which concern particular products or services. Monitoring enables fast information gathering, as it is important for a company to notice mistakes during production process or the sale itself. All of this influence optimisation of activities to predict customers' needs.

Companies which will finally decide to introduce digital tools in their businesses, as well as digital transformation, will always be ahead of competition in a scope of communication, offers or the use of the Internet for the purposes which will generate greater customers' knowledge, and then result in a growth in the market share. Better understanding of the reason for benefits which are caused by digital space, is connected with knowledge of where customers search information about products and services. The diagram below reflects it perfectly.

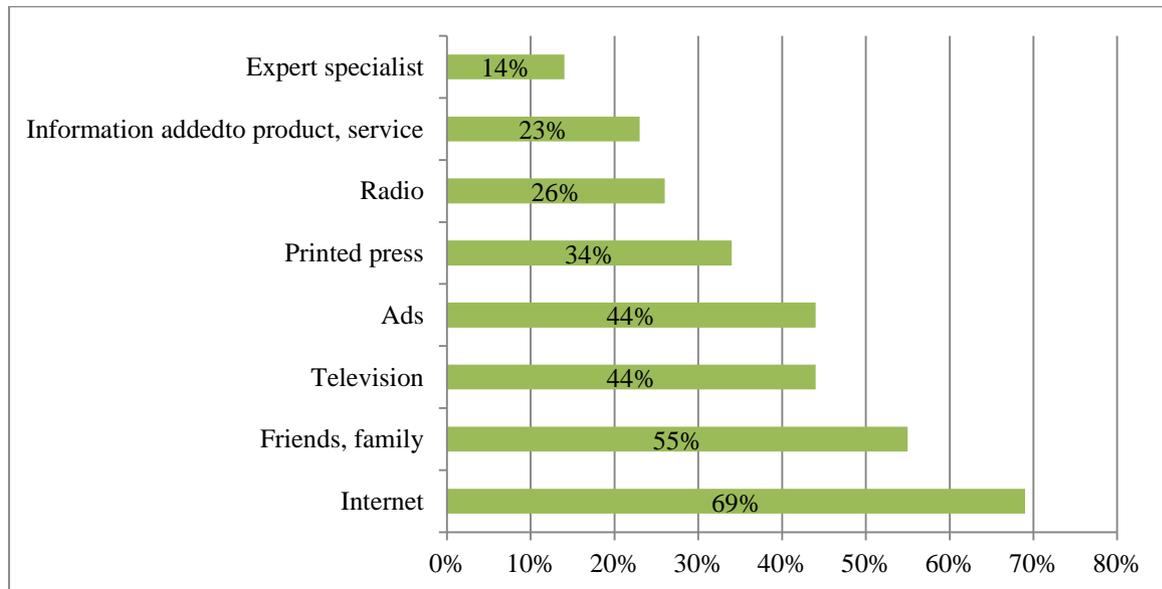


Figure 5. Sources of knowledge about products and services

Source: IAB, „Customer Journey Online“, IAB Polska 2015.

As it is shown in the Figure 5 almost 70% of online users search for information about products or services on the Internet, making it main source of information. On the second place, there are friends and family (55%), and next television and ads. The less online users are interested in the experts and specialists' opinions (14%).

As it is shown the power of cyberspace is high, even though the Internet is the most recent source of information among the mentioned ones. In the past it used to be said that the Internet is a medium, and maybe now we should find it as a distribution platform and contents' sale. Number of channels enables not only gathering contents but also an access to a potential customer via different forms and channels. Undoubtedly in the future the Internet will be responsible for functioning in cyberspace, which is also a manner of communication. Despite the fact that the methods and channels of communication constantly evaluate. But one of the basic and frequently mentioned is e-mail marketing. Its' diversity fits perfectly into connecting online and offline world. The motives for using e-mail marketing are presented on the Figure 6.

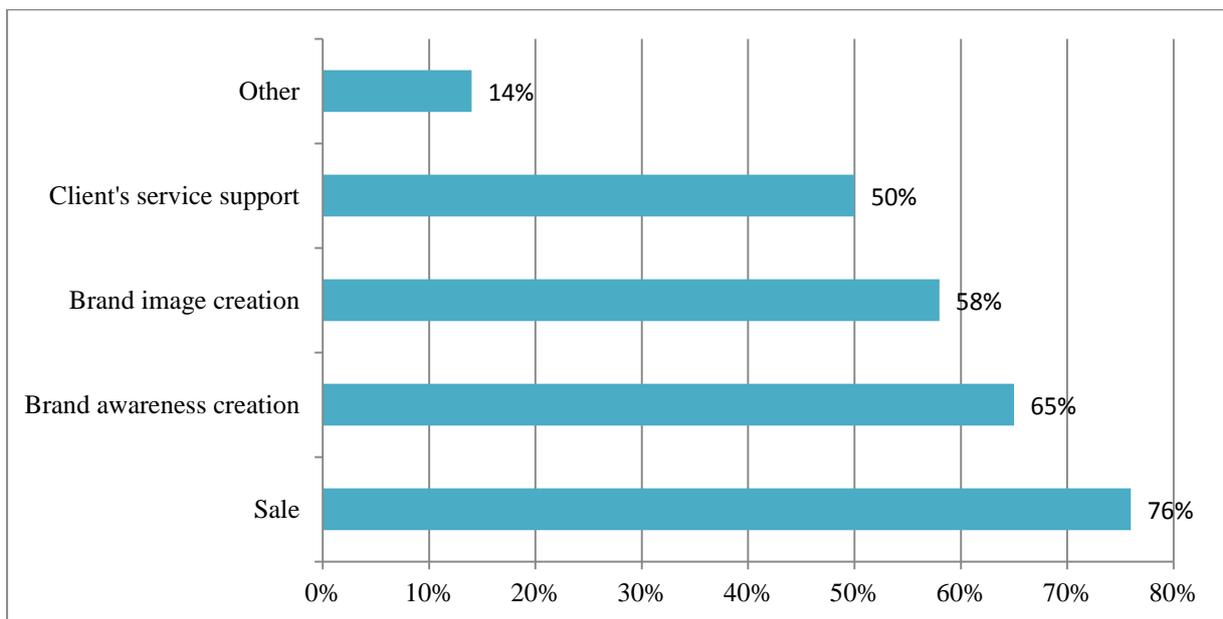


Figure 6. Causes of e-mail marketing use

Source: IAB, „Biznes w sieci” - 2016, p. 26.

E-mail is one of the main communication tools. It should be stated that e-mail marketing belongs to the most frequently used advertising methods. The research shows that this tool is responsible for sale in almost 80% of the cases. This percentage confirms the thesis about frequency of use. What is more, 65% of the people surveyed think that they may influence a brand awareness creation, and almost 60% influence brand's image. Then use of e-mails has a huge impact on communication between a company and the surroundings. Messages send to an electronic mail can create sale, which generates profit, it may influence opinions concerning products or services, as well as to create company's image, and additionally to analyse and monitor these activities.

The use of electronic post for marketing purposes, is not the only form of gathering clients. The diagram below presents wide range of marketing tools used by Polish companies.

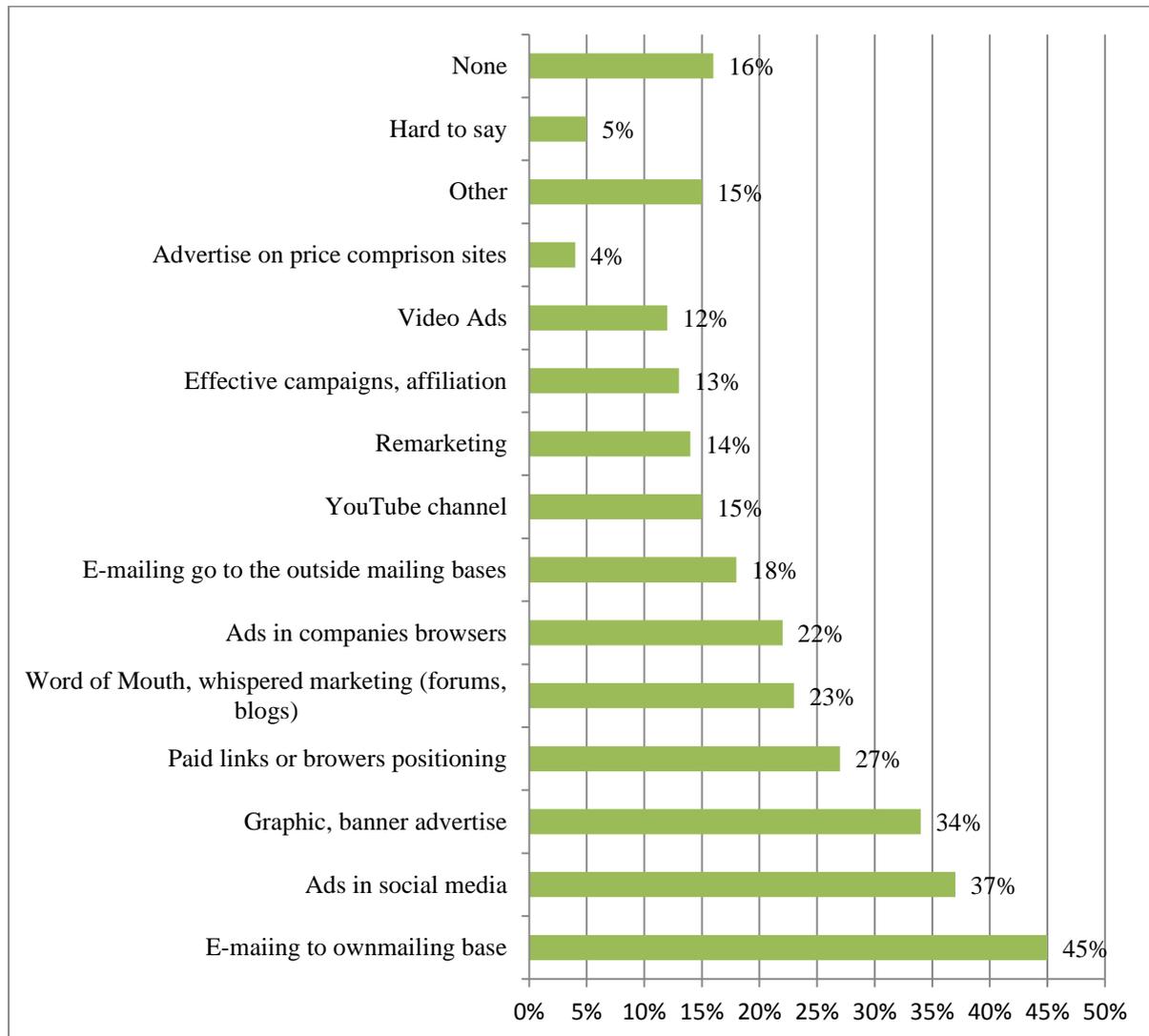


Figure 7. Applied online marketing tools.

Source: Źródło: IAB, „Biznes w sieci” - 2016, p. 21.

As it is presented in the Figure 7, the most frequently used online marketing tools – of those mentioned - are e-mails and ads in social media, as well as banner ads. These tools were chosen respectively by 45%, 37%, and 34% of the questioned companies. On the other hand, the least often used are video ads, which were chosen by 12% of the questioned companies. It should be stressed out that 16% of the surveyors do not use any of the above mentioned tools. And 1 percentage point less, declare the acquisition of other tools than those presented in Figure 7.

In cyberspace personal website and electronic mail are not enough for its' proper functioning. Potential customers use social media to a great extent. The Diagram below presents which social media and which applications are used by Polish companies in their business activity.

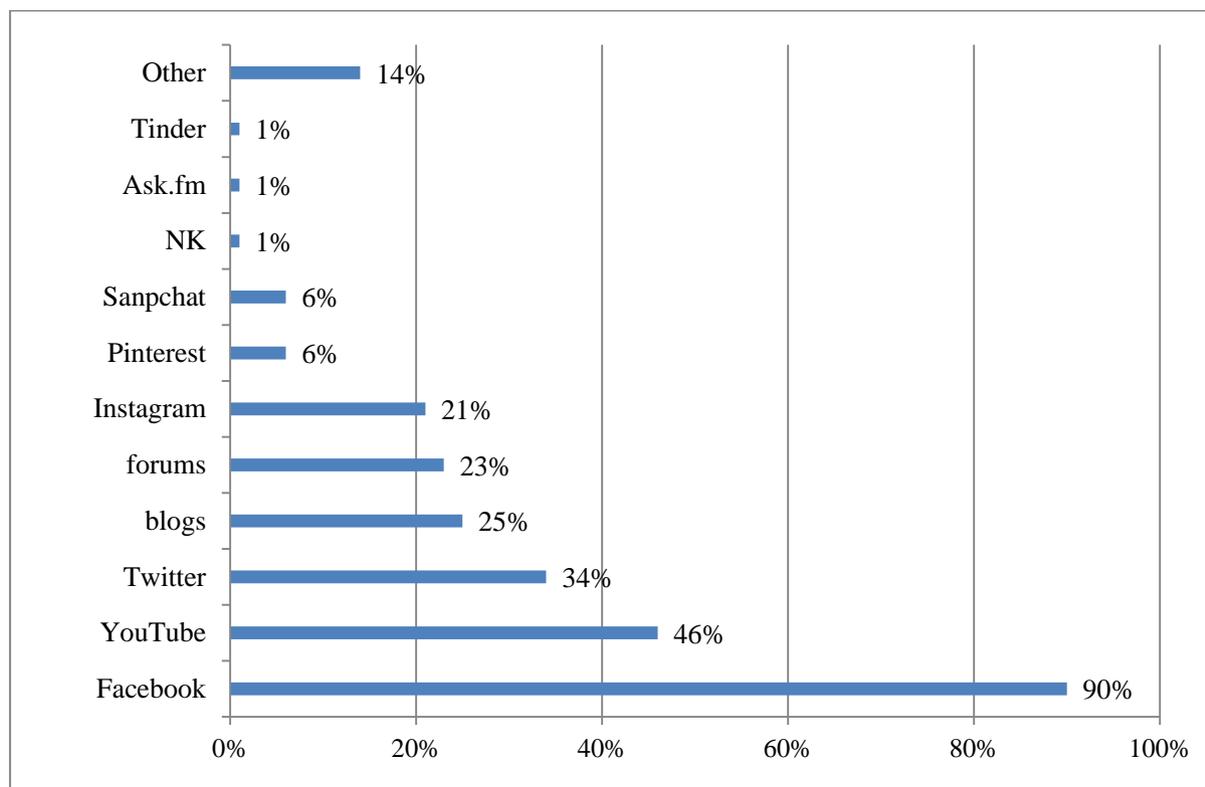


Figure No. 8. The applications and social media used by companies

Source: IAB, „Biznes w sieci” - 2016, p. 31.

As the graph figure above indicates, companies activity is the highest on Facebook. 90% of the participants chose this platform. The other most frequently selected social media is video-social platform - YouTube. And the third one is Twitter, which is applied by 34% of the respondents. The least used social platform is NK (Our Class). Companies' statements are not surprising because Facebook is a highly developed platform which not only creates society but also gathers data about users, as well as offers to promote various manners of content created by users, in this case company. Then, the most often used application is Instagram. It is exploited by 21% surveyed companies. On the second place there is Pinterest and Snapchat which support activity of 6% of the respondents.

The fourth aspect, which was covered by the research, is accounting. Interesting is case of documents presented by industry subjects. In Poland, yearly, there is 1.5 billions of paper invoices. Each invoice is provided in two copies (an original and a copy). Electronic form usually fits within 8-10%. Then in the past two years (2014-2016) number of electronic invoices increased from 37% to 64%. Moreover, 93% of the people, who practice such form of invoicing, declares their satisfaction. And 76% conclude that they are happy with advantage of such solution. Currently e-invoice is becoming a standard.

There should also be pointed out the growing power of social media. This is one of the main channels which maintain steady cooperation with clients. Data provided by Gemius/PBI indicates that over 20 million of Poles use social media.

The role of a company is to familiarise their clients with the use of social media, after they resign from telephone or mailing contact. There is also awareness that their presence and interaction is available round the clock. Research shows that 88% of consumers will not make another purchase from a company, when there will be no respond for complaints posted on social media, and 72% of users demand an answer on the same day, even within an hour [28]. It should be stated that social media is not one of the main but the major place for public relations, and no reaction within development of this area may cause company's crisis, not only visual but also production one - e.g. a case when a company will not receive information concerning defective product.

3. CONCLUSION

The above research perfectly visualise digital development among Polish companies, and the fact that the future will rely on abilities and competences of employees, as well as on digital possibilities. The above content states that the tools applied in online marketing are more often adopted by the companies and even create the base for company's activity in digital world.

Despite that, there is a visible lack of full use of tools' potential. It's necessary to point out that nowadays the fact of owing website, electronic mail and social media profile limits company in conducting effective communication with surroundings, and low analytics and monitoring may hinder a proper targeting of customers and getting knowledge about closer and further surroundings. Now, when digital world affects each aspect of company's functioning, "the motor" of development should be digitalisation that finally will become a reality. Undoubtedly, crucial element is companies' education in a scope of cyberspace development.

Systematically on the market occur new, better solutions from various areas of company's activity. Constant monitoring of trends and analysis of market's demands might cause that Polish business may present dynamic progress until it will start competing with European and even global competitors. It is necessary to hope for further digital development of Polish companies. Attention should be given to the huge number of companies which apply the Internet in their businesses, mainly in communication, but also for advertising and selling purposes. In the analysed periods of time, which were provided for comparison, there are differences which are in favour for the companies' participation in cyberspace. This is why adaptation of digital tools in next years should become a base for company's activity in most of its' areas. Although the most predicted changes will be noticeable in a scope of marketing communication, sales or monitoring and analytics. But surely the above-mentioned aspects are essential for the company's, as well as the whole market development.

Biography

Artur Sawicki: a doctoral student on the Faculty of Management of Czestochowa University of Technology, Czestochowa Region Head of the Silesian Marketing Association, a proponent for practical and responsible solutions in marketing, and cooperation between science and business, participant of numerous marketing events, a fan of dress code.

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