# Studia commercialia Bratislavensia

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# Measuring the change in performance of the south-eastern EU economy through GDP, vehicle sales and their correlation under the impact of the Covid-19 pandemic [1]

Matúš Dzuro[2]

***Abstract***

*The Covid-19 pandemics had impact on EU economy in early 2020. It impacted differently each sector of the EU economy. The automotive sector in the EU represents approximately 4% of its GDP and it's important to measure its performance. Part of the automotive industry are the car sales. A correlation between the performance of the economy and the car sales as its part might exist. This paper deals with sales of passenger cars, light utility vehicles and their combined sales. Its studied how the correlation between partial sales and the GDP evolves after the negative impact of pandemics. Geographical focus is on the Southeast European countries of Bulgaria, Romania, Greece, Slovenia, and Croatia. Sales of utility vehicles are more resilient to external impacts in 3 of 5 studied countries and this might show a better resilience of those economies.*

***Key words***

*Covid-19, Pandemics, Passenger car, Light Utility Vehicle, Correlation*

**JEL Classification:** M21, L25, L21

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## Introduction

The year 2020 was marked by the arrival of the Covid-19 pandemic in the European Union. This was followed by a series of curfews and restrictions that finally had a direct impact on the economy.

The car industry is an important sector of the EU economy and its importance was already evident during the 2008 economic crisis, when car sales in EU countries were supported by various incentives. This article focuses on the sale of passenger cars and light commercial vehicles, as well as their combined sales. There is a high probability of a correlation between car sales and GDP, as they are part of it. However, two groups of cars do not serve the same purpose and may have different correlation developments when faced with an external negative impact. This negative factor is the pandemic.

This article examines the evolution of the correlation between car sales and GDP in the south-eastern part of the EU, as a way of measuring the performance of the economy. Bulgaria, Romania, Greece, Slovenia and Croatia were selected in order to limit the scope of this Article. They have a relatively similar geographical location and their economies may have similarities in response to negative externalities.

[1] This contribution was made thanks to the KEGA project framework 030EU-4/2022

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## 1 Methodology

The aim of this article is to examine the correlation between sales of passenger cars, light commercial vehicles and their combined volume with GDP in the context of negative external impact and to evaluate whether this indicator can be used to measure the performance of the economy.

Theoretical (analysis, synthesis, induction, deduction, and comparison) and quantitative (especially descriptive statistics and correlation analysis) methods are used.

The data for this paper comes from public sources. GDP data were compiled from Eurostat. The car sales data are from Carsalesbase. It is a privately operated company that consolidates sales data for passenger cars and light commercial vehicles from several countries. Despite the negative fact of a private source, the site offers easy access to data, so there is no need to access individual national statistics. Data in graphs for car sales are in number of units sold, GDP is in financial units.

The correlation between data was analysed using a correlation coefficient. When the correlation coefficient is closer to +1 or -1, it indicates a positive (+1) or negative (-1) correlation. A positive correlation means that if the values in one field increase, the value in the other field also increases. Values close to 0 mean no or only weak correlation.

$$Correl(X,Y) = \frac{\sum (x-\bar{x})(y-\bar{y})}{\sqrt{\sum (x-\bar{x})^2 \sum (y-\bar{y})^2}} \quad (13),$$

Where $\bar{x}$ a $\bar{y}$ are the average values of the two data fields. (13)

**Tab. 1** Correlation strength defined for this article

| Type | From | Into |
|---|---|---|
| No correlation | 0 | 0 |
| Weak | 0,25 | 0 |
| Central | 0,75 | 0,25 |
| Strong | 1 | 0,75 |

Source: own presentation

**Tab. 2** The nature of the correlation

| Type | From | Into |
|---|---|---|
| No correlation | 0 | 0 |
| Negative | 0 | -1 |
| Positive | 1 | 0 |

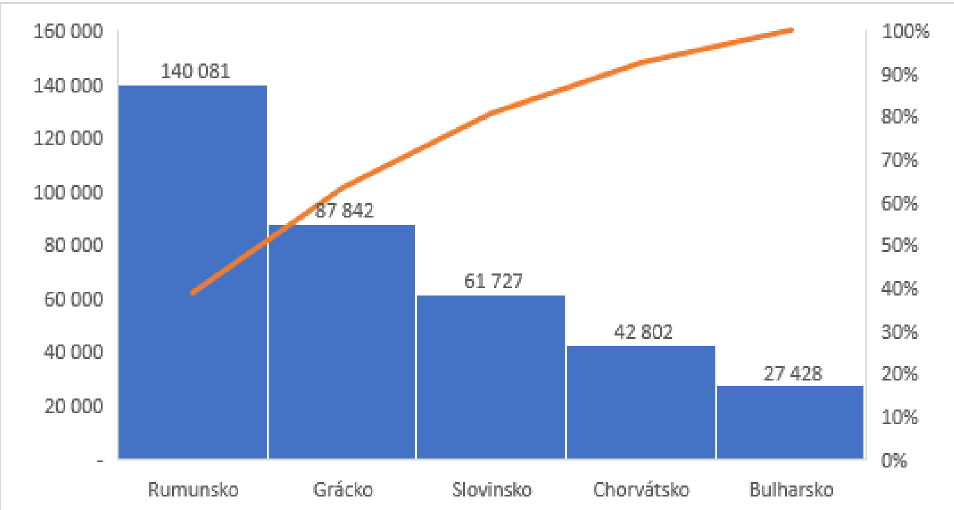
Source: Microsoft.com [online]

The correlation strength is defined in 4 steps: strong, medium, weak, no correlation. In the available sources, no specific values are defined that would define the strength, and therefore it has been defined in this way for the purpose of this study. In addition to correlation, this article uses a comparison of data using percentages or calculating differences between individual values. From the point of view of graphical interpretation of data, line charts are mainly used to present the evolution of data over time.

## 2 Results and discussion

Selected countries in the south-eastern region of the EU have different market sizes. This is illustrated in Chart 1, with Romania having the largest vehicle sales in Bulgaria the smallest.

**Chart 1** Number of cars sold in 2020 by country




Source: own presentation

To understand the impact of the pandemic on a selected region, the number of cars sold as well as GDP is compared with the last pre-pandemic year 2019, see Table 3.

**Table 3** Evolution of cumulated indicator values in 2020 compared to 2019. Cumulated values for Bulgaria, Croatia, Greece, Romania, Slovenia.

| Year | Passenger cars (number) | Light commercial vehicles (number) | Total sales (number) | Share of light commercial vehicles in total sales |
|---|---|---|---|---|
| 2019 | 411858 | 47296 | 459154 | 10% |
| 2020 | 319395 | 40485 | 359880 | 11% |
| change | 78% | 86% | 78% | |

Source: own presentation

Sales of light commercial vehicles have fallen less compared to sales of passenger cars. However, it should be noted that the volume of light commercial vehicles sold is only around 10% of the total volumes of light commercial vehicles and passenger cars.

**Tab. 4** Evolution of indicators in 2020 compared to 2019.

| Landscape | Cars | Light commercial vehicles | Total sales | GDP |
|---|---|---|---|---|
| Bulgaria | 63% | 85% | 66% | 100% |
| Croatia | 57% | 76% | 59% | 92% |
| Greece | 71% | 87% | 72% | 90% |
| Romania | 78% | 81% | 78% | 100% |
| Slovenia | 73% | 60% | 71% | 97% |

Source: own presentation

The passenger car market was least affected in Romania, where it reached 0.78 sales in 2019. This market was most affected in Croatia, where it reached 0.57 sales in 2019. The light commercial vehicle market was the least affected in Greece, where it reached 0.87 sales in 2019. This market was most affected in Slovenia, where it reached 0.6 sales in 2019.The market for total car sales was the least affected in Romania, where it reached 0.78 sales in 2019. This market was most affected in Croatia, where it reached 0.59 sales in 2019. GDP was least affected in Bulgaria, where it reached 1 value in 2019. GDP was most affected in Greece, where it reached 0.9 in 2019. A more detailed analysis of each country is provided below.

## 2.1 Bulgaria

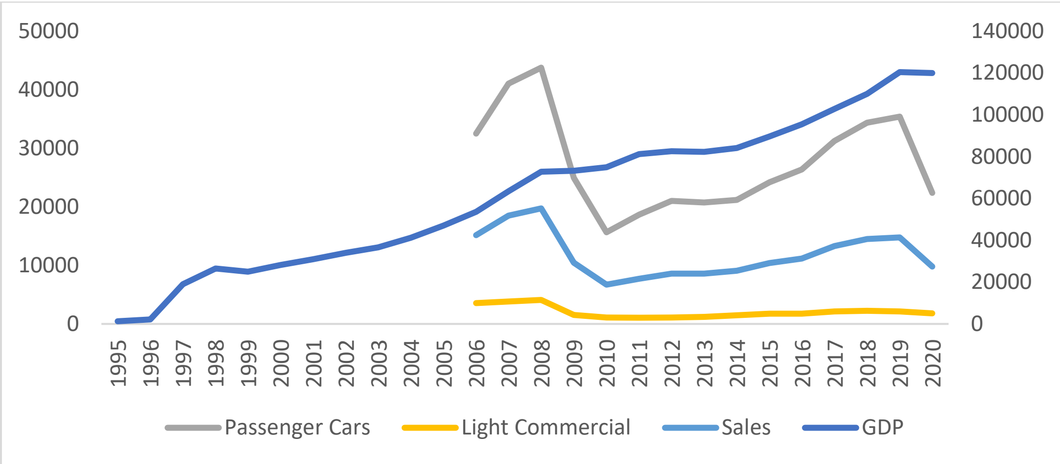
The correlation between GDP and passenger car sales in Bulgaria in the pre-pandemic years between 2019 and 2006 can be described as positive with weak strength with a correlation of 0.03. For light commercial vehicles in the same period, the correlation is negative with medium power and a correlation of 0.34. Total car sales in Bulgaria during this period have a weak and negative correlation of 0.06.

A more concrete analysis of the correlation between GDP and car sales is carried out in the 10 years before the Covid pandemic. During this timeframe, passenger cars had a positive and strong correlation with a value of 0.98. Light commercial vehicles had a positive and strong correlation of 0.91. Car sales in Bulgaria generally had a positive and strong correlation of 0.98.

The third step of the analysis focuses on the correlation between sales and GDP over a 10-year period, while the last year of this period is 2020, i.e. the first year of the Covid 19 pandemic. This adjusted period shows the following results. For passenger cars, the correlation is medium and positive at 0.73. For light commercial vehicles, the correlation is positive and strong at 0.82. Total car sales in relation to GDP had a positive and strong correlation with 0.75.

The inclusion of the first year of the Covid pandemic had the following impact on the correlation between car sales and GDP: Passenger cars changed by -0.26, light commercial vehicle sales by -0.09 and total sales by -0.23.

**Chart 2** Number of cars sold and GDP developments in Bulgaria




Source: own presentation

## 2.2 Croatia

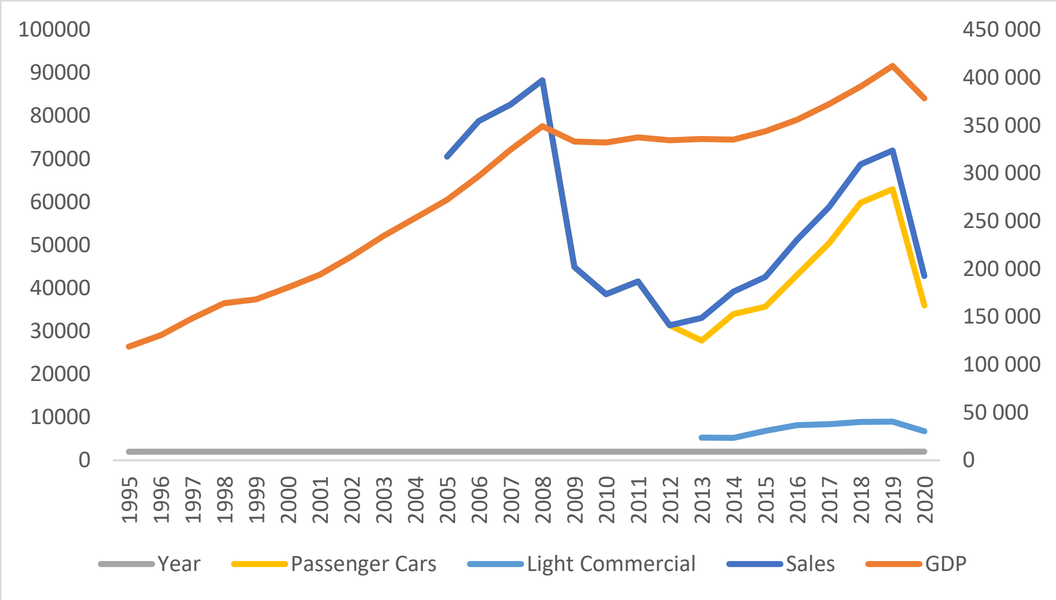
The correlation between GDP and passenger car sales in Croatia in the pre-pandemic years between 2019 and 2005 can be described as negative with weak strength with a correlation of -0.12. For light commercial vehicles in the same period, the correlation is positive with a strong force and a correlation of 0.88. Total car sales in Croatia during this period have a weak and positive correlation of 0.03.

A more concrete analysis of the correlation between GDP and car sales is carried out in the 10 years before the Covid pandemic. During this timeframe, passenger cars had a positive and strong correlation with a value of 0.94. Light commercial vehicles had a positive and strong correlation of 0.88. Car sales in Croatia generally had a positive and strong correlation at 0.97.

The third step of the analysis focuses on the correlation between sales and GDP over a 10-year period, while the last year of this period is 2020, i.e. the first year of the Covid 19 pandemic. This adjusted period shows the following results. For passenger cars, the correlation is strong and positive at 0.87. For light commercial vehicles, the correlation is positive and strong at 0.83. Total car sales in relation to GDP had a positive and strong correlation with 0.9.

The inclusion of the first year of the Covid pandemic had the following impact on the correlation between car sales and GDP: Passenger cars changed by -0.07, light commercial vehicle sales by -0.05 and total sales by -0.07.

**Chart 3** Number of cars sold and GDP development in Croatia




Source: own presentation

## 2.3 Greece

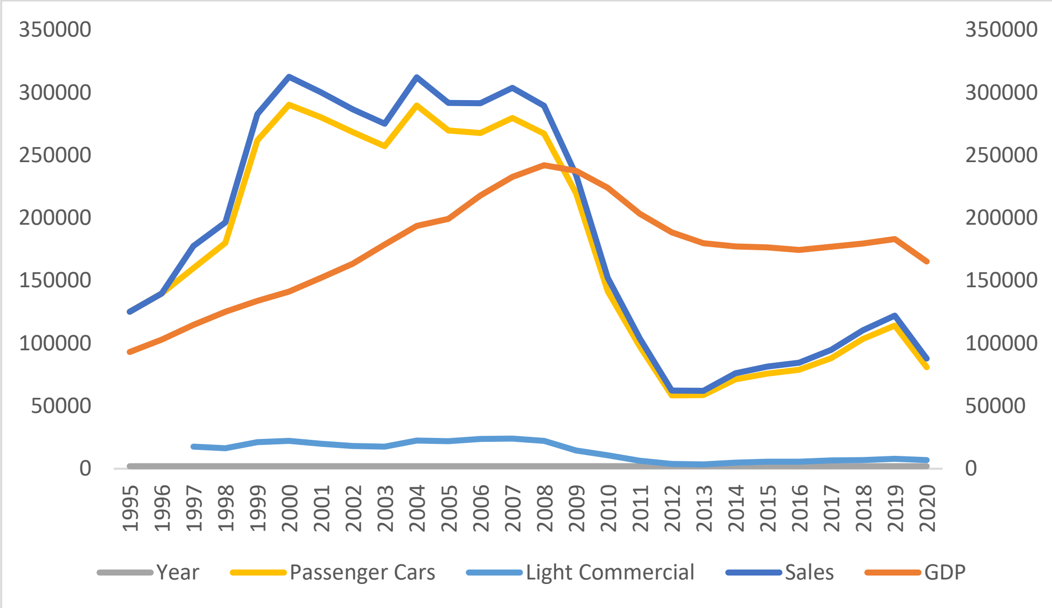
The correlation between GDP and passenger car sales in Greece in the pre-pandemic years between 2019 and 2000 can be described as positive with weak strength, with a correlation of 0.16. For light commercial vehicles in the same period, the correlation is positive with weak strength and a correlation of 0.23. Total car sales in Greece during this period have a weak and positive correlation of 0.16.

A more concrete analysis of the correlation between GDP and car sales is carried out in the 10 years before the Covid pandemic. During this timeframe, passenger cars had a positive and moderate correlation of 0.68. Light commercial vehicles had a positive and moderate correlation of 0.65. Car sales in Greece generally had a positive and moderate correlation of 0.68.

The third step of the analysis focuses on the correlation between sales and GDP over a 10-year period, while the last year of this period is 2020, i.e. the first year of the Covid 19 pandemic. This adjusted period shows the following results. For passenger cars, the correlation is weak and positive at 0.2. For light commercial vehicles, the correlation is negative and weak, with -0.09. Total car sales in relation to GDP had a positive and weak correlation with 0.18.

The inclusion of the first year of the Covid pandemic had the following impact on the correlation between car sales and GDP: Passenger cars changed by -0.48, light commercial vehicle sales by -0.74 and total sales by -0.5.

**Chart 4** Number of cars sold and GDP developments in Greece




Source: own presentation

## 2.4 Romania

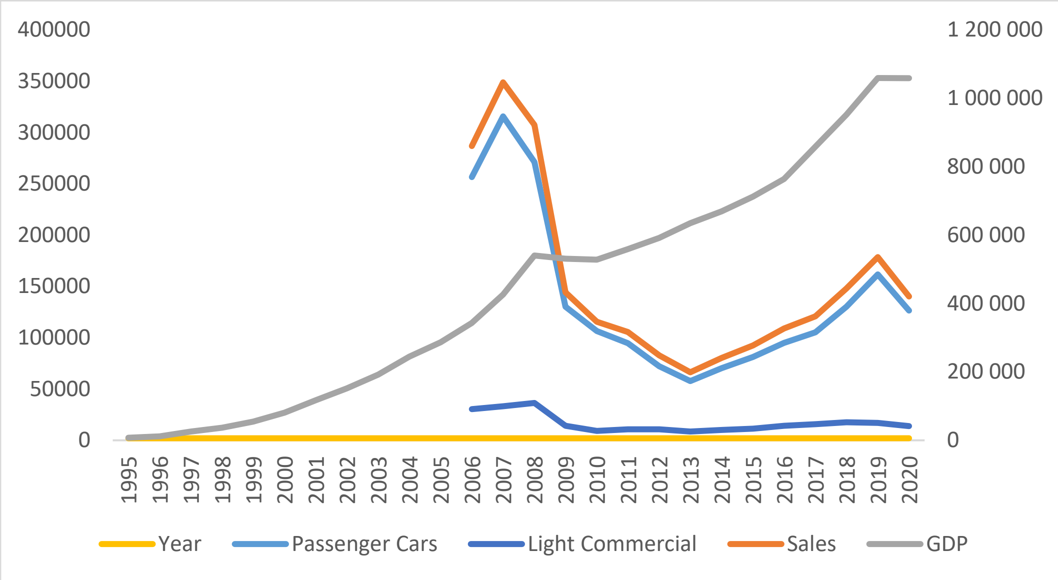
The correlation between GDP and passenger car sales in Romania in the pre-pandemic years between 2019 and 2006 can be described as negative, with a medium strength correlation of -0.4. For light commercial vehicles in the same period, the correlation is negative with mean power and a correlation of 0,35. Total car sales in Romania during this period have a medium and negative correlation of 0.4.

A more concrete analysis of the correlation between GDP and car sales is carried out in the 10 years before the Covid pandemic. During this timeframe, passenger cars had a positive and strong correlation with a value of 0.76. Light commercial vehicles had a positive and strong correlation of 0.92. Car sales in Romania generally had a positive and strong correlation of 0.79.

The third step of the analysis focuses on the correlation between sales and GDP over a 10-year period, while the last year of this period is 2020, i.e. the first year of the Covid 19 pandemic. This adjusted period shows the following results. For passenger cars, the correlation is strong and positive at 0.88. For light commercial vehicles, the correlation is positive and strong at 0.82. Total car sales in relation to GDP had a positive and strong correlation with 0.88.

The inclusion of the first year of the Covid pandemic had the following impact on the correlation between car sales and GDP: passenger cars changed by 0.11, light commercial vehicle sales by -0.1 and total sales by 0.09.

**Chart 5** Number of cars sold and GDP development in Romania




Source: own presentation

## 2.5 Slovenia

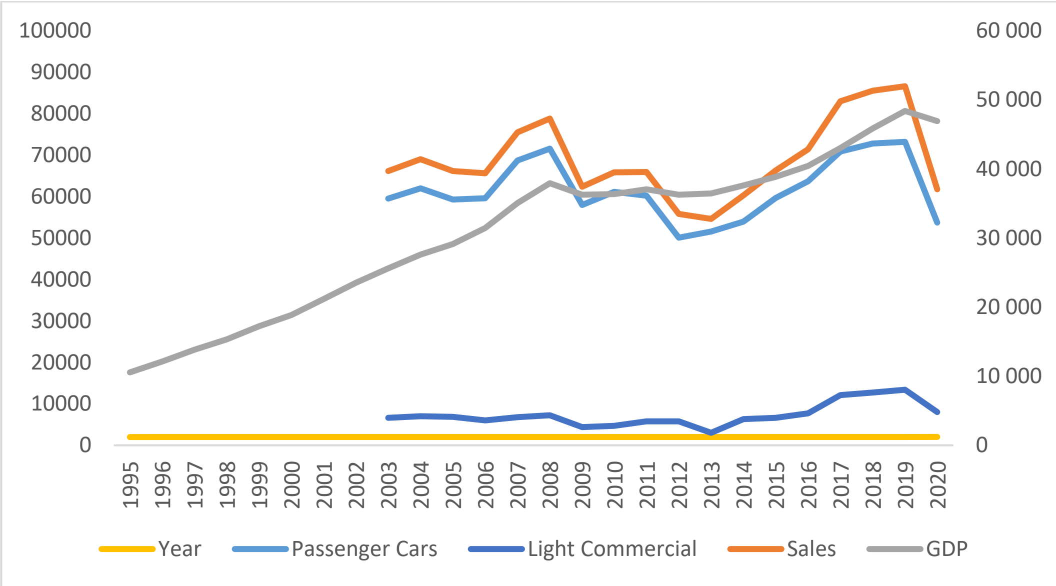
The correlation between GDP and passenger car sales in Slovenia in the pre-pandemic years between 2019 and 2003 can be described as positive with medium strength with a correlation of 0.51. For light commercial vehicles in the same period, the correlation is positive with a mean force and a correlation of 0.63. Total car sales in Slovenia during this period have a medium and positive correlation of 0.57.

A more concrete analysis of the correlation between GDP and car sales is carried out in the 10 years before the Covid pandemic. During this timeframe, passenger cars had a positive and strong correlation with a value of 0.9. Light commercial vehicles had a positive and strong correlation of 0.96. Car sales in Slovenia generally had a positive and strong correlation of 0.93.

The third step of the analysis focuses on the correlation between sales and GDP over a 10-year period, while the last year of this period is 2020, i.e. the first year of the Covid 19 pandemic. This adjusted period shows the following results. For passenger cars, the correlation is medium and positive at 0.67. For light commercial vehicles, the correlation is positive and strong at 0.85. Total car sales in relation to GDP had a positive and moderate correlation of 0.74.

The inclusion of the first year of the Covid pandemic had the following impact on the correlation between car sales and GDP: Passenger cars changed by -0.22, light commercial vehicle sales by -0.11 and total sales by -0.2.

**Chart 6** Number of cars sold and GDP development in Slovenia




Source: own presentation

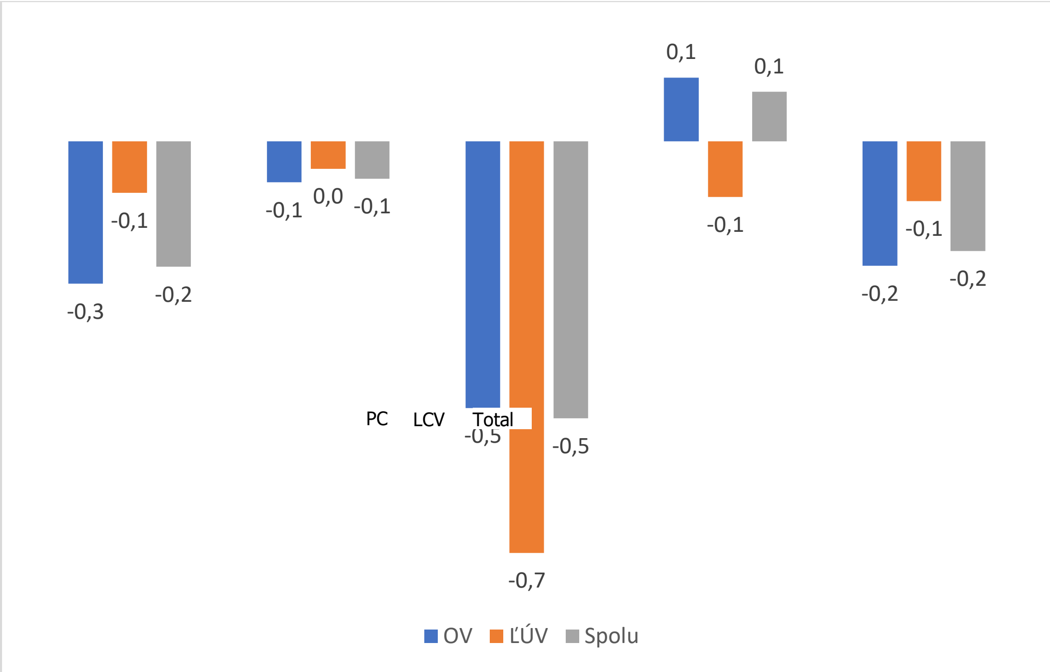
The above shows that in most cases there is correlation between car sales and GDP. It´s often positive. The pandemics reduced the correlation in all countries. The drop was largest in Greece and smallest in Croatia and Romania. In 3 out of 5 cases, the correlation of light commercial vehicles decreased less than that of passenger cars. This could mean that the sales of light commercial vehicles are more resistant to external factors than the sale of passenger cars. At the same time, we can see that in Greece, where there was the strongest fall in GDP among the selected countries, there was also the strongest slump in correlation. The evolution of the correlation of GDP with vehicle sales may, under certain conditions, be applicable to measuring the performance of the economy.

**Tab. 5** Correlation before and with the impact of Covid-19, calculation of the impact of the pandemic

| | 10 years before Covid | | | 10 years including Covid | | | *Impact of Covid* | | |
|---|---|---|---|---|---|---|---|---|---|
| landscape | Pas-senger cars | Easy uten-sil. car. | To-gether | Pas-senger cars | Easy uten-sil. car. | Together | *Pas-sen-ger cars* | *Easy uten-sil. car.* | *To-gether* |
| Bulgaria | 0,98 | 0,91 | 0,98 | 0,73 | 0,82 | 0,75 | *-0,26* | *-0,09* | *-0,23* |
| Croatia | 0,94 | 0,88 | 0,97 | 0,87 | 0,83 | 0,90 | *-0,07* | *-0,05* | *-0,07* |
| Greece | 0,68 | 0,65 | 0,68 | 0,20 | -0,09 | 0,18 | *-0,48* | *-0,74* | *-0,50* |
| Romania | 0,76 | 0,92 | 0,79 | 0,88 | 0,82 | 0,88 | *0,11* | *-0,10* | *0,09* |
| Slovenia | 0,90 | 0,96 | 0,93 | 0,67 | 0,85 | 0,74 | *-0,22* | *-0,11* | *-0,20* |

Source: own presentation

**Chart 7** Impact of Covid on correlation. Countries' order: Bulgaria, Croatia, Greece, Romania, Slovenia




Source: own presentation

## Conclusion

The aim of the article was to examine the correlation between sales of selected types of cars with GDP during the negative impact and to evaluate whether this procedure can be used to measure the performance of the economy. The data processed show that in the sales of light commercial vehicles, the correlation with GDP is stronger than in passenger cars. However, other factors, such as government subsidies, also influence vehicle sales, and these factors therefore need to be monitored as well.

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# Konkurenčná výhoda vo vybraných kúpeľných podnikoch na Slovensku[1]

Mária Halenárová [2]

## *Competitive advantage in selected spa companies in Slovakia*

***Abstract***

*The main purpose of the article is to identify and assess the sources of competitive advantage in selected spa companies in Slovakia. The identification of the competitive potential of selected resources of spa enterprises is determined on the basis of available information from scientific and statistical sources. The VRIO analysis was used, which focuses on the specific resources of spa companies that constitute a high competitive advantage. Through analysis, synthesis and deduction, specific sources of competitive potential were selected. The analysis of the competitive potential of the spas of Piešťany, Bojnice and Trenčianske Teplice showed that the spas of Piešťany have the greatest competitive potential within the selected resources. These are resources such as history, natural conditions, certification and use of healing waters.*

***Key words***

*advantage, competetive,spa, tourism*

**JEL Classification:** L83, Z32

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## Introduction

Spa tourism in the medical terms is historically considered mainly as a European matter. Its development is closely linked to the occurrence of mineral carbonated waters. There have been various variations of hot baths in the past, but spa treatment in today's sense of the word has only developed in recent years in Europe. In the European context, Slovakia is perceived as a territory rich in mineral and thermal springs, which are considered a rare natural resource. In general, thanks to their medical, economic, and social importance, they are considered an important part of the country's natural heritage. The geographical location of our country has significantly contributed to the excellent natural conditions enabling the development of spa tourism based on healing mineral and thermal waters. They occur mainly in areas where there are tectonic faults and transitional junctions of mountain ranges and basins, in which underground water springs up to the surface of the earth (Matlovičová, 2013).

Competitive advantage refers to the nature of an organization's performance relative to its competitors. An organization is said to have gained a competitive advantage when it has a unique advantage that persists despite repeated attempts by competitors to replicate

[1] The paper is part of the PMVP internal grant no. I-23-109-00 of the University of Economics in Bratislava for young people teachers, researchers and doctoral students with the title "Possibility of solving crisis situations in spa enterprises using innovative systems".

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it (Sadq, et al., 2019). Competitive advantage exists when an organization meets three criteria: (a) it offers a proven proposition based on a value that benefits end users, (b) this valued proposition is delivered through organizational activities in a way that is difficult for competitors to imitate, and (c) an advantage is also sustainability with respect to changes in the environment and activities of competitors (Harney, 2016). A spa business can achieve a unique competitive advantage if its strategic assets exist in both tangible and intangible forms. Assets include tools and techniques, practices, standards, processes, training, use of databases, systems and tangible knowledge sharing practices, etc. (Seung-Chul, Jae Sung, Shin, 2015).

The purpose of the article is to identify and evaluate the specific sources of competitive advantage of spa companies located in western Slovakia and to determine their strengths through VRIO analysis.

## 1 Methodology

The article is composed of several research methods. Initially, scientific methods were used: comparation of literature in the field of tourism and spa development, mainly focused on the Slovak Republic, comparation of statistical data, reports and studies of international and local organizations (Eurostat, WEF: Travel and Tourism Competitive report). Secondary sources were used to review the literature and comparating of the current state of spa tourism in the Slovak Republic and spas in western Slovakia. VRIO analysis was used to obtain the results. VRIO analysis is an analytical technique that, for each type of resource, assesses the evaluation dimensions for its own organization and for competitors. Processing the VRIO analysis helps entrepreneurs to evaluate their business resources by comparing them with the competition and competitive dynamics. Thanks to this analysis the difficulty of selecting resources can be eased up, and the ability to evaluate the disadvantages of resources that can limit the value of the enterprise can be improved. VRIO analysis can be used to assess the potential of a wide range of company resources. The analysis not only specifies the theoretical assumptions under which sustainable competitive advantage can exist, but also suggests specific empirical questions. These questions need to be addressed before the relationships between a firm's particular resource and sustainable competitive advantage can be understood (Grant et al., 2014). The scheme of VRIO analysis is shown in tab. 1 with the name Scheme of VRIO analysis.

**Tab 1** Scheme of VRIO analysis

| Does it create value? | Rare? | Easy to imitate? | Well used by the business (success)? | Competitive position |
|---|---|---|---|---|
| No | | | No | Disadvantage |
| Yes | No | Yes | | Competetive parity |
| Yes | Yes | Yes | | Temporary advantage |
| Yes | Yes | Yes | Yes | Sustainable advantage |

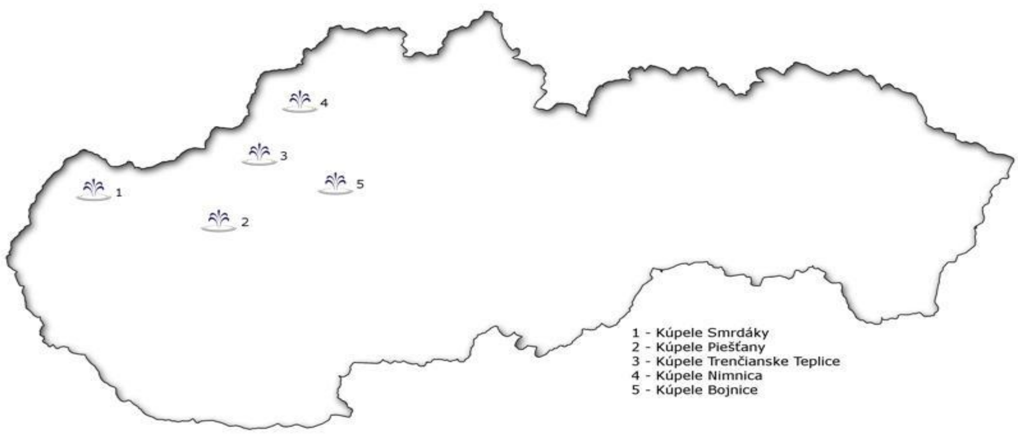
Source: J. Šebestová, 2007, page 4

On the basis of an empirical study, conclusions are drawn through the analysis and synthesis of individual factors. The data provided by the spa were processed and are available, i.e. not marked as trusted.

## 2 Results and discussion

The first professional studies on the spa industry, or on spa tourism were created with the existence of relevant information and statistics on spa care (e.g. diagnostics, therapeutic effects) and on the number of guests. This information was related to the balneological importance of spa care as a whole and also to the economic benefit of visiting spas. Selected information about the most important spas was available from the end of the 19th century, but detailed comparative statistics for most spa centers were available until the end of the 1930s (Eliášová, 2015). Slovakia is located in the geologically diverse and tectonically complicated area of the Western Carpathians and the northern edges of the Pannonian Basin. It is this geological structure that creates suitable conditions for the relatively frequent occurrence of mineral and thermal waters. These springs have always been one of the main localization prerequisites for the development of the spa industry (Kasagranda and Gurňák, 2017). The most important Slovak spas are located in western Slovakia (SACR, 2015; Eliášová, 2009). These are the spas of Piešťany, Smrdáky, Bojnice, Trenčianske Teplice and Nimnica (see Fig. 1). They are exceptional for their famous medicinal water and hydrogen sulphide springs. They are rich in history that dates back almost 200 years (SACR, 2017). The geological development of the Western Carpathians creates the conditions for a high-quality representation of natural healing, mineral and thermal waters in the Slovak Republic. They have been used by the inhabitants of this territory since the initial settlement for the treatment of various health problems. Documentary evidence of the use of medicinal waters for the treatment of inhabitants in Slovakia dates back to the 12th century (Božíková, Bodiš, 2016).

**Fig.1** Spas in western Slovakia




Source: Kiska travel, 2018

Sources of competitive advantage will be analyzed and assessed in the spas of Piešťany, Bojnice and Trenčianske Teplice.

## Value of selected spas

Slovak Spa Piešťany a.s. for more than 100 years, they have been among the leading European spas in the treatment of rheumatism, rehabilitation of the musculoskeletal system and the nervous system. They use natural healing sources - unique curative sulfur mud and thermal mineral water. Piešťany spas are characterized by treatment methods that are used to a limited extent or not at all in other treatment facilities (SACR, 2015). Slovak medical spa Piešťany, a.s. are the largest Slovak company in the spa industry. The city of Piešťany owns 10.01% of the shares in Smrdáky, the municipality of Smrdáky owns 1.75% of the shares (Smrdáky, 2021). The entire spa complex, 9 spa hotels, is located on the island, which is focused on spa and similar services. It is a unique, extensive spa complex with ten different thermal springs. They are among the spas in Central and Eastern Europe that have successfully passed the certification of the European Spa Association (ESPA) and received the Europespa quality certificate.

The Trenčianske Teplice spa is one of the oldest and most sought-after spas in Slovakia and is of international importance. They are located at an altitude of 272 m and in an ideal sheltered position, which creates a favorable climate for year-round operation. The main indications include degenerative and inflammatory rheumatic diseases (arthrosis, progressive arthritis, Bechterev's disease, muscular and extra-articular rheumatism and others), spine diseases, neuralgia, conditions after operations and injuries of the musculoskeletal system, multiple sclerosis in people capable of self-care (SACR, 2015). The Trenčianske Teplice spa park has an area of 18 hectares and is one of the largest spa parks in Slovakia. Since 1963, it has been included in the list of national cultural monuments of the Slovak Republic. According to the information boards located in the park, its creation dates back to 1725. The Trenčianske Teplice spa has the Europe Spa MedCertificate EUROPESPA certificate, the HACCP food safety system and the ISO 9001:2015 quality management system certificate.

The thermal waters in Bojnice rise to the earth's surface through natural seeps. Matej Bel mentioned the Bojnice spa in his famous work Notitia Hungariae novae historico-geographica. The extensive construction of the baths was carried out by the Thurzo family and from 1637 by the Pálffy family. The Bojnice Spa is one of the oldest spas in Slovakia. They have been operating since 1924, but only in 1942 did they officially receive the title of spa from the state. The natural healing properties of the water provide treatment for external balneotherapy: diseases of the locomotor system, neurological diseases, urological and gynecological problems. According to the classification in the index, the listed indications are VI., VII., VIII., XI. and XII (Božikova, Bodiš, 2016). . The area of the spa park has an area of approximately 55 hectares, which is currently in the stage of reconstruction and renewal. At the moment, Alej Slovanov, the Bojnice viewpoint and spa mill, the Bojnice castle and the zoo are located in the area. (Bojnice, 2022).

**Tab.2** Sources of competitive value of spa enterprises

| Sources |
|---|
| History of spas |
| Natural assumptions |
| Healing mineral waters |
| Certification |

Based on the value analysis, we will evaluate the competitive advantage of the resources of the selected spa enterprises (tab. 2).

## Rare of selected Slovak spas

As a rarity, we have listed below for each spa the resources that are the most rare for spa businesses.

Piešťany thermal mineral water consists of 10 springs with an average content of 1500 mg of mineral substances per 1 liter of mineral water. The water springs up at a depth of about 2,000 meters, collects and collects at a depth of about 60 meters, thanks to which it always has the same chemical composition and temperature. The temperature of these springs ranges from 67 to 69 degrees. We can define it as moderately mineralized, sulfate-bicarbonate, calcium-sodium, sulfurous, hot water. It is primarily used for baths, but also for a drinking cure. The water has a high sulfur content (6-10 mg/l), which is the most important factor in the treatment of diseases of the musculoskeletal system. Sulfur occurs in water in various forms and chemical compounds such as sulfates, sulfites, sulfides. The spa in Piešťany focuses mainly on the treatment of inflammatory and degenerative diseases of the musculoskeletal system and nervous diseases. Piešťany mud contains active sulfur and approximately 20 strains of sulfur bacteria, which are the only ones in the world. Therefore, Peloid is one of the best and most famous in the world (Slovakia Travel, 2021). In addition to healing waters, they also have a rare spa complex located on the spa island.

Spa Trenčianske Teplice, a.s. they have at their disposal 6 natural healing sources that are used for external and internal balneotherapy. Sulfur thermal healing springs have a similar chemical composition, they differ only in the temperature of the water. Medicinal water for bathing in pools and bathtubs has an optimal balneological temperature that ranges from 35.5°C to 39°C, which allows its direct use without the need for heating or cooling (Kasagranda, 2020). The biggest icon in the Trenčianske Teplice spa is the historic Hammam from 1888. The Hammam premises are still used today as a rest area after the Sina bath, which is one of the most popular. The Sina pool is directly connected to the Hammam and to two sources of natural healing water flowing directly from the underground into the pool without heat treatment (Slovakia Travel, 2021). We also include the EUROSPEA certificate among rarities. They thus belong to the top spas together with the Piešťany spas.

The natural healing water in Bojnice is characterized as low-mineralized, slightly alkaline, hypotonic hydrogen-carbon-sulfate and calcium-magnesium thermal water with a temperature of 46-47 °C (Božiková; Bodiš, 2016). Spring thermal mud is obtained from the spring of Lake. It is a crater-shaped reservoir where natural healing thermal water (akratotherm) springs up. Spa Bojnice has a lot of mud in the craters, which is renewed every year after its exhaustion. Dry mud is diluted with thermal water, then heated and used as wraps. There is also peat in the territory of Bojnice, which is also used for wrapping (Cvečková, Rapant, 2021). Bojnice has rare cultural and natural monuments in the surroundings of the spa. There is, for example, Bojnice Castle, a zoo and Alej Slovanov with over 300 planted trees (Slovakia Travel, 2021).

## Imitability of spas in Slovakia

The selected spas are not easy to imitate, especially from a cultural and historical point of view. The composition of medicinal waters and their use is unique. However, we can find similar spas from a historical point of view and the composition of the healing waters in Hungary or Austria. In the historic town of Sárvár, there are spas where healing water springs up with a dual composition and effects. There are two healing waters. One medicinal water has a temperature of 83 degrees and a high salt content, the other medicinal water is alkaline, rich in bicarbonates and has a temperature of 43 degrees (Michalkó, Ratz, 2010).

The Ministry of Health in Slovakia has divided spas into groups that are not very suitable for tourism. Some spas are included in ten (Bardejov), nine (Nimnica, Vyšné Ružbachy) or eight (Lúčky, Trenčianske Teplice) orientation groups (Kasagranda, Gurňák, 2017). Table 3 contains a list of spas that treat the same indications as spas in western Slovakia. There are 13 spas located in the rest of Slovakia. It follows that the selected spas in Slovakia have a high level of imitation. However, the difference is considerable in the provision of packages and types of therapies.

**Tab. 2** Comparison of treatment indication

| **Agreement in treatment indication** | **Diseases of the movement apparatus** | **Nerve disease** | **Digestive system** | **Respiratory diseases** | **Oncological disease** | **Diseases of the circulatory system** |
|---|---|---|---|---|---|---|
| **Natural iodine baths Číž** | x | x | | | | |
| **Honttherma Dudince** | x | x | | | | |
| **Slovthermae Dudince** | x | | | | | |
| **SMI Marína** | x | x | | | x | |
| **Spa Sklenné Teplice** | x | x | | | | |
| **Spa Sliač** | x | | | | x | |
| **Spa Nimnica** | **x** | **x** | **x** | | **x** | **x** |
| **Spa Bojnice** | **x** | **x** | | | | |
| **Spa Piešťany, a. s.** | **x** | **x** | | | | |

| | | | | | | |
|---|---|---|---|---|---|---|
| **Spa Rajecké Teplice** | x | x | | | x | |
| **Spa Trenčianske Tepice, a.s.** | **x** | **x** | **x** | | **x** | |
| **Spa Turčianske Teplice** | x | x | x | | x | |
| **Spa Ko-váčová** | x | x | x | | | |

Source: own processing

## Organization of selected spas in Slovakia

Organizational processes help companies build and maintain competitive advantage. The following key features enable companies to exploit the full competitive potential of their resources and capabilities: their formal reporting structure, explicit management control systems and remuneration policies. These components are often referred to as complementary resources and capabilities because they have limited ability to create competitive advantage in isolation. It is in combination with other resources and capabilities that they can enable the company to fully utilize its potential for competitive advantage. Combining these issues of value, rarity, imitability and organization provides a unified framework for understanding the potential returns associated with the use of any company's resources and capabilities (Grant et al., 2014).

Spas Bojnice and Piešťany use resources of competitiveness mainly for promotion. Spa Trenčianske Teplice has a rare spa park, but it is not sufficiently advertised. Based on the statements of the spa companies, they have a sufficient number of managers and personnel to maintain the organizational processes.

The Trenčianske Teplice spa has a rare history. Therapeutic procedures and medicinal water is unique in terms of the composition of the water and its use. Their competitive position on the market is rather long-term. The similarity with other spas within the competition is in procedures and natural conditions (tab. 4). The EUROESPA certificate provides them with uniqueness and a long-term competitive advantage.

**Tab. 4** VRIO analyses of Trenčianske Teplice spa

| **Source** | **Value?** | **Rare?** | **Easily imitated?** | **Well used by the business?** | **Competitor. position** |
|---|---|---|---|---|---|
| **Use of medicinal water** | Yes | Yes | Yes | Yes | Suistainable advantage |
| **Procedures using medicinal water** | Yes | No | Yes | Yes | Competetive parity |

| | | | | | |
|---|---|---|---|---|---|
| **History** | Yes | Yes | No | Yes | Suistainable advantage |
| **Natural prerequisites - surroundings** | No | Yes | Yes | No | Competetive parity |
| **Certification** | Yes | Yes | No | Yes | Suistainable advantage |

Source: own processing

The value of the Bojnice spa is sufficient from the point of view of the VRIO analysis. Its rarities include the use of healing water, history, and natural conditions. However, her procedures are easy to imitate (tab.5). In terms of value, rarity, and imitability, it can be concluded that their competitive position on the market is long-term. Spa Bojnice is not certified by any of the prestigious certificates, which does not increase its quality and competitiveness.

**Tab. 5** VRIO analyses of Bojnice Spa

| **Source** | **Value?** | **Rare?** | **Easily imitated?** | **Well used by the business?** | **Competitor. position** |
|---|---|---|---|---|---|
| **Use of medicinal water** | Yes | Yes | No | Yes | Temporary advantage |
| **Procedures using medicinal water** | Yes | No | Yes | Yes | Competetiv e parity |
| **History** | Yes | Yes | No | Yes | Suistainable advantage |
| **Natural prerequisites - surroundings** | Yes | Yes | Yes | Yes | Suistainable advantage |
| **Certification** | - | - | - | - | - |

Source: own processing

Spa Piešťany maintains a leading position in Europe in the treatment of rheumatic diseases. They provide innovative treatment methods and are known for their history and spa houses. They have a high level of competitive potential and are among the best spas in Slovakia (tab. 6). They have rare natural conditions, as it is an entire spa island, and this brings them a long-term advantage. The obtained EUROESPA certificate brings them a long-term competitive advantage together with the implemented ISO 9001:2015 and HACCP management systems.

**Tab. 6 VRIO analyses of Piešťany Spa**

| Source | Value? | Rare? | Easily imitated? | Well used by the business? | Competitor. position |
|---|---|---|---|---|---|
| **Use of medicinal water** | Yes | Yes | No | Yes | Temporary advantage |
| **Procedures using medicinal water** | Yes | No | Yes | Yes | Competetive parity |
| **History** | Yes | Yes | No | Yes | Suistainable advantage |
| **Natural prerequisites - surroundings** | Yes | Yes | No | Yes | Suistainable advantage |
| **Certification** | Yes | Yes | No | Yes | Suistainable advantage |

Source: own processing

The development of the VRIO analysis gave us a picture of the competitive advantage of spa companies. Natural healing water is unique in western Slovakia and in individual spas. Procedures in which the beneficial and healing effects of water are used are not so rare. We can also find most types of procedures abroad, such as in Hungary, but also in the rest of Slovakia. Spa businesses, however, must promote their services at the European level.

## Conclusion

Based on the VRIO analysis, it was possible to identify the main sources, namely the use of healing waters, natural conditions, certification, and history. By using rare healing waters, selected spas gain an important place in the spa industry in the European context and in Slovakia. Therefore, the results of the VRIO analysis are not limited by the availability of relevant and complex data. The result of the VRIO analysis showed us that the Piešťany spa has the biggest competitive advantage in the long term. Their rich history, success in EUROSPA and ISO 9001:2015 certification points to the quality of the services offered and brings them a high number of visitors every year.

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# Effectiveness of marketing innovations

Henrieta Harcsová[1]

***Abstract***

*Marketing innovations and their effectiveness are a very significant part of marketing. Marketing has been digitized in recent years, and everything is moving to the online environment, so companies need to be able to adapt to these changes. Consumers increasingly prefer shopping on the Internet, and therefore it is necessary to move their outreach to the Internet. The main goal is to analyse the effectiveness of marketing innovations in the selected organization and to determine the effectiveness of the selected marketing strategy. The study compared many theoretical aspects in the field of marketing innovation and chose a company to investigate the effectiveness of a specific marketing strategy. The Alza company is the largest online retailer in Slovakia and the Czech Republic and is one of the innovative leaders. Alza's efficiency is an interesting indicator of marketing innovations. Using mathematical and statistical methods, we evaluated the effectiveness of the marketing strategy of the selected company. The result of this study is the identification of the most significant marketing innovations and the evaluation of the effectiveness of a specific marketing strategy used by Alza.*

***Keywords:***

*Marketing, innovations, marketing innovations, Alza*

**JEL Classification:** *O30, M31*

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## Introduction

The market economy includes marketing innovations and product and manufacturing process innovations, which are both significant components of the innovation process. The growth of this industry is significantly influenced by development and marketing innovation. Every industry that wishes to grow and advance needs fresh, innovative approaches to problem-solving. We must concentrate on the efficacy of these new and innovative tools in the marketing area because new marketing tools and techniques are a significant component of the marketing business.

The online space and new technologies have helped marketing change in recent years. There are new methods for gathering consumer data and inventive new programs to reach out to new potential customers, and businesses can better execute their marketing strategy. The internet has enabled many companies to enter the online market, expand their consumer base, and generate increased funding from markets they had not previously entered.

Personal marketing, ambient marketing, environmental marketing, guerrilla marketing, ambush marketing, word-of-mouth marketing, viral marketing, product placement, neuromarketing, geomarketing, behavioural marketing, and others are some of the marketing innovation sectors that have evolved over time (Ungerman et al., 2018).

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Particularly when it comes to marketing innovation, businesses have a different perspective on innovation. Although each company may have a very distinct fundamental image of itself, all businesses have the common belief that innovations cannot be adopted unless they are integrated into every component of the organization's overall structure. For a business to succeed, innovation is essential, and marketing innovations can assist on both a micro and global level (Nadda & Arnott, 2019).

The world's marketing trends are shifting from traditional (offline) to digital (online). The fact that potential customers can access a wide range of product information and conduct commerce online makes this digital marketing technique more promising. Digital marketing is the practice of doing market research and promotional activities using digital media online through a variety of tools, including social networks. People can now connect with around the world in the virtual world in addition to devices. Digital marketing, which frequently includes interactive and integrated marketing, makes it easier for producers, market intermediaries, and potential customers to communicate (Purwanti et al., 2021).

One of the best examples is guerrilla marketing, which is the form of advertising that gave rise to the increasingly sophisticated form of viral marketing that makes use of the interconnected world and has become the foundation of the industry. With this marketing, ICT companies produce advertisements that are unrelated to those produced by conventional enterprises. On the other hand, viral marketing is a phenomenon in marketing that makes it easier and more motivating for individuals to share a marketing message (Adi et al., 2020).

The traditional techniques used to evaluate a company's effectiveness cannot be applied to quantify the effectiveness of marketing communication. Efficiency is typically thought of as the ratio of outputs to inputs. How successfully we can employ inputs for outputs is a key component used in marketing (Grešáková & Gogolová, 2016).

# 1 Methodology

Marketing is a particularly successful method for identifying effective results and fulfilling the objectives of organizations and businesses in a strong market. These objectives could range from maximizing profit to ensuring the widest possible distribution of ideas, as in the case of social marketing. The focus on the customer and his demands shapes the foundation of marketing. In the marketing concept, the customer is in a dominant position. "Globalization, deregulatory, and technical advancements are the major factors of the ongoing changes in the existing marketing environment. Managers must constantly gather and analyse market knowledge through marketing research to adapt to these changes" (Kozel et al., 2006).

According to Malhotra (2010), marketing research is defined as "the methodical and objective identification, gathering, analysis, transfer, and application of information." Its goal is to support management in making decisions on the identification and resolution of marketing issues and opportunities.

Two basic approaches that can be applied in research are described as follows: a quantitative and a qualitative approach. Both are different in the way of data acquisition, data processing, and interpretation. Also, each of them has its advantages but also its limitations. While the quantitative approach formulates relationships in advance and then collects data, the qualitative approach is the opposite (Hendl & Remr, 2017). Based on the set goal, we decided on a qualitative research design, as our main goal is to investigate marketing innovations that have been used in the market economy and determine how well they have affected the outcomes of commercial enterprises. Therefore, the definition of the factors influencing the beneficial effects of marketing innovations and their influence on the growth of the market economy is an essential element of the article.

Innovations found in the product line and manufacturing techniques are combined with product marketing developments in a market economy. The creation of new marketing strategies and tools has a big impact on how industries develop. Marketing innovations, such as customer data collection, product pricing tactics, new business techniques, and online stores and e-shops, are also highly significant in this era of technology innovation (Chen, 2006)

The development of innovative and original solutions to issues and demands is known as marketing innovation. Businesses must continually create new services and strategies to increase their performance and remain competitive. The improvement of the company's competitiveness, the rise in labour productivity, and the modification of corporate culture are the impacts that have the most influence on marketing innovations (Ungerman et al., 2018).

The implementation of creative marketing strategies requiring significant modifications to a product or service's design, distribution, promotion, or price is known as the development of marketing innovations. However, there is also a growing trend that considers the innovation potential offered by the development of new distribution channels, brand strategies, types of communication, or pricing mechanisms. Marketing innovation is frequently associated with a dominant technological focus, which is the foundation of product or service innovation. Digitalization is viewed as a major force behind marketing innovation since it makes it possible to use new branding, propositions, communication techniques, and transaction setups (Purchase & Volery, 2020).

The article´s primary objective is to investigate the impact of marketing innovations in the specified company and to evaluate the efficacy of the chosen marketing strategy. To help us reach our main objective, we defined the following additional objectives:

Analysis, synthesis, and deduction of the theoretical foundations of the research problem.

Analysing data and marketing innovation tools, as well as the investigation of the research problem’s current condition.

Making the appropriate organization selection and analysing the organization's marketing resources afterward.

An assessment of the chosen company's effectiveness of the marketing plan.

There has been a variety of theoretical, followed by empirical, research methodologies applied to both accomplish the primary goal and the specified sub-goals. Mostly, analysis and synthesis from the theoretical approaches have been used to gather the theoretical foundation for the issue being researched. The relevant data was required for carrying out the research with the support of abstraction. Conclusions and suggestions were drawn using deduction and induction; these can be found in the article's final section. To determine the success of the organization's chosen marketing approach, we used mathematical and statistical techniques. The outcomes of the mathematical-statistical strategy were then plotted in graphs and tables.

As one of the most popular online retailers with highly distinctive and important marketing techniques and innovations, Alza was chosen to carry out the research. It was quite helpful to use this organization because it places a lot of emphasis on innovation.

## 2 Results and Discussion

### Measurable indicators of marketing innovations´ effectiveness in the Alza company

In the Czech Republic and Slovakia, Alza is the largest online retailer, a well-known entrepreneur, and a market innovator. Since 2014, commercial operations have spread to other EU nations. The Alza company was established in 1994 and went by the name of Alzasoft at the time. It introduced the first online store version in 2000, and in 2004 it launched a branch in Slovakia. Alza's annual profit already exceeded CZK 1 billion in 2005. The green character "Alzák" was created in 2007 (Raábová, 2018).

Alza is one of the long-standing innovators in the field of internet sales in the Czech Republic and Slovakia. The company has an internal development team that has developed, e.g., the patented Paybox and CardBox payment machines, which provide the possibility of non-stop self-service payment by cash and card. The company is also constantly building and improving its sales network and logistics service, the core of which—distribution centres—are some of the most modern in the country. Alza can deliver goods to its stores and AlzaBox outlets on the same day, even on the weekend. In addition, it recently enabled customers to pay in the e-shop with cryptocurrencies, including Bitcoin and Litecoin. The biggest innovation of recent years is the concept of the Store of the Future. Alza experienced its strongest growth in the previous ten years in 2020. The remarkable change in consumer behaviour to the internet environment brought on by the coronavirus epidemic had an impact on the growth. It has been actively growing the network of AlzaBox delivery boxes, which during the epidemic proved to be a secure and cashless method of distribution (Výroční zpráva Alza, 2021).

After implementing a new marketing plan and the alien "Alzák" making an appearance on consumers' screens, the Alza company's sales increased dramatically. Table No. 1 provides a comparison of sales for the years 2009, 2010, 2011, 2012, 2013, 2014, 2014, and 2016.

**Table 1** Interannual sales growth of Alza in percentages.

| Year | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 |
|---|---|---|---|---|---|---|---|---|
| Sales in mil. EUR | 160,52 | 225,78 | 274,34 | 304,50 | 349,89 | 418,71 | 531,46 | 644 |
| Interannual sales growth in % | - | 41 | 22 | 11 | 15 | 20 | 27 | 21 |

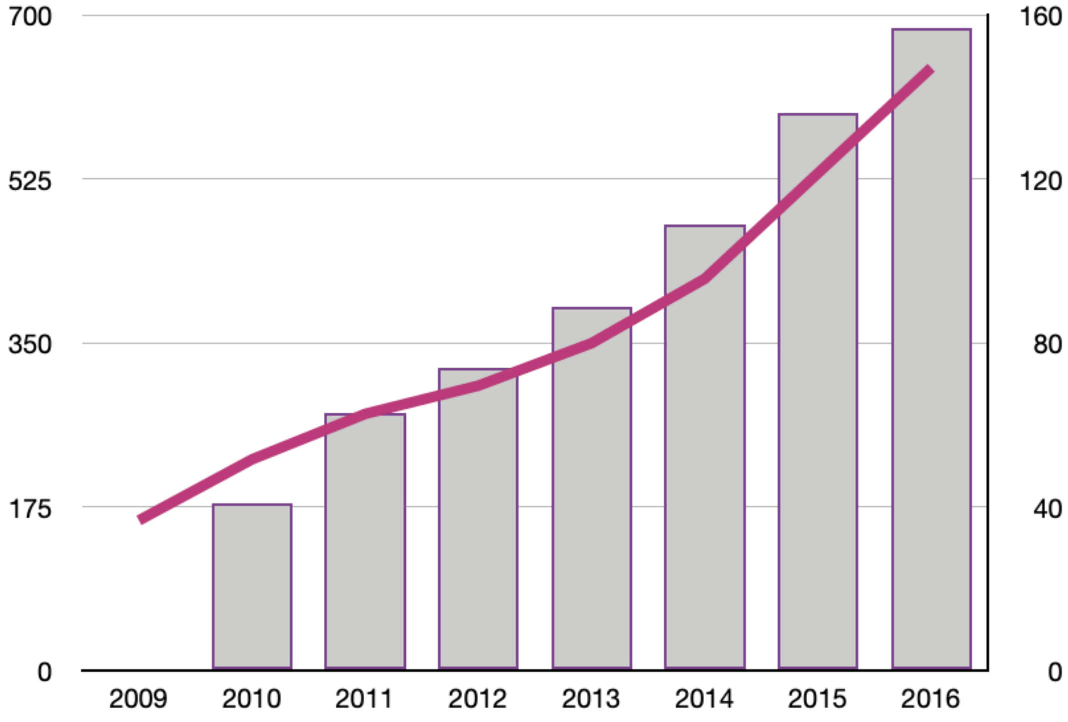
Source: The data processing according to Alza. sk (2009-2016).

The sales of the company have significantly increased, as seen in the above table since "Alzák" was added to the marketing strategy. Sales have increased between 11 and 41 percent year over year, demonstrating this marketing technique's effectiveness. They chose to engage the media as the first and only online computer retailer, which significantly increased sales. An online store's overall sales increased by up to 157 percent between 2009 and 2016, which is a very significant rise.

The company employed additional innovations regarding marketing innovations, but without successful promotional technologies, they would not have been able to reach as many customers and their sales would have increased, though the overall increase in sales in the given years would have been lower. So, it can be concluded that choosing "Alzák" as their new face was a very wise decision.

The increase in sales since the new marketing innovation's introduction may be seen in Figure No. 1. The online store's income increased from 160 million EUR to 644 million EUR in 7 years, which we also consider a very significant rise.

**Figure 1** Alza's sales and their percentage growth.




Source: The data processing according to Alza. sk (2009-2016).

In the following section of the study, the number of employees and the added value in EUR were compared between 2015 and 2019. To calculate labour productivity, we interpreted this data as indicated in Table 2.

**Table 2** The number of employees and labour productivity – Alza.sk Ltd.

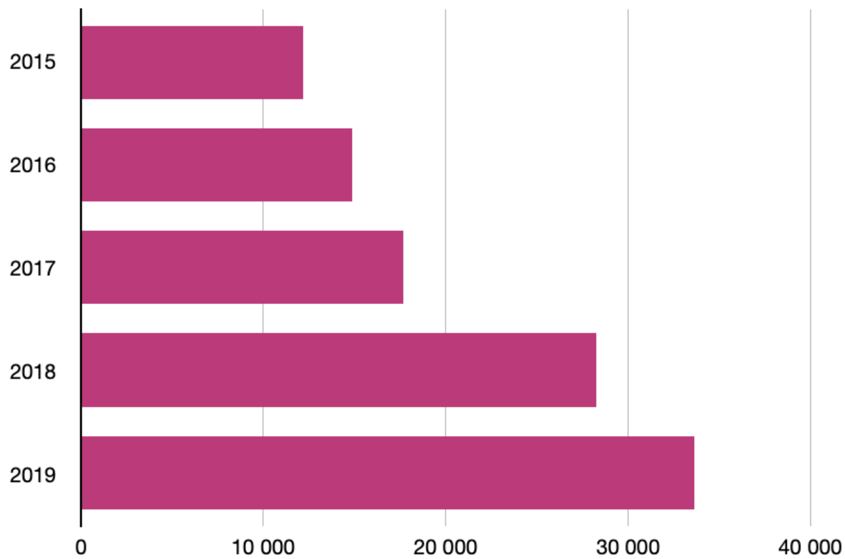
| Year | 2015 | 2016 | 2017 | 2018 | 2019 |
|---|---|---|---|---|---|
| The number of employees | 131 | 197 | 263 | 226 | 243 |
| Added value in EUR | 1 594 785 | 2 928 630 | 4 650 429 | 6 380 918 | 8 166 300 |
| The labour productivity – EUR/ Employee | 12 173, 93 | 14 866, 14 | 17 682, 24 | 28 234, 15 | 33 606, 17 |

Source: The data processing according to finstat.sk (2015-2019).

In comparison to quantitative marketing research, qualitative marketing research aims to provide "why" and "what if" explanations (Kolb, 2008). The main strategy in this type of research design is observation and data interpretation. Its foundation is an inductive approach. It indicates that observation and data gathering occurs at the beginning of the study. Initial conclusions are drawn and later confirmed through research. New theories or hypotheses are produced as the result of qualitative research.

Based on these methodological marketing foundations, the study indicates that Alza.sk Ltd. added value as well as the number of employees, both of which showed increasing trends. The measurement of labour productivity makes it evident that labour productivity increased year over year. More added value per employee was produced over time than it was at the start of the observation period, which suggests that fewer employees are required to produce added value, or that added value will increase with a greater employee number.

**Figure 2** The labour productivity between 2015-2019.




Source: The data processing according to finstat.sk (2015-2020).

The overview in Chart number 2 demonstrates the rising trend in labour productivity from 2015 to 2019. The rising trend in labour productivity suggests that the evaluated company is using economic values effectively. Regarding comparing sales, which are increasing at a faster rate at the company Alza in millions of euros, it can be highlighted that the labour productivity trend is rapidly developing.

The amount that Alza.cz spent on marketing expenses in 2021 was evaluated in the final section. Alza spent 69 million on marketing expenses in 2021. Sales this year were at the level of 1.75 billion EUR (Křešnička, 2022). This year, they had 5.25 million customers in total (Alza.cz, 2022).

This information allowed us to evaluate what share of Alza's sales one customer had in 2021. In 2021, every single customer had a share of Alza's sales of EUR 333.33. This share of sales is not very high if we consider the fact that it is the largest online store with various appliances that exceed this amount. Another interesting indicator in the analysis was the percentage of sales spent on marketing. In 2021, the share of marketing costs at Alza.cz accounted for up to 25 percent of sales.

Online purchasing offers far greater convenience for customers, reducing their reliance on retail stores. The most comfortable method of shopping allows customers to spend time with their families and take time to relax while still being able to purchase their everyday requirements (Pemerintahan, 2022). Online purchases are becoming more popular than digital versions. As a result, marketing must also adapt to the digital environment since customers will initially turn to their smartphones and laptops for information, suggestions, new applications for goods and services, and instructions on how to use new ones. Predictably, malls and traditional stores will indeed be greatly impacted by this (Sheth, 2021).

Companies must become more adaptable and search for the best resources and strategies to beat their competitors in a continually shifting environment with rising competition. Increasing labour productivity is one strategy to enhance the outcomes and performance of the business. The ratio of inputs to outputs in a business determines labour productivity, which is primarily determined by human labour and the drive to convert inputs into outputs (Bašistová & Ferencová, 2008).

The field of marketing advances quite quickly. Fast change is mostly brought about by modifications in communication methods and communication channels. To reach customers, marketing always develops new strategies. Guerrilla marketing, viral marketing, event marketing, mobile marketing, and other emerging trends in marketing are a few examples. One of the most efficient ways to attract customers is through product placement and advertising activities in which products play an important role. These "non-traditional" marketing strategies are expected to advance and gain importance more and more, particularly in marketing communication.

## Conclusion

The world around us has changed rapidly. With this change comes exciting new opportunities for brands to connect with their customers. Global marketing is undergoing a huge facelift these years. Today's consumers are more selective than ever when it comes to choosing which brands, they do business with or where they shop. This is mostly due to market saturation, a lot of choices, and the expansion of digital marketing, which allows people to connect with brands outside of their local environment.

Marketing innovations and their development are very important for the competitiveness of businesses. Innovation is key in all industries, but it plays a very strong role in marketing. The fields of marketing have developed a lot in recent years, so businesses need to be able to adapt to these new principles. Consumers now prefer online purchasing over traditional wall shopping. Internet retailers make it simpler for shoppers to compare goods, pricing, and product recommendations while still having plenty of free time.

An important innovative trend in marketing is considered "Guerrilla marketing", often known as "viral marketing". The digitally connected world, which is becoming the foundation of the industry and is utilized by all companies, is the idea behind this viral marketing. The main idea is that it helps make information more accessible and spread more widely.

In recent decades, digitization has grown to play a significant role in every company's activity. It is necessary that the company's marketing advance as well, entering the internet environment in the process. Marketing innovation is essential for maintaining a business on the market and for determining marketing strategy. Customers may access a variety of information and make purchases online thanks to digital marketing. Therefore, the different online platforms where digital marketing is used are closely related.

The study focused on the online retailer Alza, which offers its products to clients directly through its e-shop. Alza is the biggest online retailer and a leader in innovation. In 2010, the company presented a brand-new marketing plan to the media in which they invented an alien "Alzák", who quickly gained enormous popularity.

The study aimed to determine whether taking this action was the right move for the business and whether the marketing plan was effective and produced results. Since 2010, when it first broadcast "Alzák" on TV, the company and its sales have expanded quickly, from less than 100 million EUR to profits worth 650 million EUR in 7 years. Since the company's growth was so rapid, it can be concluded that this marketing strategy played a key role in this process, as well as being one of the marketing strategies of the company that contributed to the company's expansion.

Monitoring of labour productivity, which has a very positive trend toward growth, was performed at the end of the research. This implies that businesses are not only increasing sales but also measuring success in worker productivity. And as a result, Alza is considered to be a business with very rapid growth in the market economies of Slovakia and the Czech Republic, based on the analysed measurable criteria of effectiveness.

More than 5 million clients and very high sales were recorded in 2021. Yet, given that marketing expenses account for 25 percent of sales, we might assume that marketing is a major division of Alza.cz's business. This business is innovating its marketing and giving it great importance in attracting new clients.

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# Consumers' Perceptions of Traditional and Counter-traditional Gender Stereotypes in Advertising: A Qualitative Study in the Post-Communist Context

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***Abstract***

*This study focuses on the consumers' perceptions towards traditional and counter-traditional gender stereotypes in advertising within the specific context of one of the post-communist Central European countries. Data from in-depth interviews with fourteen consumers were analyzed using thematic analysis. The study concludes that the sensitivity towards traditional and counter-traditional stereotypes is grounded in culture and varies along the lines of age, lifestyle, and personal involvement. In addition, the responses of the respondents differed concerning the perceived potential harm of the advertising. Last but not least, the use of humor moderates the potentially offensive effect of traditional and counter-traditional stereotypes. We further propose a conceptual model of factors playing a role in sensitiveness towards traditional and counter-traditional gender roles in advertising.*

***Keywords***

*Traditional gender stereotypes, counter-gender stereotypes, advertising*

**JEL Classification codes:** M30, M37

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## Introduction

The stereotypical portrayal of men and women in advertising seems to be a more contested issue these days than ever before. Heated debates around gender equality, accompanied by movements such as #metoo, #timesup, and #balancetonporc, bring this topic to the fore.

Academics have been studying the portrayal of gender roles in the advertisement for more than fifty years. The first study on this issue was conducted by Dominick and Rauch (1972). Since then, many academics have been addressing this matter. These studies, however, typically focus on Western contexts and there thus remains a question how typical consumers perceive gender stereotypes in advertising within other cultural environments. Also, there is a lack of studies focusing on how consumers perceive counter-gender stereotypes, which often appear these days.

Therefore, this study aims to analyze consumers' perceptions of traditional and counter-traditional stereotypes in advertising in the specific context of one of the post-communist Central European countries, namely the Czech Republic.

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## 1 Literature review

Several authors suggest that stereotypical depictions of gender roles in today's advertising do not reflect current gender roles in society (e.g., Dobscha & Knudsen, 2019; Tsichla et al., 2016). Women are often situated in the home rather than professional environment (Verhellen et al., 2016), they are more likely presented as amiable and caring (Kyrousi et al., 2016), in a dependent role (Fowler & Thomas, 2015), and as a symbol of attraction (Sheehan 2014). Men, on the other hand, are portrayed more frequently in a professional environment (Grau & Zotos, 2016), represented by older figures (Verhellen et al., 2016), with assigned attributes such as intelligent, mature and independent (Kantar, 2019).

There is no agreement on whether with time the number of gender stereotypes in advertising increases or decreases. One reason for this disagreement might stem from the variability of gender stereotypes regarding the cultural context in which they were assessed (Eisend, 2010). One noticeable trend, however, is the appearance and raise in the number of counter-traditional gender stereotypes.

There is a number of studies concerning the consumers' perception of gender stereotypes.

Some studies suggest that perceptions of gender stereotypes differ among men and women and vary by age. Theodoridis et al. (2013) claim that women tend to be more sensitive to the stereotypical gender depictions in advertising than men. According to Huhmann and Limbu (2016), women are also more likely to show a lower purchase intention towards advertising offensively portraying females. Men, in contrast, tend to react less negatively to gender stereotypes in advertising (Kolman & Tkalac Verčić, 2012) and are less likely to find ads sexist (Rossi & Rossi, 1985).

The literature dealing with gender stereotypes in advertisements among various age groups is limited and offers multiple contradicting findings. For example, Huhmann & Limbu (2016) revealed no differences among different age groups regarding their attitudes towards gender stereotypes in advertising. Contrarily, Theodoridis et al. (2013) found that older consumers' attitudes towards gender stereotypes in advertising tend to be more extreme than the attitudes of younger ones. Similarly, Van Hellemont & Van den Bulck (2012) conclude that younger consumers react less negatively to offensive advertising than older consumers. On the other hand, Kolman and Tkalac Verčić (2012) suppose that the offensiveness caused by stereotypical gender depictions in advertising is lower for older consumers. A limited number of them is focused on perceptions of counter-traditional gender stereotypes, leaving this area of research largely unexplored.

This study extends the current literature focusing on a specific cultural environment and complementing the traditional gender stereotypes by counter-traditional gender stereotypes. We set the following research questions: *What are Czech consumers' perceptions of traditional and counter-traditional gender stereotypes in advertising, and how does it vary among men vs. women and younger vs. older consumers?*

## 2 Methodology

*Research context*

Our research focuses on the context of Czech republic. This context can offer some interesting insights into how consumers perceive stereotypical and counter-stereotypical gender representations in advertising due to its specific history. At present, it has a relatively high Gender Stereotype Index (European Commission, 2017). The report states that more than half of the Czech population does not think there is a problem with the way women are portrayed in the media and advertising (p. 25). Further on, the Czech Republic ranked last among all member states in terms of the "Men should contribute to the Gender Equality Index" (p. 36). Last but not least, the Czech Republic was in the last place concerning whether a man would blame his friend for making a sexist joke (p. 34). Yet, at the same time, according to a study by the Pew Research Center (2014), Czechs are among the most liberal nations in the world concerning moral issues indirectly concerning gender such as extramarital affairs, homosexuality, abortion, premarital sex, divorce, or the use of contraceptives.

In historical terms, in its state-socialist past, from 1948 to 1989, women were portrayed (like in the rest of the communist block) in public represenations as sexless hard workers and mothers (Ibroscheva 2012; Drakulic 1991). This has changed radically after the advent of capitalism. Women, who during communist times were required to work outside of home, found new freedom in the possibility to become homemakers (facilitated by newly defined three-year-long maternity leave). Not least because of this historical evolution and the inherent gender-related contradictions within the social fabric, we find this context appealing to explore how local consumers of different age and gender perceive stereotypical and counter-stereotypical gendered advertising.

*Research methods*

This study aims to examine consumers' perceptions. To grasp a deeper understanding of this issue, we chose a qualitative approach using semi-structured in-depth interviews with elicitation. For elicitation we used advertisings using gender stereotypes and counter-stereotypes. We stressed that there is no wrong or correct answer and that the interviewer is only in the role of a non-evaluative listener.

Due to the COVID-19 pandemic, the research was held online via platforms ZOOM and Skype. Altogether fourteen interviews were conducted with Czech consumers of different sex, age, educational level, and place of residence. Table 1 summarizes the research sample.

**Tab. 1** Research sample

| Respondent | Sex | Age | Education level | Job | Place of residence |
|---|---|---|---|---|---|
| Anna | F | 23 | Tertiary professional school | Fitness trainer | Smaller town |
| Ema | F | 25 | University | Social media team manager | Large Town |
| Tereza | F | 20 | High School | Kindergarten teacher | Smaller Town |
| Sofie | F | 56 | Tertiary professional school | Real Estate Agent | Capital |
| Jana | F | 66 | Secondary vocational school | Woman in a household | Village |
| Elena | F | 57 | University | Retired | Large Town |

| | | | | | |
|---|---|---|---|---|---|
| Zdena | F | 78 | Secondary vocational school | Retired | Small Town |
| Martin | M | 25 | University | Articled (law) clerk | Capital |
| Libor | M | 67 | University | Entrepreneur | Capital |
| Pavel | M | 25 | Tertiary professional school | Construction worker | Capital |
| Petr | M | 20 | Tertiary professional school | Student | Village |
| Jakub | M | 66 | Secondary vocational school | Retired | Smaller Town |
| Michal | M | 22 | Tertiary vocational school | Student | Smaller Town |
| Albert | M | 55 | Elementary school | Owner of a guest house | Village |

Source: Authors

The duration of the interviews varied from one to two and a half hours and averaged an hour and twenty minutes. All of the interviews were video recorded, transcribed verbatim, and translated to English. Data were subsequently analyzed using thematic analysis.

## 3 Results and discussion

The thematic analysis revealed several main topics. We found in particular that perception of gender stereotypes in advertising is shaped by one's culture, lifestyle, personal involvement, and perceived potential harm, but also humor of the advertisement itself and its affinity to the culture.

### 3.1 Perception of gender stereotypes

Respondents varied considerably in terms of their emotions related to traditional gender stereotypes. A plurality of sentiments ranged from negative through neutral to positive. Among the respondents who revealed a negative view were the younger informants Ema (25) and Pavel (25), who says:

*"I perceive them [traditional gender stereotypes] more as something negative. I don't think that we should think in a way that only a man, or a woman, can do certain things in this century. We should not stereotype."*

These respondents called for a higher regulation in this field and believed that Czech Republic is delayed, especially compared to the US and West-European countries. Traditional gender stereotypes in advertising were perceived negatively to the point of being offensive and harmful. This was the case mainly when they were perceived as able to cause severe potential harm to somebody. This is so for instance in terms of the objectivization of an unattainable ideal of female body, which can lead to both physical and mental health issues.

The negative attitude towards the objectivization and sexualization of women's bodies was expressed strongly by female respondents, who see the objectification and sexualization of female bodies for marketing purposes is seen as offensive. For instance, they reacted sharply to the Czech advertisement by the Bernard brewery, which depicted sexualized female bodies with the face of the brewery owner. For example, Sofie (56) stated:

*"[Bernard] I'm bothered by those sexist commercials where I wonder why they do it at all when it doesn't make any sense. Why should a topless woman be advertised for a lawnmower? If it's a shampoo ad, I'll understand that, but how often do I think using some stereotypes in a particular ad doesn't even make sense. Sometimes it offends me."*

When exposed to concrete examples of ads with traditional gender stereotypes, respondents seemed to be offended, when they felt called into question personally, i.e., when the advertisement offended the sex or sex role of the respondent him/herself. For example, Libor (67) was offended by the UK advertisement depicting fathers incapable of taking care of children:

*"[Philadelphia] I think this ad is also over the edge. It is neither funny nor anything like that. I do not perceive it positively. […] I would never do this. It's a disrespect for the child, and it is wrong."*

On the other side of the spectrum, there were respondents with positive sentiment towards traditional gender stereotypes. Notably and perhaps not surprisingly, the traditional gender roles were endorsed by older male informants, but also some older women. E.g. as Albert (55) specifically said:

*"I perceive them positively as they have always been here. It may be different in every family. I think it's important for a family to have a woman at home who will take care of the household and a man who is making money in the meantime."*

Albert's perception reflects his personal experience. He runs a guest house, where he manages the booking part of the business (making money), while his wife cleans up the guest rooms and prepares breakfast and dinner (taking care of the "household"). The traditional division of roles has always been a part of his life and has never been questioned, thus the representation of the gender roles in advertising seems natural and taken for granted.

This taken-for-grantedness is reflected also in other informants' lacking ability to label gender stereotypes as such. When asked to point to a stereotypical advertisement, in fact, they cannot think of any specific examples of this phenomenon in advertising. This "blindness" towards stereotypes in advertisement (which just seem "natural") is again especially true for the older respondents. Even when exposed to concrete examples of advertisements with gender stereotypes, these respondents did not point out the stereotype. The taken-for-grantedness of the traditional gender stereotypes is then reflected in the neutral attitudes towards the advertisings depicting them. This reaction was usual with images portraying the traditional division of female and male roles (e.g., a woman is preparing breakfast, a man as IT specialists, etc.).

Respondents frequently stated that depicting traditional gender stereotypes in advertising does not irritate them as they draw on real existing scenarios or realistic everyday situations. Thus, if an ad displayed solely one gender doing a particular activity, it was often said that this was so because it was performed primarily by the depicted gender in real life.

In terms of age, younger respondents seemed to react more distinctively, whereas older respondents showed a neutral opinion typically. Interestingly, when responding negatively, the older respondents were often not offended by the gender stereotype but rather by the perceived vulgarity of the advertisement.

### 3.2 Humor has a positive effect on acceptance of gender stereotypes

A positive evaluation of an advertisement containing a gender stereotype was often closely linked to the fact that the respondent perceived the ad as funny. This finding may be related to the specifics of the Czech environment.

Unlike Libor (67), who considered the ad from Philadelphia offensive because it portrayed men as bad fathers, Jakub (66) evaluated the same ad positively because of its funny nature:

*"[Philadelphia] This ad doesn't offend me. The purpose of this ad was to entertain. I don't think the story is realistic, so I don't find it offensive. I can't imagine leaving my child somewhere because I got interested in a toast. It's so absurd that it's funny."*

Michal (22) raised a similar opinion. For him, humor was the criterion according to which he evaluated ads with gender stereotypes:

*"[Philadelphia] I understand that they did it humorously, so it doesn't offend me."*

The positive effect of humor on acceptance of gender stereotypes in advertising was visible even in the case of female respondents. For example, Sofie (56) stated:

*"[Philadelphia] This advertisement gives the impression that men are not able to take care of a child, which of course cannot be generalized. I don't know how men would take it, but I find this ad rather funny."*

It was also a common phenomenon that if the respondent laughed out loud when shown an example of an advertisement depicting traditional gender stereotypes, he or she then evaluated it positively. For instance, Anna (23), Martin (25), Petr (20), or Albert (55) had a similar reaction to the advertisement from the Bernard brewery. Albert (55) specifically stated:

*"[Bernard] * Laughter * Well, finally a good advertisement. […] This is a beautiful advertisement."*

### 3.3 Perception of counter-traditional gender stereotypes

The presence of counter-traditional gender stereotypes in the advertising media-scape is also perceived in varying ways. Their perception varied along the same lines as the perception of the traditional gender stereotypes. The respondents, who perceive the traditional gender roles negatively, appreciated the increasing occurrence of counter-traditional gender roles in advertising, depicting men and women in non-traditional roles. For example, Anna (23) stated:

*"I would say it is often happening, and advertisers often depict specific jobs as suitable for men and women […] I have seen some ad for knives where the whole family was depicted. Or I have seen an ad where a woman was cutting grass".*

Respondents were shown several demonstrations of ads portraying non-traditional gender roles. Interestingly, these ads were more likely to cause a more radical, either a positive or an adverse, reaction, as was often the case with traditional gender stereotypes. This points to the deep cultural embededdness of the gender norms, as respondents may feel their natural order of things is threatened by them. This is also in line with the fact that women and younger respondents seemed to react more positively than men and older respondents, as men may perceive challenging the status quo as more threatening.

When the example ads were evaluated positively, it was often because they were linked to a generally perceived cause: e.g. income inequality or images of unrealistic female bodies. An example was the ad of ANZ bank addressing the gender pay gap. Respondents also appreciated the advertisement portraying mothers just a few months after giving birth to show stretch marks and scars. Especially the younger respondents also responded very well to the Zalando ad representing an amusement park in which the actors kept switching their gender roles, including the clothing style typical for women and men.

On the other side of the spectrum, the ads depicting non-traditional gender roles were perceived negatively. This negative attitude was more intense among older respondents and men, to the degree that some of ad examples were perceived as offensive, such as the Gillette advertisement addressing "toxic masculinity." According to Libor (67), the ad generalized and accused all men of negative behavior:

*"[Do you feel that this (Gillette) advertisement somehow offends you?] Yes, because we are not all the same, and if they want to point out that we should behave differently as men, I think that advertising is not a suitable tool for that."*

Several respondents labeled counter-traditional gender role ads as "too pushy." According to them, advertisers often try to be "overcorrect," which makes ads untrustworthy, artificial, unrealistic, exaggerated, or ridiculous. They believed that this type of advertising does not resonate with the Czech environment, pointing towards the deep cultural embededdness of the traditional stereotypes and possible feeling of threat to the status quo.

As in the case of traditional gender stereotypes, some older respondents seemed to react negatively mainly because of perceived inappropriateness rather than stereotypes themselves. For example, Zdena (78) criticized the advertisement of Zalando. She argued that it is inappropriate if an older woman is dressed in typical clothes for young boys. She also criticized an ad depicting a woman's body after giving birth. She added that younger people would probably perceive this campaign better than she does; however, her generation is simply not used to see such depictions in advertising.

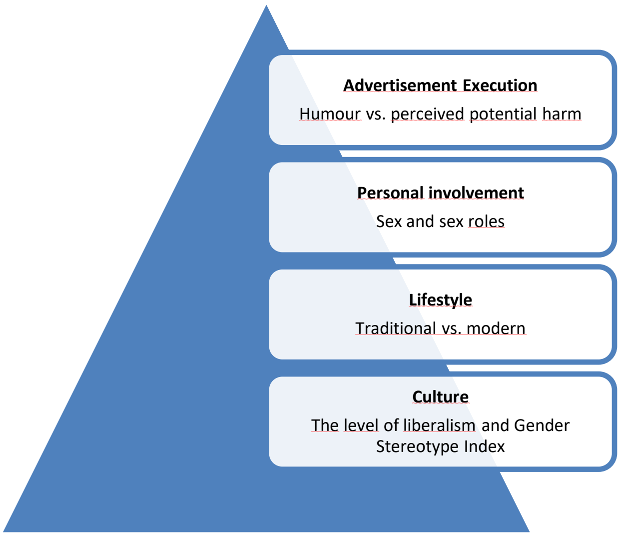
### 3.4 Discussion

The research findings suggest that the level of sensitivity of consumers towards both traditional and counter-traditional gender stereotypes may vary widely over the population, yet along the lines of gender and age.

The level of sensitivity towards traditional and counter-traditional gender stereotypes relates to culture. The context of a liberal society with a high Gender Stereotype Index was strongly reflected all over the research. As a result, respondents were, in general, neutral towards traditional gender stereotypes and against any regulation.

The research further suggests that higher sensitivity to stereotypical gender depictions depends on personal involvement, i.e., recipients tended to be more sensitive when the subject of gender stereotypes in the advertisement was sharing their sex or sex roles. Thus, women were more likely to be sensitive to stereotypical gender depictions of women, while men were more susceptible to portraying men. This tendency was observed for both traditional and counter-gender stereotypes, and it corresponds with the study of Theodoridis et al. (2013).

**Fig. 1** Conceptual model of factors influencing the level of sensitiveness towards traditional and counter-gender stereotypes




Source: Authors

However, the sensitivity towards gender stereotypes depended also on the execution of the advertisement. The recipients were more sensitive to stereotypes which could, according to them, cause severe harm to somebody. On the other hand, humor served as a device reducing the severity of the gender stereotypes in advertising. It seems that the presence of humor in ads depicting gender stereotypes may cause amused reactions and reduce the perceived level of offensiveness of such ads. This finding is consistent with the results of the study by Cline et al. (2007).

We summarize all of these findings in Figure 1.

## Conclusion

Academics have been involved in studying gender portrayal in advertising for more than fifty years, yet, the topic is more vibrant than ever. This study tackles this issue within the specific context of post-communist Central Europe. It is also one of the first studies focused on the perception of counter-traditional gender stereotypes in advertising.

The research revealed four primary areas of findings. We found that sensitiveness towards traditional and counter-traditional stereotypes depends on culture, age, and personal involvement. Further on, the responses of the respondents differed concerning the perceived potential harm of the advertisement. Last but not least, humor could distract from issues under study and outweigh the potentially offensive effect of both traditional and counter-traditional stereotypes in ads.

This study faces several limitations. First of all, as a qualitative study, our findings cannot be generalized. Second, due to the Covid-19 pandemic, the in-depth interviews were held solely online. Thus, we could not record all of the nonverbal reactions of the respondent that might help to grasp even a better understanding of the issue.

As for future research, the validity of the proposed model should be verified by a quantitative study. Also, the relationship among the culture, humor, and perceived offensiveness of gender stereotypes in advertising should be studied in more depth.

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# THE EVALUATION OF A SUCCESSFUL POLITICAL CAMPAIGN USING EYE-TRACKING AS A NEUROMARKETING METHOD[1]

Róbert Hula[2]

***Abstract***

*Today, there is no doubt that neuromarketing offers a wide range of its tools, with which marketers can set up effective marketing campaigns and optimize the costs of entrepreneurs in the private sector, as well as costs in the state sector, which are related to the political agenda of various entities - whether governmental representatives, political parties or various candidates running for public office. The ambition of this paper is to point out the possibilities of eye-tracking to evaluate the visuals of political campaigns and, based on these facts, to describe the differences between the gender of respondents and their perception of marketing visuals in the presidential campaign. Part of this post is also the assessment of the current campaign of President Zuzana Čaputová in the 2019 presidential election of the Slovak Republic.*

***Key words***

*Neuromarketing, eye-tracking, political campaign, presidential candidates*

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## Introduction

Neuromarketing has found application in many areas of marketing. It is applied so that marketing scientists can identify the consumer behavior of respondents or customers for specific products. It is an effective tool that can optimize costs for entrepreneurs by being able to precisely and specifically target their target groups.

Neuromarketing offers a wide array of tools that we can use in research. For the needs of this post, we mainly used the eye-tracking method, when we were able to process the visuals of political campaigns with the help of eye-tracking software.

In this context, politics is a field like any other that has the potential for using marketing. The goal is not to sell a product, but the goal is to sell ideas and messages so that they can fulfill their own goals and reach the target groups of their voters. Voters are customers in this regard. In the first step, political entities must perform market segmentation to be able to create groups of voters. These groups are heterogeneous from each other and their thinking and opinions are of course diverse. These political entities can therefore target groups with the same or similar opinion, or, as is customary in politics, to influence other groups to act in their favor or against their opponents. Politics is a strategic game that needs to be well understood.

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Consumer behavior in this post can also be understood as voter behavior, or voter decision - short for elections. Elections do not take place every day, but it is a situation that has a regular recurrence and political subjects know how to plan their activities in advance. Of course, their plans can be influenced by various external factors that come from the economic, social, demographic, as well as the political environment. You definitely cannot prepare for these factors, but the efforts of all involved must be maximized so that the impact is not negative, but if possible at least partially positive.

Presidential elections are unique from the point of view of elections. We are referring to the second round of the presidential election, when the voter chooses from two well-known candidates. Each voter has only three options:

- to vote for candidate number one,
- to vote for candidate number two,
- not to participate in the elections - not to vote.

In our contribution, we decided to analyze the 2019 presidential election in the Slovak Republic, namely the communication of the winner of the election - President Zuzana Čaputová. In this paper, we also set a research question that helped us identify the solving problem.

*RQ: What is the difference between the sexes in the perception of President Zuzana Čaputová's campaign using the eye-tracking method?*

## 1 Results and discussion

Based on our knowledge we acquired by studying the relevant literature. Based on this knowledge, we were able to conduct a survey using neuromarketing methods. We used the eye-tracking method and applied our research to the political environment. We can state that we also worked with a new field, namely neuropolitics, which we elaborated and expanded our knowledge.

### 1.1 Neuromarketing and eye-tracking as a suitable method for evaluating visuals of political campaigns

Morin (2011) states that the first neuromarketing research was conducted in 2003 by Professor Read Montague and his team at Baylor College of Medicine, which was later published in Neuron in 2004. The research team asked a group of people to drink either Pepsi or Coca-Cola while their brains were scanned with an fMRI machine. This double test took place as follows: the participants of the experiment had to identify which sample of the drink they liked better, while in the first testing they did not know which sample was Coca-Cola and which was Pepsi. In the second round, the samples were identified and knew which sample they were consuming. This well-known research has become a template for other research in the industry. The study revealed that different parts of the brain light up in the device depending on whether or not people are aware of which brand they are consuming. When participants knew which sample they were consuming, the device recorded increased activity in the frontal cortex of the brain, which is particularly activated during increased attention to detail, short-term memory, planning and decision-making processes. Coca Cola was the clear winner in this test. However, the second testing was surprising, when the respondents did not know which sample they were tasting. In the second test, the majority preferred Pepsi. In this case, older parts of the brain - limbic structures (areas of the brain associated with emotions, memories and unconscious processing) showed increased activity, which proves that knowledge of the brand had a dramatic effect on expressed behavioral preferences and on measured brain reactions, as reported by the experimenters themselves. the conclusions of this research are taken from McClure et al. (2004).

Shortly after the turn of the millennium, the synthesis of neuroscience and marketing became a very popular field for researchers. As mentioned above, neuromarketing is an important field and a very specific field precisely because it combines and connects knowledge from neurology, psychology, sociology and marketing with the help of modern technologies and can characterize why consumers behave irrationally and can identify attitudes and consumer preferences.

The basic concept of neuromarketing consists right from the basic platform, when marketing and advertising aim to provoke some kind of reaction - purchasing behavior and neuromarketing tries to capture this situation and provide us with relevant data. However, current research says that a person uses only 10% of his brain activity when making a purchase decision, the remaining 90% happens in the subconscious of each person. Neuromarketing is an ideal way to explore this subconscious of the consumer. Currently, we are aware of several researches where the respondents in the surveys did not answer completely truthfully and the survey managed to find out the opposite of what they stated in the written questionnaire (Lindstrom, 2009, Oláh – Fogášová, 2011).

Oláh and Fogášová (2011) further talk about the fact that the results of already conducted research show that it is nervous excitement that can influence the purchasing behavior of consumers to such an extent that unplanned purchases occur. Brand loyalty is becoming a minor issue in this regard, and marketers are putting more and more emphasis on influencing the consumer in unplanned purchases. Neuromarketing is thus a possibility that offers us to investigate consumer decisions and the influence of marketing stimuli on consumer reactions. He tries to point out all the functions of the brain that are activated during a purchase and finds out what the brain's reactions are when activating various marketing stimuli that affect the consumer. Marketing incentives can act on respondents from different sides and are what can influence the consumer when making a decision. So, through neuromarketing, we try to de-facto find out and specify the real, undistorted and true preferences of consumers, that is, find what activates their trigger for the purchase itself. We can also call this situation the moment of purchase decision.

A significant finding in the field of neuromarketing is the finding that individuals are more likely to make purchase decisions emotionally than to rationalize them. Based on the above, we can conclude that the trigger for the final purchase decision of each customer is precisely the area of the hindbrain - the old brain, which combines and processes rational input from the front brain and emotional input from the midbrain.

Neuromarketing represents one of the very interesting topics of the present time. Many people talk about it as a tool that can completely replace the traditional marketing approach to understanding consumer behavior, but we still cannot comprehensively describe the area of its entire use. Neuromarketing is often understood in a narrow sense only as identifying and measuring the brain's responses to certain marketing stimuli. The definition and concept of neuromarketing also includes changes in various physiological variables. Due to the significant and very significant technological and technical progress, this area has a lot of potential with regard to the future. However, today we also perceive the limits of this area and especially in the human understanding of the human brain. Today, the topic is the connection of the field of neuromarketing with neural networks and artificial intelligence, which help in the processing of a lot of data.

## 1.2 Neuropolitics as a field of neuromarketing research

This concept is an interesting area where neuromarketing techniques are used to evaluate political campaigns. Political marketing is very important for the success of political actors who are fighting in a very competitive market. It is a specific area where voters represent, in this context, a spectrum of potential voters that political entities need to address in order to be successful in the elections.

Elections are one of the most watched indicators of the quality of democracy in society, and the possibility of obtaining partial knowledge of voter preferences, opinions and evaluations before the election is a competitive advantage. In the elections, the citizens of the given state choose from among the representatives of political parties and movements those who will represent them for the next few years in the parliament, in the state office, in the city and municipal councils, in the post of mayor or mayor of the city. The potential in this area is huge, and the product or processes that neuromarketing explores are identical. Elections have not only a representative function, but also an integrative, controlling and legitimizing one. In the practical part of this dissertation, we chose the field of neuropolitics because of the size of the market - we select among people over 18 years of age with the option of choosing, without excluding any category. There is currently no product on the market that would be attractive to all groups of the population, such as the possibility of electing one's representative to one of the elected bodies. Campaigns are already tailored to voters today, so that they can effectively identify their candidate based on specific needs and traits. Marketing communication of political entities reflects the needs and opinions of their voters. Neuromarketing has had an impact on US presidential elections, BREXIT in Great Britain, and other less talked about elections.

We have recorded cases from all corners of the world - for example from Mexico. A congressman running for re-election to Congress used a dynamic billboard that tracked the eye movements of passers-by. Inside was a camera capturing their facial expressions, which it sent through an algorithm reading their emotional reactions, such as happiness, surprise, anger, disgust, fear or sadness. Based on the feedback from the respondents, the campaign continuously adjusted its strategy and changed its posts in real time so that they could attract potential voters as much as possible. In Mexico, neuromarketing also influenced the presidential campaign in 2012, when the PRI party with candidate Enrique Peni Nieto used the available tools to convince potential voters to their side. They analyzed candidates' marketing communications and tailored their content to voter preferences. The above is not an exceptional use of neuromarketing techniques in the political environment. In Europe, we have recorded their use in Poland, when the Civic Platform party with its chairwoman Ewa Kopaczová used the neuromarketing method facial coding to select a suitable candidate from their ranks who could impress potential voters with their appearance. We perceive this potential and further address it in the practical part of this work.

### 1.3 Results of eye-tracking research applied to the presidential campaign of Zuzana Čaputová in the conditions of the Slovak Republic

Approximately one million eight hundred thousand voters took part in the presidential elections in the Slovak Republic, the second round, in 2019. Zuzana Čaputová won with 58.4% over Maroš Šefčovič, who won 41.6% of the votes. According to the results of some polls, we can estimate how women voted and how men voted, because according to the official election results, it cannot be clearly said. According to Median SK (2019), women participated in the elections more than men (by approximately 4%). According to the same study, men and women voted equally more for Zuzana Čaputová, of which men voted more by approximately 3%. The reasons why voters voted for the president include trust, faith in her abilities and distrust of the person of the opposing candidate.

We decided to validate these motifs and looked for clearly communicated messages on standard billboards, which still have a lot of power from the point of view of marketing communication tools. We selected four basic visuals with which the streets of the Slovak Republic were most often covered. Using the neuromarketing research tool - Biometrics SD Eye Tracker Bundle, we conducted a survey among respondents, where we were interested in the view of their pupils, which we documented in two forms. The first output was in the form of a Heat-map - when we monitored the intensity of engagement of certain elements on the visual itself, and the second output was in the form of Gazeplots - when we monitored the trajectory and intensity of the respondents' pupil gaze at the same time. We will gradually add images from the performed neuromarketing analyses, which we will describe in detail.

Marketing specialists decided to bet on the colors of the party from which the candidate emerged despite the fact that she is an independent candidate. Her face and charisma is the strongest message in this, and her smile is sincere and decent in every visual, which intensifies the feeling of more confidence in her person.

**Figure 1** Billboard no. 1 – Zuzana Čaputová – Heat map – women


Source: own processing using Biometrics SD Eye Tracker Bundle

As we can see in the picture, women are primarily interested in the text part of the visual, unlike men. Women spent most of their time watching the name of the president and also the message that this billboard presents. The largest part of the pupils' gaze was directed at phrases such as Zuzana Čaputová, my president and the phrase together we can do it.

**Figure 2** Billboard no. 1 – Zuzana Čaputová – Gaze-plot – women


Source: own processing using Biometrics SD Eye Tracker Bundle

The gaze plot is an effective tool in that we can see very clearly the trajectory of the respondents' pupil gaze. We see that women rationally scroll through the visual content and from the person's name continuously made it through the entire shared message.

**Figure 3** Billboard no. 1 – Zuzana Čaputová – Heat map – men


Source: own processing using Biometrics SD Eye Tracker Bundle

Men, unlike women, have the need to primarily focus their gaze on the face of the subject that is on the visual, the dispersion of the gaze is directed to all parts of the visual, but it primarily focuses on the name and the word we can.

Even more interesting is the Gazeplot result for men, because it clearly declares what we believed on the Heat-map, that their gaze is directed first of all to the face of the person in the visual and only then to the overall content. The logic of directing the gaze of the pupils is similar to that of women, but the difference lies primarily in the beginning of the direction of the gaze, and in men it is clearly the face.

**Figure 4** Billboard no. 1 – Zuzana Čaputová – Gaze-plot – men


Source: own processing using Biometrics SD Eye Tracker Bundle

We tried to incorporate into this research the marketing visuals of the President's campaign, where there is more noise and at first impression the gaze and the direction of the pupils can be scattered in space - we can state that we did not notice this assumption in either women or men.

**Figure 5** Billboard no. 2 – Zuzana Čaputová – Heat map – women


Source: own processing using Biometrics SD Eye Tracker Bundle

In this composition, we perceive a greater dispersion of views, and from this map we cannot clearly identify which object caught the attention of the most respondents. In this case, the women directed their gaze to the area of the décolleté of the object under investigation and to the name of the object.

We will get the answer only after looking at Gazeplot. He answers us that the first glance of the respondents is directed to the face of the subject, possibly to the area of cleavage and only subsequently, but in the end, with a comparably high intensity of directing the gaze to the name and surname of the observed subject.

**Figure 6** Billboard no. 2 – Zuzana Čaputová – Gaze-plot – women


Source: own processing using Biometrics SD Eye Tracker Bundle

We were also interested in the behavior of men watching the number two visual of President Zuzana Čaputová. We perceive a similar behavior, but basically again a smaller dispersion of the direction of the gaze.

**Figure 7** Billboard no. 2 – Zuzana Čaputová – Heat map – men


Source: own processing using Biometrics SD Eye Tracker Bundle

Two objects are strong in this visual, and that is the face of the President, which is bright and sharp against the rest of the image, and the strongly written surname, which stands out against the rest of the text.

**Figure 8** Billboard no. 2 – Zuzana Čaputová – Gaze-plot – men


Source: own processing using Biometrics SD Eye Tracker Bundle

We can see that the men's first glance is directed primarily at the face and clothing of the President and subsequently moves sharply to the left towards the text section, where it smoothly passes through the content of the text. The frequency is relatively fast, without much interest.

## 1.4 Evaluation of the results of eye-tracking research

In the following part of this post, we tried to find answers to our research question:

*RQ: What is the difference between the sexes in the perception of President Zuzana Čaputová's campaign using the eye-tracking method?*

In the neuromarketing research carried out, we managed to find out that women pay attention more comprehensively to the entire visual. Men are more likely to focus on one dominant, expressive element - such as a bold text on a pale background, or a face or a portrait of a person.

We managed to find out that women can see the content of the entire visual earlier than men. Once men are attracted to one distinctive element, they will stay watching it for a longer time than women.

Women are interested in the whole composition of the visual and are more emphatic when watching than men. In the same time, they are able to comprehensively read the entire content. Men usually the same but less likely.

We also managed to find out that content does not play such an important role in offensively tuned campaigns and offensively placed billboards and their context. In a limited time horizon, respondents pay primary attention to identifying the candidate who communicates the message visually. The equally strong gestures that are expressed in the visuals do not have such a telling value as one would expect at first impression.

We also noticed a similar problem with readability in the case of an interesting banner with the use of a distracting background. The banner, where the candidate's face or portrait was not prominently used, was readable, but here we managed to prove that women did not follow the link with additional campaign information for a long enough time, which we can consider a failure.

Areas that, based on our analysis, we consider to be strong, with a high potential to attract attention:

- left vertical third,
- middle horizontal third.

In order for the creators of advertising visuals to achieve success in a limited viewing time horizon, we recommend placing the following in individual areas - sectors:

- left vertical third – persons, portraits, faces of candidates. With a high probability, the first glance of the respondents is directed right here,
- middle horizontal third – links, passwords, texts.

Based on our analysis, we recommend, as far as possible, to use pale and light backgrounds with strong and rich text colors, logo colors, or portrait compositions. We can further state that the logo has no significant impact in this context - rather it can cause communication noise.

One of the interesting differences between the sexes is the fact that women followed the woman significantly less than men followed the woman. Men paid significantly more attention to the female candidate.

In the case of an offensively tuned strategy, it is important to mark the advertiser - ideally and very appropriately in the left vertical third, and the enemy - or the person against whom this offensive strategy is tuned on the right. In this case, we also have one exception, when Mrs. President Čaputová used for her communication exactly the reversed guard, where her person is on the right and the text part in the left two-thirds. Of course, our recommendations are based on our methodology, where we let respondents watch the content for a limited time of 5 seconds, which is the average time it takes for passers-by to watch a banner, or a driver a billboard next to the road. We focused our results and our work primarily on the differences between the sexes, but we can really segment different variables, which is also our challenge in our further work in the future.

## Conclusion

On the basis of the conducted research, we can state that we perceive small or minimal differences between the sexes using the given metric. If we also noted differences between the sexes on the side of the respondents, then we can conclude that in our research we did not note the influence of gender on the side of the candidates. Based on our chosen metric, we cannot assess whether gender has an effect on attention capture. Apropo neuromarketing has potential in selecting a suitable candidate, for example by political parties. We can compare several persons on the same visual and evaluate which of the candidates attracted more attention of the respondents. In this area, we see potential for the next use of our metrics.

With this contribution, we wanted to point out that it is possible to evaluate visuals and thus optimize their creation for the following periods. We have developed a methodology that is effective, but has its limits, on which we would like to work intensively in the future.

It is important to think about how to effectively reach your target audience. Political entities have to consider this all the more because they have only limited options and time to convey the message to their voters. It is not at all easy to find the right ways, but eye-tracking is the optimal tool.

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# Dependence of the tourism development on the implementation of European Structural and Investment Funds in Slovakia

Kristína Jánošková[1]

**_Abstract_**

*Tourism is considered a key sector in many economies. However, tourism development is financially demanding and requires multiple resources. European Structural and Investment Funds are considered one of these resources. The aim of the paper is to explore the dependence of tourism development on the implementation of the European Structural and Investment Funds in Slovakia and its regions in the programming period 2014-2020. Regression and correlation analysis were used in the paper. In the article, the zero hypothesis was denied, but according to the correlation coefficient, the influence of tourism development on implementation is weak.*

**_Key words_**

*European Structural and Investment Funds, tourism development, regression, and correlation analysis*

**JEL Classification:** 018, R51, R58

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## Introduction

Tourism is a set of economic activities related to different sectors of the economy - transport, accommodation, and other services. Its cross-sectional nature also implies that it is related to the realization of sectors such as construction, culture, health, industry, and agriculture. The importance of tourism as an economic activity is well-known, and it is primarily associated with an increase in gross domestic product, the creation of new jobs, and the development of small and medium-sized enterprises. One of the objectives of tourism is to contribute to the development of the region. Regional development seeks to reduce regional disparities and strengthen cooperation in the different regions.

Regional development and the related development of tourism are characterized by their financial intensity. This applies to the construction and modernization of accommodation facilities, restaurants, recreational, entertainment, or sports facilities. The development solutions also include demanding transport projects, which include the modernization of airports and rail transport. Such investments also have an indirect effect on the development of tourism in the destination. Constraints related to budgetary limits of the state, municipalities, or even the private sector prevent large investments in tourism development.

Several forms of financing for tourism development are encountered. An example is a cooperation between the government and the private sector. Public-private partnerships are agreements between the government and private sector companies to invest in tourism promotion projects. These partnerships are characterized by several features. It is a joint investment of funds in a project. At the same time, there is a sharing of risk, responsibility,

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and revenues arising from the investment (Teker S., Teker D., 2012). In addition to the mentioned sources of funding, there are also foreign sources. For example, the European Structural and Investment Funds (ESIF) are used to finance activities related to reducing regional disparities and strengthening cooperation in the regions.

## 1 Methodology

The aim of the paper is to find out whether there is a dependence between the development of tourism and the implementation of the European Structural and Investment Funds in Slovakia and in Slovak regions. In the paper, the regions were considered higher territorial units. Tourism is supported indirectly in the current programming period 2014-2020, it is questionable to what extent the development of tourism is supported by the European Structural and Investment Funds in Slovakia. Based on this assumption, the following hypotheses were set in the paper.

Null hypothesis H0: Tourism development is not dependent on the implementation of the European Structural and Investment Funds in Slovakia.

Alternative hypothesis H1: Tourism development is dependent on the implementation of European Structural and Investment Funds in Slovakia.

For the fulfilment of the objective, we used secondary sources of information. The data about implementation were obtained from the Ministry of Investment, Regional Development, and Informatization of the Slovak Republic as the body responsible for the management, coordination, and supervision of the implementation of the European Structural and Investment Funds. The data about the number of overnight stays and the number of visitors were obtained from the Statistical Office of the Slovak Republic. The data on the implementation of European funds, the number of overnight stays, and the number of visitors were examined on a semi-annual basis in the paper. At the national level, dependency was examined between the period of June 17 and June 2022. At the regional level, between the period of June 2020 and June 2022.

The dependence of tourism development on the implementation of the European Structural and Investment Funds is investigated in the paper by regression and correlation analysis. Using regression analysis, a regression function in the form of a regression equation was determined in the paper. Through correlation analysis, we examined the tightness between variables, specifically between the amount of funds drawn from the ESIF and tourism indicators. Tourism indicators were obtained as the number of overnight stays and the number of visitors.

In the paper, a correlation coefficient was calculated, which can reach a value from the interval -1.1. In the case of a positive result, there is a direct relationship, a negative value indicates an indirect relationship. Interpreting the correlation coefficient, we followed the values given in Table 1.

**Tab. 1** Interpretation of correlation coefficient

| Scope | Interpretation |
|---|---|
| <0,7;1,0> | High (strong) direct dependence |
| <-1;–0,7> | High (strong) indirect dependence |
| <0,1;0,5> | Weak direct dependence |
| <-0,5;-0,1> | Weak indirect dependence |

Source: in Gregorová, Fillová, 2014, p. 74

## 2 Results and Discussion

In the past, regional development has been dominated by economic interests and, in principle, by growth itself. The main measure of economic progress has been the growth of national income (Coyle,2014). Economic growth itself, however, consists of values other than economic growth. According to the authors Pike, Rodriquez- Pose and Tomaney (2016), regional development should also be measured by other indicators such as poverty, non-employment, inequality, the strength of education, and civil rights. According to Canzanelli (2001), the growth of national income is not always a goal as such, but a means to achieve well-being, and this is according to the social, economic, cultural, and political conditions of specific populations in specific places. Tvrdoň, Hamalová, Žárska (1995) point out that terms such as "development" and "growth" need to be differentiated. Development in the broadest sense is understood as the expansion of the economic system under changed and progressive parameters of growth factors. Growth is understood as the expansion of economic systems, without changing the quality of the parameters of the basic growth factors (Vadkerti, 2021).

The importance of tourism development depends mainly on the attractions associated with the natural environment, historical and cultural heritage of a particular territory. If these resources are destroyed, the area is devalued for visitors, and tourism development is not successful (UNWTO, 1998, p. 7). From the financial point of view, support for tourism development is in Slovakia regulated by Act 91/2010 on the Promotion of Tourism, as amended, which regulates the subjects and instruments of financing tourism development. The instruments for supporting tourism development include the recreational voucher, support for the development of cycling tourism, the provision of investment aid support, a contribution for tourism support in connection with mitigating the negative effects of the pandemic, and a contribution for providing accommodation to a refugee in connection with the armed conflict in Ukraine.

There are several funding instruments for tourism development from European sources. In addition to the European Structural and Investment Funds, these are the LI-FE, Horizon, COSME, and CEP projects. Because in the 2014-2020 programming period tourism in Slovakia is supported in a cross-cutting manner, it is questionable to what extent tourism development is supported by the European Structural and Investment Funds.

### 2.1 Dependence of tourism development on European Structural and Investment Funds implementation at the national level

The results of the regression analysis in Table 2, indicate that the implementation of the European Structural and Investment Funds and the change in the number of overnight stays and the number of visitors in the period from June 2017 to June 2022 reaches small dependency values. The correlation coefficients R=0.303061 and R=0.28443 respectively show a direct, but weak dependence.

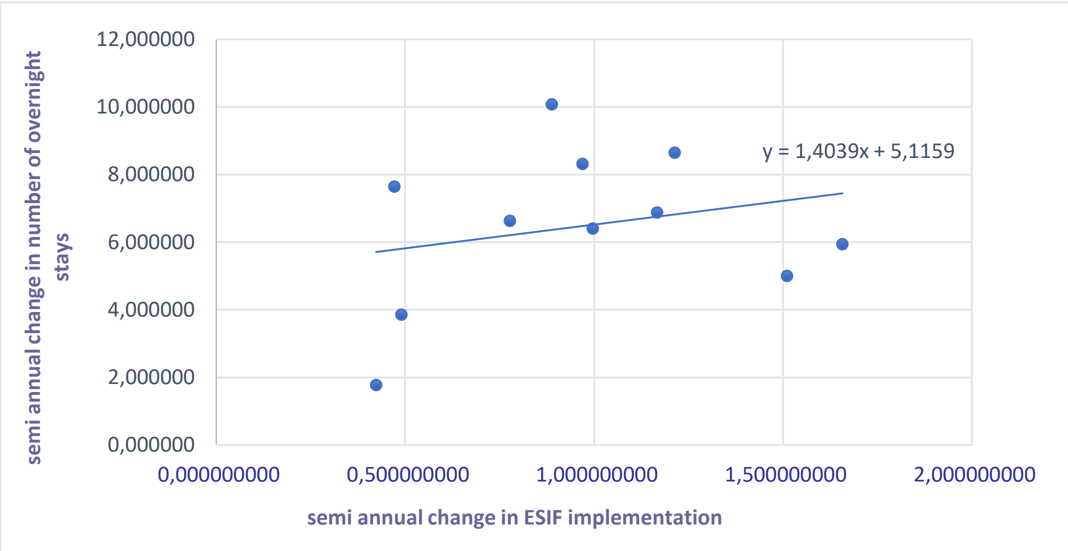
**Tab. 1** Regression analysis between invested resources and tourism indicators

| Regression statistics | Number of overnight stays | Number of visitors |
|---|---|---|
| Multiple R | 0,303061 | 0,284443 |
| R Square | 0,091846 | 0,080908 |
| Adjusted R Square | -0,00906 | -0,02121 |
| Standard Error | 0,412178 | 0,414653 |
| Observations | 11 | 11 |

Source: own processing, 2022

Similar results can be read from the coefficient of determination (r2). It shows that only 9% of the variability in the change of the number of overnight stays can be explained by the variability in the change of the implementation of the funds. The coefficient of determination is similarly weak for the number of visitors. In this case, only 8 % of the variability of the change in the number of visitors can be explained by the variability of the contribution of the non-repayable financial contribution.

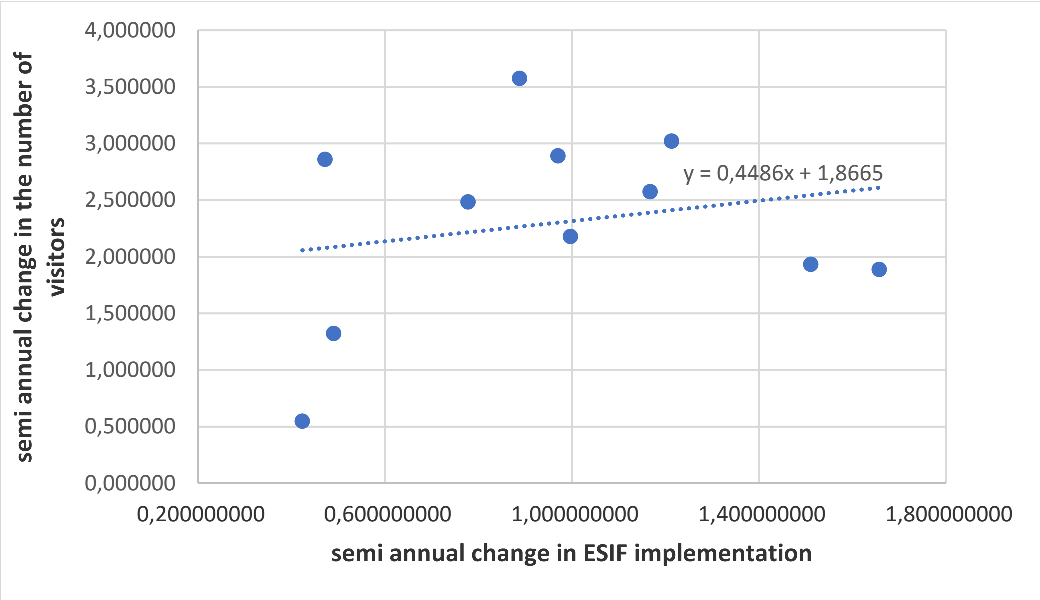
**Graph 1** Graph of the relationship between the change in ESIF implementation and the number of overnight stays between June 2017 and June 2022




Source: based on data from the Statistical Office of the Slovak Republic and the Ministry of Investment, Regional Development and Informatization, 2022.

A graphical representation of the relationship between implementation and the number of overnight stays can be seen in Figure 1. In relation to the number of overnight stays, the regression analysis results in the following regression equation: y=1,4039x+5,1159. The regression equation shows that a 1% growth in the implementation of the European Structural and Investment Funds corresponds to an average growth in the number of overnight stays of 1,40%. The p-value is 0,02.

**Graph 2** Graph of the relationship between the change in ESIF implementation and the number of visitors between June 2017 and June 2022




Source: based on data from the Statistical Office of the Slovak Republic and the Ministry of Investment, Regional Development and Informatization, 2022.

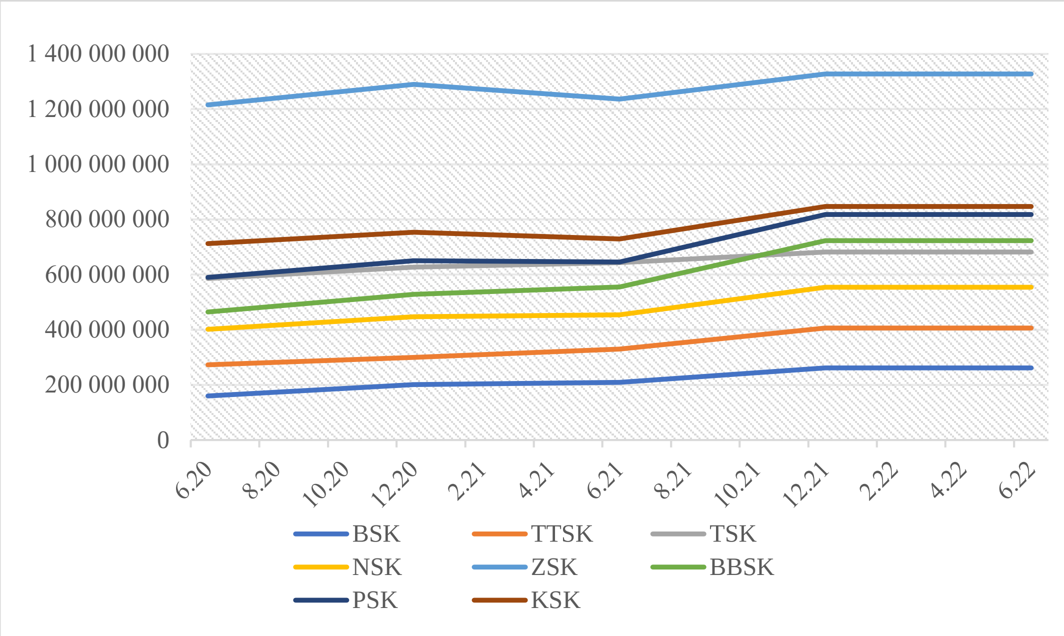
A graphical representation of the relationship between implementation and the number of visitors can be seen in Figure 2. In relation to the number of visitors, we obtained a regression equation of the form y=0,4486x +1,8665. A 1% increase in the implementation of the European Structural and Investment Funds leads to a 0,45 % increase in the average number of visitors. The p-value is 0,01.

Based on regression and correlation analysis, we can conclude that the dependence of the implementation of the ESIF on tourism development is weak at the national level. The results of the analysis are also influenced by external factors. A significant factor that influenced the development of the number of overnight stays and the number of visitors was the coronavirus pandemic. At the time of the pandemic, anti-pandemic measures were announced, which included a lockdown. The number of foreign visitors decreased significantly because of the border closures. Tourism experienced a significant year-on-year decline in 2020 because of the coronavirus pandemic (Tajtáková, 2021). Based on data from the Statistical Office of the Slovak Republic, the number of visitors decreased by 85.7% compared to 2019. The number of foreign visitors even fell by 93.5% in this period. The coronavirus pandemic has also affected the implementation of the European Structural and Investment Funds. At the time of the pandemic, implementation was lower.

## 2.2 Dependence of European Structural and Investment Funds implementation and tourism development at the regional level

The regional aspect of the European Structural and Investment Funds implementation can be seen in Chart 3. The evolution of the absorption of the ESIF is regionally differentiated in the monitored self-governing regions. The highest share of absorption in the period June 2020 to June 2022 was achieved by entities in the Žilina Self-Governing Region. It was followed by entities of the Košice and Prešov self-government regions. On the other hand, entities in the Bratislava Self-Governing Region implemented European resources to the least extent.

**Graph 3** Evolution of the implementation of the European Structural and Investment Funds in self-governing regions in the period from June 2020 to June 2022




Source: based on data from the Ministry of Investment, Regional Development, and Informatization of the Slovak Republic, 2022.

In Table 2 we can see the correlation coefficient between the amount of the non-refundable financial contribution and the number of overnight stays or the number of visitors in the individual Self-Governing regions in the period from June 2020 to June 2022. The change in the indicators shows a semi-annual periodicity like at the national level. Based on the correlation coefficient in Table 3, we can observe a strong dependence between the change in the implementation of the ESIF and the change in the number of visitors in Žilina and Košice Self-governing regions. There is a small dependence in the Nitra, Bratislava, Trnava, Trenčín and Banská Bystrica Self-governing regions.

Based on the correlation coefficient, the coefficient of determination (r2) in the counties that achieved higher dependence was also measured. In Žilina, up to 39% of the variability of the change in the implementation of the ESIF can be explained by the change in the number of visitor arrivals. In Košice, the coefficient of determination reaches 0,274953, so overall, the dependent variable can be explained by the independent variable to the tune of 27%.

**Tab. 3** Correlation coefficient between the amount of the non-repayable financial contribution and the number of overnight stays and the number of visitors

| | Number of visitors | Number of overnight stays |
|---|---|---|
| Bratislava Self-governing region | 0,45428 | 0,33782 |
| Trnava Self-governing region | 0,36094 | 0,3867 |
| Trenčín Self-governing region | 0,3029 | 0,2978 |
| Nitra Self-governing region | 0,27855 | 0,20094 |
| Žilina Self-governing region | 0,62521 | 0,55163 |
| Banská Bystrica Self-governing region | 0,24868 | 0,23111 |
| Prešov Self-governing region | 0,31655 | 0,25514 |
| Košice Self-governing region | 0,52436 | 0,39752 |

Source: own processing, 2022

Lower values of the dependence are achieved by the implementation of the European Structural and Investment Funds on the number of overnight stays. The Žilina Self-governing region has a high or strong dependency. Bratislava, in other regions of Slovakia the dependence is small. In the Žilina Self-Governing Region, 30% of the variability of the change in the implementation of the ESIF can be explained by the change in the number of overnight stays.

Based on the results of the p-value, we can consider the result statistically significant at the significance level of 0,05 and reject the null hypothesis. At the same time, we can conclude that there is a dependence between the implementation of the European Structural and Investment Funds and the development of tourism, but only to a weak extent. At the national level, there is little dependence between the implementation of the European Structural and Investment Funds and tourism indicators. At the regional level, the dependence is higher. The highest dependence of the EU funds on tourism indicators can be seen in the Žilina self-governing region.

## Conclusion

The aim of the paper is to find out the dependence of tourism development on the implementation of the European Structural and Investment Funds in Slovakia and in the regions of Slovakia. In the current programming period, the support of tourism in Slovakia is cross-sectional and therefore it is difficult to estimate to what extent the European funds contribute to the development of tourism.

The dependence of tourism development on the implementation of the European Structural and Investment Funds is investigated in the paper by means of regression and correlation analysis. By the implementation of the European Structural and Investment Funds we meant the amount of European funds drawn. The development of tourism was evaluated based on tourism indicators, namely the change in the number of visitors and the number of overnight stays. The assessment of the relationship between the indicators was based on the change in data on a half-yearly basis. The relationship between these indicators was also examined at the regional level, namely at the level of the municipalities.

At the significance level of 0.05, we can consider the result statistically significant and reject the null hypothesis. The results of regression and correlation analysis indicate that all tourism indicators are weakly dependent on the implementation of the European Structural and Investment Funds.

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# EU Trade Defence Investigations during COVID-19 recession

Henrich Juhás[1]

***Abstract***

*EU uses trade defence instruments to eliminate the negative effects of unfair trade activities from third countries. However, during an economic recession, foreign subjects, with a view to improve their economic situation, may resort to the use of prohibited business practices to a greater extent, thus forcing EU producers to increase the number of requests for investigation of these practices. The aim of the paper is to determine a causal relationship between the COVID-19 pandemic recession and the number of new trade defence investigations requested by affected EU market entities. The findings are presented through the results obtained by analyzing the economic situation in the world and statistical data related to EU investigations. We found out that the recession caused by the pandemic affected the number of EU trade protection measures only partially, in the form of an increased number of requests for expiry reviews, but the situation may change due to the ongoing recession.*

***Key words***

*European Union, Trade Defence Instruments, Pandemic, Recession*

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## Introduction

The COVID-19 pandemic and the resulting crisis have changed global trade to a great extent. In connection with it, in recent years, all countries have been trying to improve and stabilize their economic situation in order to restore its positive development from the times before the pandemic. Countries use different methods to achieve this goal, but it should be noted that several of them resort to unfair business practices by which they want to enter foreign markets with the view of increasing revenues from the export of their products or raw materials. In connection with this unfair activity, however, the domestic market and the producers who operate on them are economically harmed. They subsequently demand an investigation from the control authority, whether the activity of foreign entities is not in conflict with the principles of fair trade. The European Union market is no exception, and entities from third countries try to penetrate it through such practices. The European Commission is therefore conducting investigations in connection with the requests of European producers who have been demonstrably affected by the practices of foreign exporters. However, the risk of increasing the number of cases of potential damage caused by the activities of foreign exporters increases in connection with the decline in economic growth (Knetter & Prusa, 2003; Jallab et al., 2007). This casual relationship will be the subject of research of our paper.

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## 1 Methodology

The aim of the article is to determine a causal relationship between the COVID-19 pandemic recession and the number of new trade defence investigations requested by affected EU market entities. Firstly, we theoretically define the trade defence instruments used by the EU, taking into account their territorial and commodity structure. Subsequently, the author analyzes the economic situation within selected economies of the world, which were chosen based on the number of protective measures to which their entities are subject. The author analyzes the economic situation through the GDP growth indicator processed according to the OECD database and databases of national economies, taking into account the period before, during and after the pandemic. This analysis forms the basis for the temporal aspect of the research. Subsequently, based on the data of the investigation database, the author analyzes the development of the number of new investigations by the EU and takes into account the number of expiry review investigations in the monitored period. Based on the chosen methodology, through induction, deduction and comparison, the author establishes conclusions regarding the impact of the recession caused by the pandemic on the number of EU investigations.

## 2 Results and Discussion

### EU Trade Defence Instruments

As the illegal trade activities of third countries are being stronger, the EU had to develop their policy to eliminate the negative impact of them. Thus, this trade defence policy is used by European Commission to protect the producers and the whole EU market. The EU deals with the issues of illegal trade activity by using three instruments, as follows (European Commission, 2023a):

- Anti-dumping;
- Anti-subsidy;
- Safeguards.

The first group of EU protection instruments are anti-dumping measures. If a company exports a product at a price lower than the price it normally charges in its own domestic market, it is dumping. This is generally committed by a specific entity based outside the EU when it tries to import and introduce a product to the EU market at a lower price than its selling price on the original (domestic) market taking into account also the level of their costs. Ultimately, therefore, dumping entities try to push domestic producers or small firms out of the market by short-term price reductions, while the level of these reduced prices is below the level of the sum of their production costs and reasonable profit. In such a case, the intervention of the European Commission and the Council, which will issue an opinion, is necessary. The EU is thus trying to protect the market from the dumping behavior of foreign companies, or large international business chains (Baláž et al., 2019; European Court of Auditors, 2020; Van Bael & Bellis, 2019). In practice, for each type of goods, the normal value is compared with the export price, which will bring different results of dumping values, from which the average is subsequently calculated. The normal value is generally based on the sales prices determined on the exporter's market, while alternatively it can also be created by the sum of production costs and reasonable profit. If the particular products originate in countries in which significant distortions affecting the free action of market forces are recorded, special provisions apply. The mentioned deformations are the result of influence by government interventions, that is, the reported prices, or costs (including costs of energy and raw materials) are not the result of the free action of market forces. If this situation is confirmed, the normal value must be created from production and selling costs, which reflect undistorted prices or reference values, taking into account also the appropriate amount of selling, administrative or general expenses and profit (European Commission, 2006). If a given industrial entity or sector from the European Union sends a valid complaint with sufficient evidence of injury caused by the business activities of a foreign company, an anti-dumping investigation is initiated, which examines whether (European Commission, 2023a):

- there is dumping from the relevant country / from several countries;
- EU industry has suffered significant injury (potential injury);
- the injury was caused by dumping.

The second group of the EU trade defence instruments are anti-subsidy measures. Subsidization can be defined as an activity in which the government or other public body of a third country provides certain financial assistance to the domestic manufacturing industry or a certain group of industries, which is ultimately reflected in changes in export prices to the EU (European Court of Auditors, 2020). Governments support domestic exporters with export subsidies in the form of premiums, export bonuses and, last but not least, financing the production of raw materials and products that financially replace their imports. From the beginning, the main goal of subsidizing was to conserve the country's currency reserves, increase employment, and escalate political influence on countries for which the goods replaced in this way were an important part of their economic stability. Subsidizing exports takes the form of a time-limited process with the aim of acquiring a new market or consolidating a position on it. After reaching the point where competition is eliminated, the lower prices again approach the level of world prices or reach even higher values (Baláž et al., 2019). The EU procedure in the decision-making process on anti-subsidy measures is practically the same as in the case of anti-dumping measures. An economic entity that is potentially threatened by the import activity of a company from a third country must submit a valid complaint to the European authorities, providing sufficient and relevant evidence. After evaluating the given complaint, the European Commission initiates an anti-subsidy investigation, while the following facts are investigated (Szatmári et al., 2020):

- whether there is subsidization by the relevant country / several countries;
- whether the EU industry has suffered material injury or there is a threat of such injury;
- whether the damage was caused as a result of subsidies.

The mentioned European processes have largely identical steps, while they can result in the introduction of relevant protective measures. In both cases, the EU introduces the following final measures (European Court of Auditors, 2020):

- ad valorem duties;
- specific duties;
- countervailing duties;
- price commitments.

The last group of the EU trade defence instruments are measures to protect the market against excessive imports – safeguards. They are used when there is a sharp and unexpected increase in the absolute or relative volume of imports of a specific product into an EU member state and this causes or could potentially cause economic damage to the manufacturing sector.

As part of the investigation process regarding the introduction of protective measures against excessive imports, the European Commission (2023b) examines:

- import trends;
- the conditions under which the import takes place;
- whether such importation of products causes damage to producers in the EU (or there is a certain potential for such damage).

According to the European Court of Auditors (2020), we define possible final measures as a quantitative restriction on the import of a given product, while import quotas with a specified limit for permitted imports and tariff quotas with a duty on imports exceeding the specified limit can also be introduced. An excessive import investigation can be initiated against products regardless of their origin. As part of this process, the EU can deviate from the principle of non-discrimination and apply protective measures against the supplier in accordance with the terms of the WTO. In accordance with these principles, EU measures can only apply during the period necessary to remedy the consequences of market damage caused by excessive imports. However, the EU measures must be gradually removed during their validity and the EU, as the initiator of the measure, should provide compensation to the countries that have been affected by this measure (Ministry of Economy of the Slovak Republic, 2022).

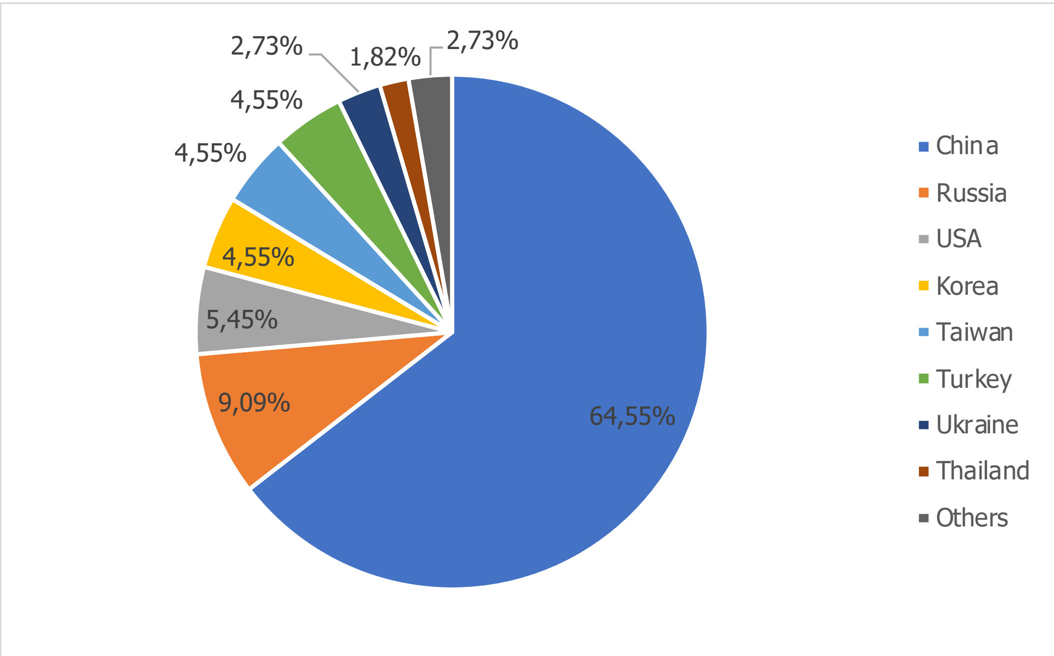
When implementing trade defence instruments, the EU must consider the rules of the World Trade Organization, but applies several other rules that are optional within the WTO and in accordance with its legislation. As part of investigations related to potential dumping, subsidies or excessive imports, it is necessary to state that, in addition to proving damage, the EU must also establish a causal link between damage and dumping/subsidies and must also carry out the so-called Union interest test. These are very important aspects that the EU must take into account in order to implement the correct measure in an adequate amount. Through causal link, the EU proves that the import under investigation caused significant damage to the domestic manufacturing industry within the Union. These are mainly cases of parallel occurrences, in other words, if the imported quantity increases and at the same time the sales or produced quantity coming from the domestic industry decreases. Causal link must clearly demonstrate that the mentioned facts really arose from the injury caused by dumping or subsidies and must exclude that they could have occurred due to other factors, such as a decrease in demand, changes in the trade structure, technological development or the volume of non-dumped/non-subsidized of imports (European Commission, 2010; European Court of Auditors, 2020).

In the Union interest test, also called the public interest test, during a trade defense investigation, the EU authorities examine whether the potential imposition of protective trade measures is not contrary to the interest of the domestic economy in general. This test therefore involves examining the interests of all economic operators within the EU before measures are imposed. During the implementation of this test, countries make a decision to apply a given trade protection measure only if it is shown that this would not be contrary to their overall public interest. As part of this test, it is examined whether the measures will not cause more damage to the overall economy by providing relief to the domestic manufacturing sector, which is harmed by unfair import practices. Therefore, the interests of all affected industrial entities, import users, importers and, last but not least, consumers must be taken into account in this test. As part of the test of the Union's interest, it is important to mention the fact that very powerful subjects are the so-called lobbyists who, in accordance with the law, try to influence the decision to impose a duty, and are very often successful in doing so (European Commission, 2013; European Commission, 2010; European Court of Auditors, 2020).

Based on the established facts, we can state that the implementation of the EU trade defence measures is generally conditioned by the fulfillment of three basic requirements in accordance with the interest of the Union, which are (European Commission, 2010):

- the existence of dumping, subsidization or excessive imports;
- proven damage caused to the domestic manufacturing industry;
- the existence of a causal link, which proves that the damage was caused by the unfair importation under investigation and was not caused by other factors.

**Graph 1** Territorial structure of trade defence instruments with currently ongoing measures




Source: author’s own processing according to European Commission, 2023b.

In Graph 1 we list the countries that are subject to currently valid EU trade defence measures, while the statistics are clearly dominated by products or raw materials made in China, which make up almost 65% of the total number of measures. It is followed by Russia with 9% and the USA, whose products represent 5% of the measures. Products or raw materials originating in Korea and Taiwan make up exactly 4.5% of the number of measures, the statistics are closed by countries such as Ukraine and Thailand, which are at the level of two to three percent.

All three types of EU trade defence measures are used in practice for imports from the mentioned countries and are simultaneously implemented for diverse product groups. Based on data from the European Commission (2023b), we can identify the most represented product groups within EU trade protection measures as follows:

- HS01 Live animals;
- HS38 Miscellaneous chemical products;
- HS54 Chemical fibers;
- HS69 Ceramic products;
- HS70 Glass and glassware;
- HS73 Articles of iron and steel;
- HS76 Aluminum and articles thereof;
- HS85 Electrical machinery and equipment;
- HS87 Vehicles other than railway.

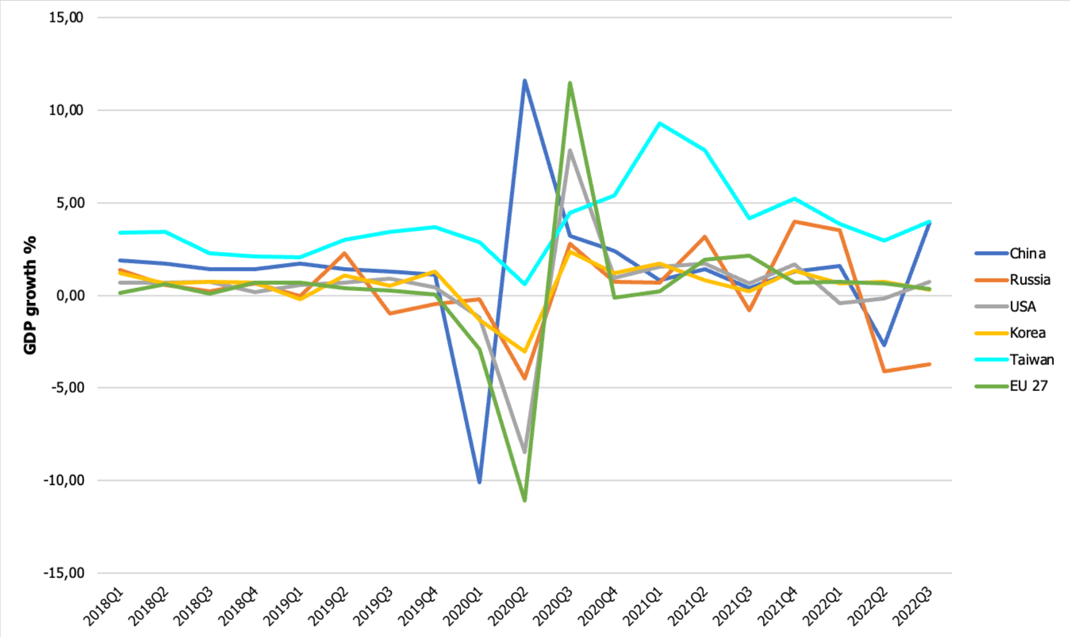
As we have already mentioned, EU trade defence policy includes specific steps to implement right and fair trade defence instrument against the potentially dangerous import from third countries. It has to be said that during the recession, there could be more implementations in connection with the efforts of third countries to penetrate the EU market through illegal business activities.

## The recession and the amount of EU Trade Defence Instruments

The aim of the analysis was to determine how the COVID-19 pandemic and the resulting economic recession have affected trade defence investigations in the EU in general, taking into account anti-dumping, anti-subsidy and safeguard measures against excessive imports. We worked with the assumption that such a situation could force economic entities from third countries, which were affected by the negative economic effects of the pandemic, to use unfair business practices in the above-mentioned forms. Paradoxically, a recession can potentially help domestic entrepreneurs gain effective protection against illegal business practices. This assumption is based on the conclusions of empirical studies examining the relationship between GDP growth/decline and the use of trade defence measures (Knetter and Prusa, 2003; Jallab, 2007; Feinberg, 2005; Bown and Crowley, 2013).

Taking into account the development of GDP, the following graph shows the statistics of the percentage change in GDP of selected countries that are most involved in the EU investigation process. The data was examined quarterly over a period of 6 years (2015 - 2020), with each value being compared to the previous period.

**Graph 2** Percentage change in GDP per quarter compared to the previous value (2018-2022)




Source: author's own processing according to OECD, 2023; DGBAS, 2023

In the Graph 2 above, we can see that the GDP change values maintained a fluctuating trend throughout the entire period, however, within the time frame we selected, there were significant fluctuations. Since the first quarter of 2018, there has been no significant percentage change in the GDP of the monitored countries, this changed only in the first or the second quarter of 2020, where we see a marked drop in GDP for most of the monitored countries compared to the previous period. This year, the pandemic began to affect all areas of the world economy, which was also reflected in the displayed decline. China, which is known as the country with the first infections and at the same time with the first economic impacts of the pandemic, recorded the most significant decrease of all monitored countries in the first quarter (-10.1%). Other countries recorded a decrease only in the next quarter, the highest we see in the European Union (-11%). The United States of America also recorded a marked decline in this period, followed by the Russian Federation. In this period, Taiwan and Korea did not experience a significant decrease compared to the previous period. After overcoming the first wave of the pandemic in the last months of 2020, we see an increase in GDP values for all countries. In this case, however, we see the important fact that the Chinese economy experienced an increase in GDP earlier than other countries. The situation arose because China "recovered" from the COVID-19 pandemic earlier (as the country with the first case of the disease) than the rest of the world. The observed countries managed the second wave of the pandemic better, as we do not record high values of the drop in GDP, but on the other hand, we do not see a high increase in GDP either. So the economy began to recover very slowly. Subsequently, however, we see that in the case of Russia, the GDP decreased compared to the previous period in 2022, which, in addition to the effects of the pandemic, may also result from a military conflict between this country and Ukraine on its territory. It is therefore necessary to further investigate this issue.

As part of the partial research, we examined the development of the number of EU trade defence investigations between 2018 and 2022, i.e. in the period before the pandemic (2018-2019) and during it (2020 and partly 2022). We took into account the very initiation of new investigations or their reopening, as well as the initiation of the review of measures before their expiry. We considered both mentioned phases to be authoritative in the field of determining the impact of the recession on the number of measures, i.e. not only the initiation itself, since even the review before the expiration date can ultimately lead to the implementation of new measures or to the re-introduction of expiring ones. The data are presented in the table.

**Tab. 1** Number of EU trade defence investigations according to their phases (stages) during the observed period (2018-2022)

| **Phase (stage) of the investigation / Year** | **2018** | **2019** | **2020** | **2021** | **2022** |
|---|---|---|---|---|---|
| Initiation/reopening of investigation | 4 | 7 | 11 | 11 | 10 |
| Initiation of review of measures before their expiry | 17 | 6 | 16 | 11 | 23 |

Source: author's own processing according to European Commission, 2023b.

Table 1 shows the number of EU trade defence investigations taking into account their stages during the monitored period of 5 years. The COVID-19 pandemic and the resulting recession began to reach global proportions during 2020, and the consequences are still being felt within the world economy. Based on the data in the table, we can conclude that the development in the phase of initiation or reopening of the EU investigation shows a very slightly increasing trend, which gradually stabilized until 2022, when we record a very small decrease in this number. The increase in the number of initiated or reopened investigations at the beginning of the pandemic and even during it compared to the years before the pandemic was not high at all, on the contrary, it maintained a generally stable trend. However, what is very important for our analysis is the number of expiry reviews, which may evoke the possibility of continuing or increasing cases of unfair trade practices of third countries. The trend in the number of measures within this phase shows a clearly fluctuating trend, while before the pandemic there was a decrease compared to the previous year, but in the first year of the pandemic, this number increased markedly. Paradoxically, the second year of the pandemic saw a decline in expiry reviews. However, the recession and attempts at unfair business practices by foreign entities were fully manifested in the last observed year, 2022, where we record an increase in the number of investigations before the expiration date by 100%. The analysis thus proves to us that the pandemic and the resulting recession and its effects did not have a demonstrably significant impact on the number of new investigations initiated by the EU, but it significantly increased the requests of EU economic entities for investigations before the expiry of the measures. In connection with the already mentioned facts that the request for investigation is submitted before the expiry date by the affected European entities in special cases (still ongoing damage, or if the elimination of the damage occurred only as a result of the measures and their expiry would bring further damage), it is clear that foreign exporters tried to trade with the EU through unfair trade practices precisely on the basis of the growing number of requests for investigation before the expiry of the given measures. Ultimately, therefore, the pandemic recession did not directly cause an increase in the number of new investigations based on requests, but on the other hand, it clearly affected the number of expiry review requests. We can therefore conclude that the impact of the recession on the number of trade defence measures by the EU is therefore indirect, in the form of an increased number of reviews before the expiry of the existing measures. However, there is still a risk of the existence of potential unfair practices on the part of foreign businessmen during the new economic recession stemming from the economic effects of Russia's aggression in Ukraine, which should be the subject of investigation in the coming periods.

## Conclusion

The EU uses the trade defence policy against the negative impact of illegal business activities made by third countries in the form of dumped, subsidized or excessive import. As the economic cycle is changing negatively due to the particular factors such as COVID-19 pandemic, there could be a risk of rising illegal trade activities by third countries with the aim of improving their economic stability and minimizing the impact of the economic recession. According to this fact, the number of requests for EU trade defence investigations could arise during the economic decline too.

Based on a comparison of the development of the number of trade defence investigations initiated by the EU and the development of the GDP of the trading partners against whom the EU applies AD to the greatest extent, we can conclude that the COVID-19 pandemic did not lead to an increase in the number of new investigations in the monitored period. In our case, however, it is necessary to state that in the last monitored year, the number of requests to carry out an investigation before the expiration of the given measure increased, which may result in ongoing efforts for unfair business practices by entities from third countries. In this case, it may be the impact of the ongoing recession caused by the pandemic, but the beginning recession caused by Russia's aggression in Ukraine must also be taken into account. In any case, we recommend further research in this area, especially in the case of ongoing economic recessions.

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# Využitie sociálnych médií v personálnom marketingu[1]

Katarína Ožvoldová[2]

## *Use of social media in personnel marketing*

***Abstract***

*Social media have far-reaching uses in many areas. Their original intention of creating communities and connecting people in an informal way has grown into a significant use in business as well, making them one of the important channels in marketing communications. The increasing demands not only of customers, but also of employees lead companies to new ways of approaching brand building and communication. The employees have become the customers, and thus brand building also extends to the field of personnel management and personnel marketing. Companies need to communicate externally as well as internally in order to attract potential or existing employees. Properly grasped communication in personnel marketing becomes a competitive advantage in acquiring qualified labor. The main aim of this article is to create a comprehensive overview of social media that can be used for personnel marketing purposes and to point out the possibilities of their practical use in external or internal communication in relation to potential or existing employees of companies. We reviewed the articles related to the topic of social media in personnel marketing and analyzed social media itself, which can be encountered in the online environment. The results and discussion focus on creating a comprehensive overview of social media that can be used in personnel marketing and points out the possibilities in which these social media can be used in communication in the external environment towards potential employees so that it is possible to build the employer's brand, inform about job positions and obtain suitable candidates. At the same time, it points out the possibilities of using social media in the internal environment towards existing employees in order to achieve employee awareness, communication between employees, building motivation, working relationships, corporate identity and employee education and development.*

***Key words***

*social media, personnel marketing, social media in personnel marketing, internal communication, external communication in personnel marketing, employer branding*

**JEL Classification:** M12, M31

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## Úvod

Rozmach sociálnych médií výrazne zmenil spôsob, akým ľudia komunikujú doma aj v práci. Okrem toho, že zmenili spôsob, akým komunikujeme, predstavujú aj skvelé príležitosti pre firmy v oblastiach vzťahov s verejnosťou, internej a externej komunikácie, personalistiky, vzdelávania, spolupráce a pod. Organizácie môžu využívať sociálne médiá rôznymi

[1] Inovatívny prístup tvorby responzívnych mediálnych formátov marketingovej komunikácie firiem zameraných na internetového spotrebiteľa v prostredí digitálnych médií. Projekt č. 029EU-4/2022.

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spôsobmi. Oddelenia môžu organizovať brainstormingy alebo udržiavať prebiehajúce rozhovory s otázkami a odpoveďami na blogu; tímy môžu používať sociálne siete na riadenie projektov, zdieľanie osvedčených postupov a výskumných prípadových štúdií; generálny riaditeľ môže viesť blog alebo nahrávať podcast; a organizácie môžu zamestnancom okamžite dodávať novinky (Society for Human Resource Management, ďalej pod skratkou SHRM).

Sociálne média sa stali silným komunikačným kanálom a pozornosť sa im venuje najmä v externom prostredí. Pre ich výhody neformálnej komunikácie a budovania zmyslu komunity sa ich využitiu otvára priestor aj v internom firemnom prostredí. V tomto type komunikácie sa dáva bokom formálnosť a stierajú sa hierarchické rozdiely medzi zamestnancami. Vedenie sa tak dostáva bližšie k ostatným zamestnancom do bližšieho vzťahu. Mnohé firmy vytvárajú vlastné interné sociálne siete, vďaka ktorým môžu byť zamestnanci vo vzájomnom kontakte. Spoločnosti, ktoré si nemôžu dovoliť investíciu do budovania vlastných sociálnych sietí môžu využívať funkciu buď uzavretých skupín (v prípade LinkedIn, Facebook) alebo neverejných profilov (v prípade Instagram alebo Twitter).

Sociálne médiá *„majú v súčasnosti veľký význam v mnohých oblastiach. Veľké medzinárodné spoločnosti a konkurenčné prostredie personálnych agentúr vedú personalistov k potrebe zorientovať sa aj v tomto smere. Jednou z hlavných možností týchto sietí je využitie na sociálny marketing spoločností, či nábor nových zamestnancov*" (Matušovičová – Pavlíková, 2020).

## 1 Metodika práce

Hlavným cieľom tohto článku je vytvoriť ucelený prehľad sociálnych médií, ktoré môžu byť využité pre účely personálneho marketingu a poukázať na možnosti ich praktického využitia v externej alebo internej komunikácií vo vzťahu k potenciálnym alebo existujúcim zamestnancom firiem.

Z výskumných metód sme použili predovšetkým analýzu článkov vzťahujúcich sa k téme sociálnych médií v personálnom marketingu a analýzu samotných sociálnych médií, s ktorými je možné sa v online prostredí stretnúť. Ďalšie metódy sú metóda komparácie a syntézy. Použité metódy neboli kvantifikované prieskumom. Oblasť sociálnych médií v personálnom marketingu poskytuje dostatočný priestor pre ďalší, aj kvantifikovateľný prieskum.

## 2 Výsledky a diskusia

Sociálne média majú v súčasnosti ďalekosiahle využite v mnohých oblastiach. Ich pôvodný zámer vytvárania komunít a spájania ľudí neformálnym spôsobom prerástol do značného využitia aj v biznise, čím sa stali jedným z dôležitých kanálov v marketingovej komunikácií.

Zvyšujúce sa nároky nielen zákazníkov, ale aj zamestnancov vedú firmy k novým spôsobom prístupu k budovaniu značky a komunikácie. Zo zamestnanca sa v podstate stal zákazník a tak sa budovanie značky rozširuje aj o oblasť personalistiky a personálneho marketingu. Firmy potrebujú navonok a aj smerom do vnútra komunikovať tak, aby zaujali, či už potenciálnych alebo existujúcich zamestnancov. Zo správne uchopenej komunikácie v personálnom marketingu sa stáva konkurenčná výhoda v získavaní kvalifikovanej pracovnej sily.

Zorientovať sa vo svete digitálneho marketingu však môže byť pre mnohých personalistov výzva. Preto je článok zameraný na vytvorenie uceleného prehľadu sociálnych médií použiteľných v personálnom marketingu a prináša aj spôsoby, ako je tieto sociálne média možné využiť pri komunikácií v externom prostredí smerom k potenciálnym zamestnancov tak, aby bolo možné budovať značku zamestnávateľa, informovať o pracovných pozíciách a získavať vhodných kandidátov. Zároveň poukazuje na možnosti využitia sociálnych médií v internom prostredí smerom k existujúcim zamestnancov s cieľom dosiahnuť informovanosť zamestnancov, komunikáciu medzi zamestnancami, budovanie motivácie, pracovných vzťahov, firemnej identity a vzdelávanie a rozvoj zamestnancov.

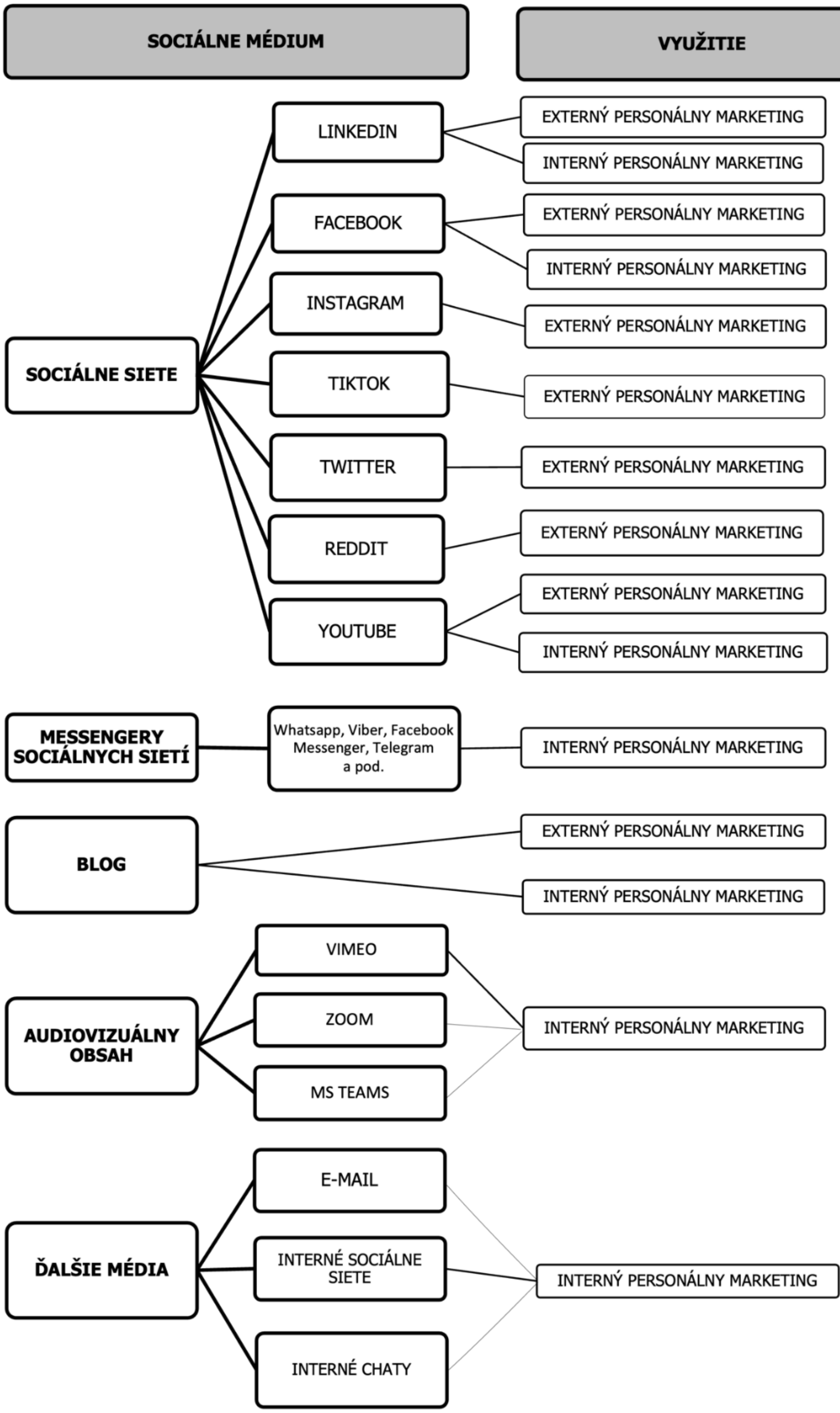
## 2.1 Prehľad sociálnych médií použiteľných v personálnom marketingu

*„Sociálne média umožňujú ľuďom vymieňať si myšlienky a názory, spoločne preberať obsah stránok a nadväzovať kontakty online. Ich obsah môže vytvárať každý, rovnako doň prispievať, či komentovať ho. Sociálne média môžu mať textovú formu, môže ísť o audio, video alebo fotografie a iné obrazové formy, ktoré spájajú komunity, vychádzajú v ústrety ľuďom, ktorí sa chcú združovať."* (Scott, 2010).

Sociálne médiá sú informačné nástroje a technológie používané na zdieľanie informácií a uľahčenie komunikácie s interným a externým publikom. Medzi známe sociálne média patria stránky ako LinkedIn, Facebook, Instagram, Twitter, Google+, Pinterest, YouTube, no sociálne médiá môžu mať mnoho rôznych foriem vrátane internetových fór, online profilov, podcastov, obrázkov a videí, e-mailov, okamžitých správ, programov na zdieľanie hudby a zahŕňajú aj technológie, ako sú blogy, textové správy, a ďalšie aplikácie ako Google Reader a Google Docs a pod. (SHRM).

Nasledujúca tabuľka poskytuje prehľad sociálnych médií, ktoré môžu byť najčastejšie využívane v personálnom marketingu, či už vo vzťahu k externému alebo internému prostrediu.

**Schéma 1** Sociálne média v personálnom marketingu




Zdroj: Vlastné spracovanie.

## 2.2 Sociálne média v externom personálnom marketingu

Sociálne médiá v externom personálnom marketingu predstavujú predovšetkým komunikačný kanál, ktorý ma prispieť k budovaniu značky zamestnávateľa, informovaniu o pracovných pozíciách, získavaniu a výberu vhodných kandidátov.

Mnohé spoločnosti sú na sociálnych médiách prítomné, a preto je vhodné, aby túto prítomnosť využili efektívne, v súlade s celou stratégiou marketingovej komunikácie.

Jedným zo spôsobov je pravidelné prispievanie zaujímavým obsahom, ktorý ľuďom prinesie hodnotu a zároveň vytvorí obraz o celkovej kultúre v organizácií. Dôležité je, aby potenciálny kandidáti pochopili, aké to je pre danú spoločnosť pracovať. Spoločnosť to môže dosiahnuť napríklad zachytením dňa v živote zamestnancov, prinášaním obsahu zo zákulisia (Arun, 2021), zobrazovaním firemných aktivít, aktivít po pracovnej dobe, približovaním udalostí, vďaka ktorým spoločnosť vyniká, prípadne zdieľaním interaktívneho obsahu, ktorý by mal byť čo najrozmanitejší (zahŕňa to používanie rôznych formátov ako sú články, obrázky a videá) (Smart Media Agency, 2022).

Ďalším zo spôsobov, ktorý môže mať ešte väčší vplyv a dosah na budovanie značky zamestnávateľa je zapojenie samotných zamestnancov do budovania obrazu o danej spoločnosti na vlastných sociálnych sieťach. Obsah vytvorený zamestnancami môže mať obrovský vplyv.

V priemere majú zamestnanci spoločnosti 1 090 kontaktov na sociálnych sieťach, dosah ich príspevkov je 5x vyšší ako dosah korporátnych účtov a „nasledovatelia" zamestnancov sú 7x náchylnejší ku konverzii na sociálnych sieťach. Zároveň 84% ľudí verí odporúčaniam od priateľov, rodiny, kolegov viac ako iným formám marketingu (Kunsman, 2022).

Jednou zo základných personálnych činností na sociálnych sieťach je informovanie o voľných pracovných pozíciách. Čím ďalej tým viac si zamestnanci uvedomujú, že si môžu medzi zamestnávateľmi vyberať a nie sú odkázaní na prvú pracovnú ponuku. Práve preto je dôležité, aby informovanie o voľných pracovných pozíciách išlo ruku v ruke s budovaním značky zamestnávateľa. Je viac pravdepodobné, že pokiaľ spoločnosť buduje imidž zamestnávateľa, pre ktorého by zamestnanci radi pracovali, tak po zverejní informácie o voľných pracovných miestach, sa kvalitní kandidáti na inzerát ozvú.

Niektoré spoločnosti idú pri hľadaní vhodných kandidátov nad rámec bežných inzerátov. Vytvárajú na sociálnych médiách samostatné stránky, či skupiny venované kariére v ich spoločnosti alebo len určitej špecifickej kariérnej oblasti. Na týchto stránkach zverejňujú nielen inzeráty a informácie o voľných pracovných miestach, ale aj zaujímavosti zo zákulisia práce v ich firme alebo v obore všeobecne. Budujú vzťah s ľuďmi, ktorí sa rozhodnú stránku sledovať alebo sa pridať do danej skupiny a zároveň budujú dôveryhodnosť zamestnávateľa.

Pri získavaní a výbere zamestnancov môžu sociálne médiá zohrať dôležitú úlohu. Výhodami môžu byť *„skrátenie doby náborového cyklu, redukcia nákladov, zabezpečenie širšieho rozsahu možných uchádzačov"* (Matušovičová – Pavlíková, 2020).

Zamestnávatelia môžu zamestnancov prostredníctvom sociálnych médií získavať aj inými spôsobmi ako len pasívnym spôsobom uverejnením informácie o voľnej pracovnej pozícií. Medzi aktívne spôsoby získavania zamestnancov patria napríklad:

- Zverejniť nejakú výzvu alebo náročnú odbornú otázku a podľa odpovedí v komentároch kontaktovať ľudí, ktorí poskytli najlepšiu odpoveď.
- Budovať a sledovať spojenia s pasívnymi kandidátmi, ktorí v súčasnosti prácu nehľadajú a osloviť ich v momente, keď bude v spoločnosti voľná vhodná pozícia pre daného kandidáta.
- Vytvárať na sociálnych sieťach špecializované náborové stránky pre špecifické odvetvia. (SHRM).

Tak ako v každej marketingovej komunikácií, aj pri výbere sociálnych médií pre účely personálneho marketingu je potrebné zvážiť, ktoré médium najlepšie vyhovuje účelu a cieľu, ktorý chce spoločnosť danou komunikáciou dosiahnuť.

Smart Media Agency (2022) dodáva, že okrem špecifických strategických cieľov by mala byť definovaná aj cieľová skupina, ktorá môže byť oslovená relevantným kanálom.

V tabuľke je uvedený prehľad vybraných sociálnych médií, ktoré môžu byť využité pre účely externého personálneho marketingu, charakteristika cieľovej skupiny zamestnanca, ktorá môže byť cez tieto sociálne média oslovená a príklad využitia sociálnych médií na externý personálny marketing konkrétnymi firmami. Rôzne sociálne média ponúkajú rôzne spôsoby ako potenciálnych zamestnancov osloviť.

**Tabuľka 1** Sociálne médiá využívané v externom personálnom marketingu

| Sociálna sieť | Cieľová skupina | Príklady využitia firmami |
|---|---|---|
| **LinkedIn** | Užívatelia využívajú túto platformu najmä pre pokrok vo svojej kariére alebo biznise. Je možné osloviť používateľov podľa odvetvia, vzdelania alebo typu práce. | Migros-Genossenschafts-Bund: Přehled \| LinkedIn spája obsah budovania značky zamestnávateľa s obsahom zameraným na klientov. |
| **Facebook** | Potenciálny kandidáti nad 35 rokov. | Facebook stránka @AustinDigitalJobs má zároveň vytvorené aj Facebook skupiny pre špeciálne cieľové skupiny potenciálnych zamestnancov – Austin Digital Jobs a Remote Digital Jobs. |
| **Instagram** | Užívatelia sú prevažne vo veku 15 až 35 rokov. Takmer polovica z nich je odborníkom v určitej oblasti alebo majú vysokoškolské tituly. | Samostatný účet na nábor zamestnancov @marriottcareers. |
| **TikTok** | Skvelý na oslovenie vhodných kandidátov Gen Z. | Chipotle využíva TikTok na získavanie nových zamestnancov cez obsah, ktorý pridáva na svojom profile alebo cez #tiktokresumes, ktorý je na tejto sociálnej sieti využívaný záujemcami o prácu. |
| **Twitter** | Užívatelia Twitteru sa prihlasujú do tejto siete preto, aby sa mohli priamo spojiť so svojou obľúbenou značkou alebo ľuďmi. | Samostatný profil na nábor zamestnancov Disney Careers - @TWDCjobs. |
| **Reddit** | Možnosť nájsť koncentrované skupiny špecializovaných pracovníkov v niektorých odboroch, najmä | McDonaldsEmployees dáva priestor zamestnancom, aby priblížili |

| | | |
|---|---|---|
| | pre vzdialené pozície, kde nie je dôležité miesto výkonu práce. | voľným spôsobom svoju prácu. Efektívnejším spôsobom ako využiť Reddit na hľadanie vhodných kandidátov je sledovanie komunít v oblasti, v ktorej firma hľadá špecialistu a priame oslovenie ľudí, ktorých príspevky sú pre firmu najrelevantnejšie. |
| **Youtube** | Na Youtube je možné osloviť takmer každú cieľovú skupinu. Je to príležitosť zdieľať rozhovory a obsah, ktorý ukáže potenciálnym záujemcom, aký je život v danej spoločnosti, ideálne cez optiku súčasných zamestnancov. | Life at Google prináša pravidelný obsah o práci, kultúre, prostredí a pod. v spoločnosti Google. |
| **Blog** | Umožňuje šíriť informácie a obsah pre rôzne cieľové skupiny zaujímavou formou (článok vrátane fotografií a videí). | Publikum má zároveň možnosť zapojiť sa formou komentárov pod blogovým článkom. Môže tak slúžiť aj na budovanie povedomia a značky zamestnávateľa. PRO Business Solutions je príkladom využitia blogy personálnou agentúrou. |
| **Audiovizuálny obsah** | Dokáže zasiahnuť široké publikum na veľkú vzdialenosť. Spôsob spracovania obsahu by mal byť prispôsobený cieľovej skupine, akú chce spoločnosť osloviť. | Audiovizuálny obsah je mienkotvorný, pomáha budovať dôveru, je osobnejší ako tlačené materiály a oproti osobnej komunikácií dokáže zasiahnuť širšie publikum na väčšiu vzdialenosť. Dokáže vzbudzovať emócie, tvoriť takzvaný „love brand" zamestnávateľa. Slovak Telekom je príkladom takejto tvorby so zapojením vlastných zamestnancov. |

Zdroj: Vlastné spracovanie podľa Smart Media Agency, 2022, Grensing-Pophal, 2021, Matušovičová, 2022 a Szivósová.

## 2.3 Sociálne média v internom personálnom marketingu

Sociálne média v internom personálnom marketingu prispievajú najmä k informovanosti zamestnancov, komunikácií medzi zamestnancami, budovaniu motivácie, pracovných vzťahov, firemnej identity a k vzdelávaniu a rozvoju zamestnancov.

Interný personálny marketing však nie je oddelený od toho externého. To ako spoločnosť buduje svoju značku zamestnávateľa ide ruku v ruke vo vnútri firmy a vonkajšom prostredí. Je to vzájomne prepojený a vzájomne sa ovplyvňujúci proces.

*„Používanie sociálnych médií na* internú *komunikáciu nevytvára len platformu, na ktorej môžu ľudia „chatovať". Namiesto toho ide o pozitívne výsledky, ku ktorým dochádza prostredníctvom interakcií zamestnancov, ako je vyššia miera udržania zamestnancov a vytváranie ambasádorov značky, ktorí sú nadšení pre svoju prácu*" (Fear, 2014).

*„Zamestnanci sú často viac angažovaní, ak sa cítia informovaní a ak veria, že ich názory sú vypočuté. Sociálne médiá môžu zamestnávateľom poskytnúť spôsob, ako šíriť informácie, ako aj spôsob, ako získať komentáre zamestnancov*" (SHRM).

Sociálne médiá môžu zohrať dôležitú úlohu pri motivácií zamestnancov, a to najmä cez prejav uznania, ktorý je základným a najmenej nákladným spôsobom. Prejav uznania za výborné výsledky, môže byť urobený verejne, pred všetkými zamestnancami (alebo dokonca aj pred širokou verejnosťou – v prípade výnimočných úspechov, ktoré stoja za zmienku a môžu napomôcť budovaniu značky zamestnávateľa). Ďalším zo spôsobov motivácie môžu byť rôzne výzvy, súťaže a odmeny za plnenie podmienok. Spoločnosť môže premeniť ciele zamestnancov, oddelení a celej spoločnosti na programy, výzvy a súťaže, ktoré uznávajú a odmeňujú dosiahnuté úspechy v reálnom čase. Môžu vytvárať tímy, definovať metriky, zverejňovať víťazov a udeľovať ceny (Baer, 2018). Sociálne médiá sú ideálnym komunikačným kanálom na vytváranie povedomia o takýchto súťažiach a zároveň na vzbudzovanie záujmu hravou a modernou formou.

Sociálne média v internom firemnom prostredí nepredstavujú len kanál na šírenie vzdelávacieho obsahu, nie sú len doplnok vzdelávania, ale aj menia spôsob vzdelávania. *„Sociálne médiá umožňujú zamestnávateľom využiť potrebu mladej generácie spolupracovať a učiť sa, čo následne premení pracovisko na prostredie, kde sa ľudia učia vzájomne a prirodzene neustále, nielen počas jedného školenia. Sociálne médiá umožňujú interakciu so zamestnancami pred samotným školením, počas neho aj po ňom. Organizácie však budú musieť zmeniť spôsob, akým uvažujú o školiacich a vzdelávacích programoch. Tréningové modely, ktoré sa zameriavajú na kontrolu obsahu a posúvanie informácií smerom k tým, čo sa školia, nebudú fungovať v prostredí sociálnych médií.*" (SHRM)

*„Informácie a znalosti zdieľajú ľudia, nie organizácie.*" Vytváranie vzťahov je pre úspech v obchode a podnikaní nevyhnutné a sociálne médiá pomáhajú spájať ľudí, ktorí často nadväzujú vzťahy na celý život (National Business Research Institute).

Sociálne médiá v internom firemnom prostredí vytvárajú priestor pre zamestnancov na prepájanie, komunikáciu a spoluprácu na pracovných iniciatívach. Podnecujú priestor pre neformálnu komunikáciu a stierajú hierarchické rozdiely. Zároveň môžu prispieť aj k priradeniu správnych zamestnancov na správne otvorené pozície vo firme a pod.

Sociálne médiá vo firmách *„uľahčujú nepretržitú komunikáciu zamestnancov, ktorá podporuje povedomie o úlohách a zodpovednosti kolegov v iných oddeleniach a pomáha zamestnancom lepšie im porozumieť. Zároveň to pomáha zamestnancom cítiť sa súčasťou celku a zvyšuje sa spokojnosť zamestnancov v práci" (National Business Research Institute).*

K využívaniu sociálnych médií v internom personálnom marketingu môžu spoločnosti pristúpiť rôzne. Môžu využiť dostupné existujúce siete a ich možnosti tvorby súkromných profilov, uzavretých skupín, messengerov a pod. alebo si môžu vytvoriť vlastnú sociálnu sieť, tzv. internú sociálnu sieť.

Tabuľka 2.2 poskytuje prehľad sociálnych médií, ktoré môžu byť využité v internom personálnom marketingu a príklady spôsobov, akými je k tomu možné pristúpiť.

**Tabuľka 2** Sociálne médiá využívané v internom personálnom marketingu

| Sociálna sieť | Príklad použitia |
|---|---|
| **Facebook** | Uzavreté skupiny môžu byť využívané na komunikáciu nových programov, školení, rôznych zásad zamestnávateľa, ale aj zdieľanie spoločných firemných zážitkov a pod. Zamestnanci môžu okamžite reagovať komentármi alebo otázkami. |
| **LinkedIn** | |

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|---|---|
| **Messengery sociálnych médií** (Whatsapp, Viber, Facebook Messenger, Telegram a pod.) | V neformálnej internej komunikácií firiem sa môžu vytvárať samostatné záujmové skupiny, napr. podľa oddelení, alebo skupiny pracujúce na rovnakom projekte a zdieľať tak okamžite informácie, názory alebo komentáre. Ponúkajú možnosť komunikovať osobne jeden na jedného ale aj vo väčšej skupine (s viacerými účastníkmi konverzácie naraz). Komunikácia je nenákladná a umožňujúca zdieľanie textu, obrázkov, audia, videa (resp. videochat). Pomáha budovať silnejšie vzťahy a povedomie firemnej komunity a kultúry a zároveň približovať vedenie firmy k zamestnancom autentickým spôsobom. |
| **Twitter** | Môže byť využitý na mikroblogovanie. Zamestnanci môžu klásť otázky, komentovať, vymieňať si informácie s kolegami, dať rýchle inputy a spätné väzby na projekty, zdieľať dokumenty, návrhy alebo prezentácie. |
| **Youtube** | Veľmi široké využitie. Videá môžu byť vytvárané takmer na čokoľvek. Od tutoriálov a návodov ako pracovať vo firemných programoch, ako spracovať úlohy až po motivačné videá a príhovory manažmentu. V nastaveniach je možné videa obmedziť len pre ľudí, ktorým je zaslaný odkaz a pod. |
| **Audiovizuálny obsah** | Môže ísť o rôzne videá od vedenia spoločnosti, zamestnancov, ale aj videokonferencie, teda porady, či prezentácie a konferencie nahrané vopred alebo organizované naživo v reálnom čase (napr. cez MS Teams, Zoom, Vimeo, Google Meet a pod.). Je mienkotvorný, pomáha budovať dôveru, je osobnejší ako tlačené materiály a oproti osobnej komunikácií dokáže zasiahnuť širšie publikum na väčšiu vzdialenosť. Dokáže vzbudzovať emócie, tvoriť značku zamestnávateľa, vzdelávať, zdieľať výsledky a pod. Zároveň pri videokonferenciách naživo otvára priestor pre diskusiu, stretávanie sa na väčšie vzdialenosti, uľahčuje medzinárodnú komunikáciu; vďaka prekonávaniu geografických bariér je skvelou alternatívou k osobnej komunikácií a pod. Vo všeobecnosti patrí medzi menej nákladné formy komunikácie (s výnimkou tvorby kvalitných video nahrávok – ak sa zapojí profesionálna produkcia a pod.). |
| **Intranet** | Patrí medzi kanály, ktorými sa môže v organizácií šíriť formálna, ale aj neformálna online komunikácia. Z formálnej stránky, by pomocou intranetu mali mať zamestnanci prístup ku všetkým potrebným informáciám, vrátane interných dokumentov, newslettrov, reportov a osobných informácií zamestnanca. Zároveň intranet slúži na posilnenie budovania zamestnávateľskej značky, filozofie a hodnôt spoločnosti, vrátane stratégie, vízie a pod. Z neformálnej stránky môže slúžiť na zdieľanie zaujímavosti o spoločnosti, neformálnych akciách zamestnancov, ale aj na ocenenie zamestnancov s najlepšími výsledkami a pod. Je vhodné, aby bol obsah na intranete tvorený moderným a zaujímavým spôsobom, vrátane fotografií, videí a prípadne blogových článkov tak, aby pritiahol pozornosť zamestnancov. Zamestnanci majú prístup k informáciám 24/7. Znižuje množstvo nepotrebných materiálov v tlačenej verzii alebo šírených elektronickou poštou. |
| **Blog** | Býva väčšinou súčasťou intranetu. Umožňuje šíriť informácie a obsah pre zamestnancov zaujímavou formou (článok vrátane fotografií a videí). Zamestnanci zároveň majú možnosť sa zapojiť, či už formou komentárov pod článkom alebo aj aktívnou tvorbou obsahu článkov na blogu. Môže tak slúžiť aj na budovanie povedomia o dôležitých projektoch jednotlivých oddelení (aj z pohľadu zamestnancov), väčšej spätosti so spoločnosťou a firemnou komunitou. Predstavuje tak kombináciu formálnej a neformálnej formy komunikácie. Je skvelým nástrojom aj |

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|---|---|
| | na vzdelávanie zamestnancov na rôzne témy. Pomáha budovať vzťah a dôveru (aj k vedeniu a medzi zamestnancami navzájom článkov). |
| **Interné sociálne siete** | Mnohé spoločnosti zvolili prístup vytvárania vlastných sociálnych sietí. Napr. IBM, Microsoft a pod. Má to mnohé výhody, napr. vytvorenie sociálnych sietí presne podľa potrieb danej organizácie, uzavreté prostredie s prístupom len pre zamestnancov zabraňuje úniku dôverných informácií a pod. Využitie takýchto interných sociálnych sietí je postavené na rovnakých základoch ako pri verejných sociálnych sieťach. Pre ich úspech sa však vyžaduje aktívna účasť manažérov a prípadne vybraných zamestnancov, ktorí predstavujú ambasádorov pre dané sociálne siete. |
| **Interné chaty** | Umožňujú rýchlo vydiskutovať prípadné nejasnosti, obísť formálnu e-mailovú komunikáciu a dostať sa k informáciám rýchlejšie. Ide o chaty, ktoré je možné mať nainštalované priamo v počítači a otvorené pri práci. V prípade zapnutého hlásenia príde oznámenie o novej správe. Zamestnanci si tak medzi sebou môžu rýchlo vydebatovať dotazy mimo oficiálnejšiu e-mailovú komunikáciu. Zároveň si môžu rýchlo zdieľať súbory, online odkazy, ale aj iný obsah (videá, obrázky a pod.). Podobne ako pri messengeroch sociálnych sietí aj tu je možnosť komunikovať osobne jeden na jedného alebo v skupine. |
| **E-mail** | Je v súčasnosti najrozšírenejším spôsobom komunikácie v organizáciách a medzi zamestnancami naprieč všetkými úrovňami. Umožňuje nahrádzať aj tlačenú formálnu komunikáciu a zároveň vytvára priestor na rýchlu operatívnu komunikáciu v rámci organizácie. Šetrí čas, náklady, dokáže zasiahnuť široké publikum, no zároveň môže slúžiť aj na cielenú osobnejšiu komunikáciu, umožňuje uchovávať konverzáciu a komunikáciu a je možné sa k nej spätne vracať (pri potrebe overiť si informácie, správnosť vypracovania úloh a zadaní, dohľadať dôležité informácie) a pod. Existuje tu aj riziko informačného zahltenia - zasielania prílišného množstva e-mailov, čo môže zároveň viesť k neschopnosti určiť priority úloh, rozpoznať dôležitú správu a pod. |

Zdroj: Vlastné spracovanie podľa Matušovičová, 2022 a Men a Bowen, 2017.

Voľba správneho sociálneho média v internej komunikácií závisí od samotného cieľa komunikácie. Podobne ako pri externej marketingovej komunikácií, aj v internej komunikácií je potrebné zohľadniť množstvo faktorov a nastaviť komunikáciu tak, aby zodpovedala cieľom, stratégií a bola v čo najväčšej miere efektívna. Zároveň závisí aj od publika, s ktorým komunikujeme a prečo, od dostupnosti médií (kanálov komunikácie), ich nákladovosti, rýchlosti doručenia informácie a pod. Voľba jednotlivých médií tak bude rozdielna naprieč jednotlivými spoločnosťami ale aj oddeleniami. Aj v tomto prípade je vhodné komunikáciu plánovať.

## Záver

Využitie sociálnych médií na personálny marketing býva čím ďalej tým bežnejšou praxou firiem smerom von k externému publiku. V internom prostredí je často ich využívanie ešte nedocenené, prípadne sa využívajú skôr spontánne, nekoordinovane nadšencami, ktorí v nich vidia potenciál, prípadne urýchlenie a uľahčenie bežnej firemnej komunikácie, ktorá môže nabrať neformálny charakter. Sociálne médiá však v dnešnej dobe prinášajú veľký potenciál v personálnom marketingu v oboch smeroch, či už von z firmy alebo vo vnútri firmy. Preto je dobré, aby vedenie spoločností pristúpilo k ich využívaniu strategicky, koordinovane a zahrnulo ich do celkovej stratégie nielen v personálnom marketingu, ale v komunikačnej stratégií firmy ako celku, aby ich využívanie odrážalo základné hodnoty, filozofiu, princípy a ciele spoločnosti a bolo prínosom.

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# New trends in crisis communication in context of social media

Lukáš Piatra

***Abstract***

*An integral part of PR is crisis management, which includes crisis communication. Social networks have a big impact on changes in crisis communication. It has become the most effective means of communication in the world in a short span of time due to the possibility of sharing, networking and the power and ability of mass posting. Social media like Facebook, Twitter, Instagram, Pinterest and more are creating a new era of crisis communication between the organization and its stakeholders. The aim of this paper was based on the literature review analyze and point out new trends in crisis communication caused by the influence of the social networks. Few new trends were identified in this study such as: informing and creating dialogue, monitoring the public opinion and understanding the logic of social media to enhance the crisis communication strategy.*

***Key words***

*PR, crisis communication, crisis management, digital environment, social media.*

**JEL Classification:** M15, M30,

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## Introduction

The Internet and social networks such as Facebook, Twitter, Instagram, Pinterest and others are creating a new era of crisis communication between the organization and the public. On the one hand, organizations can effectively use social networks to interact with a large mass of diversified people (Bennett & Lyengar, 2008). But on the other hand, with the creation and exchange of user-generated content, social media create a breeding ground for crises or risks. Studies of 16 international companies (USA, China, France, Germany and Mexico) found that 36% of crises were caused by digital security failures or negative publicity in new media (Burson-Marsteller, 2011). What new trends can we observe in crisis communication with the constant increase in the use of social media?

Public relations (referred to as PR) are an interactive system that uses one or more communication tools in order to obtain a measurable effect. PR was created at the turn of the 19th and 20th centuries in the constant effort of politicians to improve their image in front of the public. There are many concepts and definitions for PR. A popular definition is offered by the Foundation for Research and PR Education: PR is a distinctive management function that helps create and maintain communication, understanding, acceptance, and cooperation between an organization and its users. PR does not focus on the product, but focuses on the organization as a whole. The main goal of PR is to achieve audience understanding and to influence (influence) public opinion. Towards the public, PR can be divided into the following areas:

- media relations,
- external and internal communication of the company,
- event,

- lobbying,
- public affairs,
- crisis communication.

PR communication is not only about positive information and news of the organization, but also about solving crisis situations. According to Přykrilová and Jahodová (2010), before any crisis occurs, every company should conduct a crisis audit, i.e. identify different risks and categorize them. Following the crisis audit, it is necessary to carry out a crisis communication plan - what will happen when something happens. Crisis management, in the case of a crisis situation, is a process consisting of activities evaluating crisis signs and subsequent application of necessary measures in order to recover from the crisis with minimal losses (Simola, 2014).

Nowadays, it is necessary to consider where, when, how and in what way a crisis can occur, who and how many people can be affected.

In short, an organization must start crisis management before a crisis actually occurs. PR is an effective communication factor before, during and after a crisis (Civelek, 2019). In times of crisis, PR management is important. The PR program is implemented in two phases. The first phase is accepting the existence of a crisis, obtaining information about it and mobilizing the crisis management team formed during the preparations for the crisis. The second phase informs the environment of the organization about the crisis, informs employees, informs the target audience and informs the media (Coombs W. T., 2015). According to Kadárová (2014), crisis communication can be divided into:

- internal communication that takes place inside the company, e.g. between crisis management components or between management and company employees,
- external communication, which concerns the company's external relations (e.g. with the population through media),
- communication of members of the intervening units with individuals and groups affected by an extraordinary event, e.g. communication of firefighters, paramedics with the injured and their families, communication of police officers with bystanders and media representatives.

As stated by Jaques (2009), many definitions of crisis communication can be categorized into two types: one is to define a crisis as an event (Coombs, 2015); the second type is to consider the crisis as part of the process (Roux-Dufort, 2007). For the sake of this paper, Coomb´s (2015) definition of crisis was adopted as "an unpredictable event that threatens important expectations of stakeholders and can seriously affect organizational performance and generate negative outcomes". Based on Coombs' (2015) widely used categorization, this paper can divide a crisis into three phases of analysis, which include pre-crisis (signal detection, prevention and preparation), crisis event (recognition and containment) and post-crisis (assessment, learning and follow-up communication).

The ideal situation for an organization is when there is no crisis. However, few organizations can successfully avoid all unforeseen crises and potential reputational damage. Therefore, previous researchers (Coombs, 2007, 2015; Sturges, 1994, Bradford & Garrett, 1995, Kim & Liu, 2012) have developed several crisis management theories or models to help organizations eliminate or minimize the damage caused by crises.

Sturges (1994) previously described three types of communication strategies (i.e., instructing, adapting, and internalizing information). In particular, instructional information told people how to physically respond to the crisis, adapting information helped people process the crisis emotionally, and internalizing information formulated a positive "image" of the organization. In the crisis communication model, Sturges (1994) used the term "individuals" to describe stakeholders and used the tonality of public opinion to measure the effectiveness of communication. In (1995), Bradford and Garrett conducted management research that proposed four corporate crisis communication strategies (i.e., denial, apology, justification, and concession) in four different scenarios (i.e., commission, control, standards, and agreement). Their empirical research showed that the concession strategy was the most effective communication option.

Coombs (2007) developed a theory of situational crisis communication, where he proposes that crisis managers adapt strategic responses based on crisis liability and the reputational threat that the crisis poses

Coombs (2007) developed a theory of situational crisis communication, where he proposes that crisis managers adapt strategic responses based on crisis liability and the reputational threat that the crisis poses. Coombs (2007) further identified three types of crises: the victim cluster, the accidental cluster, and the intentional cluster. Subsequently, on the basis of crisis responsibility and reputational threat, he proposes one of the strategies: Inform, reduce, deny, rebuild or victim strategy. Subsequently, Coombs (2014) expanded the strategies to include the following: sympathy, attack the accuser, denial, scapegoat, provocation, excuse, justification, compensation.

Kim & Liu (2012) came up with two main strategies, which are improving the image of the company or risk transfer. In their study, they found that the response enhancement strategy was more effective.

## Methodology

In the preparation of the paper, we rely mainly on the available literature dealing with the issue of crisis communication. The basis for processing the article is a theoretical analysis of the problem by studying the literature, both domestic and foreign. Within the framework of the analysis of the existing knowledge and opinions on the studied topic, the theoretical knowledge is divided into individual parts, which leads to a better knowledge and understanding of the studied issue. Primarily academic journals were drawn upon and two major relevant academic disciplines (PR and communication) were selected for screening (time span from 1990 to 2022). The starting point for identifying sources for data collection on emerging trends in crisis communication (i.e., publications analyzing social media and crisis communication) was to search relevant databases. Searches related to new trends in the context of social media focused on articles published between 2004 and 2022. There were two reasons for examining this time frame in this study: (1) in 2004, Facebook, currently the largest social media platform, was launched; and (2) other early social media platforms also began to attract scholarly attention (Kümpel, Karnowski, & Keyling, 2015). A keyword screening method was used to filter related articles. Articles with the following keywords in their titles, abstracts, or keyword sections were selected for consideration: any of "social media," "new media," "PR," "crisis communication," "Facebook," "Twitter," "social media in crisis communication," or "Web," and any of "crisis" or "crises." The aim was to identify new trends in crisis communication strategies caused by the influence of social media by analysing the available literature.

## Results and discussion

Social media has become the world's most effective means of communication in a short span of time due to the ability to share, network, and the power and capability of mass publishing (Civelek, 2019). According to Fischer and Reuber (2011), it is known that there are three factors in society that influence how ideas spread among people. The first is the ease of spreading the message and in a simplified manner. In this, the internet o social media plays a significant role. The second factor is to make the message/idea understandable. The third factor is to repeat the message/thought over a longer period of time in a polyphonic manner. Social networks play a distinctive role in this. Especially the use of the # "hashtag" on Twitter and Instagram, which allows messages to spread through thousands of people. Negative, unrealistic and manipulative messages and ideas are also spread in this way. Studies have revealed the more people share a message or idea on a social network, the more accredited and true it becomes (Civelek, 2019). Social media and the internet open up great opportunities for an organization's PR activities. A message can reach mass audiences around the world in the most economical way, making social media attractive to organizations and the public alike. On the other hand, it is a space where user-generated information is created, causing uncontrolled and uncensored sharing of information, resulting in misinformation, 'hoaxes' and fake news.

## Social networks and their impact on crisis communication

According to Anouar (2014), the possibility of creating content for everyone offered by social networks seemed to improve democracy and freedom of expression. However, it later became evident that the more social media posts that are created, the more challenging it is to access trustworthy information. This creates misinformation, hoaxes and fake news that can negatively affect the reputation of an organisation. For example, the aim of a fake news story may be to damage the reputation of an individual or entity or to gain advertising revenue.

By examining the above strategies within the history of crisis response research, this study found that the above theories and models have been progressively revised to take into account the impact of social media which has been changing the field of crisis communication by creating risks or crises while bringing interactive, dialogic and rapid communication between the organization and stakeholders (Schultz, 2011). Much of the literature on crisis communication in social media has discussed some new strategies and contexts such as interactive crisis response form, strategies required by stakeholders on the Internet, and social media strategies on the perception of reputation by the recipients (Schultz et al., 2011).

## Development of dialogue, information and opportunity for public debate.

The most common recommendation identified in the sample of articles concerned the need to develop a dialogue between business and the public and selecting the right message, medium and timing for effective crisis communication on social media. Effective dialogue seems to be mainly based on demonstrating that the organization listens to concerned or critical citizens and consumers during a crisis situation, although it is not easy to achieve a true dialogue during a social media crisis (Ott & Theunissen, 2015). In the context of corporate communication, a crisis can generate a lot of discussion on social media and organizations need to be proactive and active participants in using a dialogic strategy to reinforce organizational ideas (Spence, Lachlan, Sellnow, Rice, & Seeger, 2017). For example, by engaging stakeholders through social media, this strategy can help organizations find the best solutions to respond to a crisis (Romenti, Murtarelli, and Valentini, 2014). However, the dialogue strategy does not seem to be effective in all situations. Ott & Theunissen (2015) found that a dialogic approach is only effective if users are affected by the crisis; if they are not, a dialogue strategy may incite anger.

There are also studies that argue that accommodation strategies appear to be more successful than denial or diminishment strategies (Ott & Theunissen, 2015) and that blaming others is not an effective crisis response strategy in social media settings (Schwarz, 2012). However, not all studies find apology strategies of various kinds to be the most effective. Some scholars recommend using informational messages and tactics in social media rather than apology strategies. They argue that informational messages precipitate and increase secondary crisis communication on social media while creating greater acceptance of the crisis (Chung & Lee, 2016). Coombs & Holladay (2009) found that informational strategies resulted in fewer negative crisis reactions than apology and sympathy strategies.

## Understanding the logic of social networks for effective use in crisis communications

Some researchers have been optimistic about the effective function of social media. However, they attach importance to the effective use of social media for crisis communication in making friends before the business needs them (Park et al., 2011). This recommendation also relates to the need to understand the logic of social media and the need to plan for the strategic use of social media before a crisis hits the organization. If the public does not even know where to look for information, or where and how they can contribute their own information, crisis information is unlikely to be effective (Guo, 2017). Getchell and Sellnow (2016) provide another example that an organisation should establish itself in the social media sphere before a risk and/or crisis and demonstrate that the organisation is there to disseminate information, communicate and listen. Good preparation on social media can even increase the chances of becoming a mainstream information flow during a crisis and limit the spread of uncontrolled and false information.

## Monitoring public opinion through social media

One of the new trends in crisis communication concerns the great potential of social media, namely the monitoring of public opinion. Thus, social media can serve as a tool for listening to the public and public debate in the media as part of risk and crisis management (Howell, 2015). Organizations should scan social media, monitor their environment for emerging issues and also be proactive and timely to monitor online issues among the public (Krishna & Vibber, 2017).

Further, Liu et al. (2012) found that social media was more frequently used than traditional media in organizational crisis management. They argued that the types of crises (victim and intentional) had almost no direct effects; instead, media channels (Twitter, Facebook, and newspapers) had a strong influence on the effectiveness of the crisis communication strategy. Through social media compared to traditional media, Schultz et al. (2011).

Conversely, some scholars argue that crisis managers and crisis communication practitioners should take into account the fact that traditional media is considered a more credible source of information than social media during a crisis (Cooley & Jones, 2013). According to Arlikatti (2014), television, radio, and public press conferences are still the most effective crisis communication tools, while social media platforms (e.g., Facebook or Twitter) are not perceived on the same level, especially when it comes to crisis communication with diversified groups of citizens, and groups with different crisis information needs. Social media is therefore primarily a complement to existing channels for crisis communication (Liu, Jin, & Austin, 2012) and should only be considered as an additional part of a broader communication strategy linking traditional and social media (Gurman & Ellenberger, 2015)

## Conclusion

Effective crisis communication should start before the crisis. Social media brings new opportunities and, if grasped correctly, makes an organisation's crisis communication more effective. It is the capabilities of social media that bring new trends to crisis communication such as awareness, discussion management, interactive communication and public opinion monitoring. Based on the research, researchers have found that the most effective crisis communication is that which combines traditional media with social media such as Facebook or Twitter. However, researchers disagreed on which media whether traditional or social is more effective. Deeper exploration and more detailed follow-up research would be needed to test the effectiveness of social media as a means of crisis communication and its effectiveness. A limitation of the research was the limited access to publications that would validate and unify the different strategies and their effectiveness. However, the result remains that the application of social media to crisis communication strategy is essential in today's digital age.

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# The importance of business performance measuring[1]

Dominika Popovičová[2]

***Abstract***

*It is absolutely necessary for companies to maintain their position in the market in their industry. Therefore, every company must recognize the need to measure the company's performance. The aim of this paper is to bring closer the importance of measuring the performance of the company in relation to the innovation performance of the company and the basic indicators to measure this performance. Using comparative and analytical methods, it is possible to conclude that the company must come up with new ideas and innovations in products and individual processes in order to maintain customer loyalty. Based on successful innovations, the company's performance increases because the product that is the result of innovative activities makes the company more competitive.*

***Key words***

*Enterprise performance, performance measurement, innovation, enterprise innovation performance*

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## Introduction

Determining the effectiveness of a particular product or service is a very important part of any company or business. It not only provides insight into the product/service usage, reach, consumer age group, or product/service demographics of the company, but also whether the marketing and sales plans are effective or can be improved to achieve greater reach and awareness. Currently, the prosperity of some companies is very questionable, so it is necessary to find out what stage of the life cycle each product is in and how the company is performing. Products are in themselves an important part of the company and also part of the marketing mix. The product must be aimed at the customer to interest him and make him buy, because that is what brings profit to the companies. In order to maintain its position in the market and its competitiveness with other companies, the company must use innovations that are related to its performance. Nowadays, innovations become an irreplaceable and very necessary part of any product or service. Their introduction into processes and functioning is often lengthy and consists of an innovation process that the service or product must go through, but in the end, if the innovation of the product or service is successful, it can greatly help the functioning of the company in the market. Assessing business performance is important because it not only provides insight into the overall performance of one's business, but rather, by monitoring market performance, a business can track market growth, as well as understand future market forecasts that companies and businesses can use to effectively plan and position their products and services in light of changing times

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and trends. Measuring performance and choosing the right targets is still less necessary for some companies, but sooner or later they will start to realize its importance.

## 1 Methodology

The aim of the paper is to highlight the importance of measuring business performance in conjunction with the innovative performance of the company, the measurement of business performance and the basic indicators. Sub-objectives include the identification of the basic concepts of product management, the identification of the product, the need for its development and the importance of the structure of its life cycle.

Literature research was used to systematically search individual database portals and book publications to obtain the theoretical knowledge of the authors, which could be compared in more detail using the comparison method to see how individual opinions differ. The main task of the literature review was to provide a comprehensive overview of the current literature and the topic of the importance of performance measurement of companies and to be able to better orient oneself in this topic.

The thesis is divided into two chapters, in the first we describe the objective and methodology of this work and in the second we present the obtained theoretical results of the work. The theoretical results are divided into the identification of the basic concepts and, therefore, mainly the product and its definitions. Other parts include the performance of the company, its measurement or indicators, and thanks to the fact that innovation also affects this subject, we have tried to bring closer the innovation performance of the company.

## 2 Results and discussion

According to Kotler and Armstrong, the company's philosophical orientation helps in the formation of individual goals for the company's success and also transfers general philosophical and conceptual approaches to the company's decisions, which are only partial. In the context of product orientation, there are 5 philosophies, namely: manufacturing (production), product (product), sales (sales), marketing and social (synergic). In the product orientation, the product is a crucial element that emphasizes the special characteristics of the product and its features (Kotler & Armstrong, 2011).

### 2.1 Identification of basic terms

The product is the basis of product management, which satisfies the needs of customers, who are the main consideration in the evaluation of the company and products that have a quantifiable value. The adaptation of products to the needs and requirements of the market is the goal to achieve customer satisfaction (Gaubinger et al, 2015). Product management has fundamental tasks to perform, which include the creation of long-term competitive product strategies that ensure the achievement of planned sales, profits, and market share. It also involves creating annual marketing plans, forecasts, and budgets, collaborating with marketing agencies and obtaining constant information from marketing research, and finding ways to create new products and improve existing ones (Strhan & Knošková, 2011).

The product can be developed through various forms of innovation, such as design changes, innovation of production technologies or processes, and precisely according to Porter, innovation is a process that uses these changes to improve current products, but also to create new ones (Porter, 2011). Based on individual successful innovations, the probability of selling a product for a certain market segment increases, and this success in selling a product can be expressed by a product life cycle curve (Daneshjo, 2020).

The life cycle of the product shows the position of the product in the market and, at the same time, how the time factor affects the change of interest of customers. The analysis of the product life cycle is carried out by observing the course of changes in the product processes, the aim being to use the information obtained already during the preparation of the product until its application on the market. The duration and progression depend on the influence of individual environmental factors and also on the success of the product innovation (Kloepffer, 2008). For a product to be successful, it is also necessary to ensure its competitiveness by choosing an appropriate product strategy, which ensures that organizations are able to be flexible and change or develop their strategy depending on the market situation. When planning this product strategy, it is necessary to identify indicators that answer questions about the volume of sales, the impact of the new product on existing products, brand equity or customers' expectations of the new product (Gubíniová, 2013). In order to evaluate the individual marketing activities and their impact on the company's performance, it is inevitable to determine how they can be measured using performance indicators following the marketing activities.

## 2.2 Business performance

With shorter product life cycles and increased competition in many industries, product development is becoming more and more important. Companies such as Toyota, which work according to the principle of lean thinking in product development, have a significantly shorter time to market and, in addition, lower costs for the development of their products (Morgan & Liker, 2006). Development systems are therefore a current trend and are the focus of science and research. There are several approaches to implement lean thinking and streamline processes in product development. The main goal is a value-oriented, resource-efficient and fast innovation process in product development. The key elements of a lean product development system are e.g. simultaneous engineering, supplier integration or a process based on standardization sets (Balle, 2005).

After a company has implemented lean processes and set them up for product development, it is important to make them sustainable. The process of continuous improvement ensures the ongoing use of the lean development system. An important prerequisite for the process of continuous improvement is the fixing of company goals. The goals are a guide and a tool that helps employees to increase the efficiency of their work and thus achieve the described future state. They can vary in detail and be set at different levels of the company's hierarchy: For example, formal goals can describe the expected economic success of the whole, while entrepreneurial or derived sub-goals describe company divisions. Goals should be formulated that are clear, measurable, fixed, and can be achieved with the available resources within a certain time frame (Hentze et. al., 1993).

The performance of the company is evaluated on the basis of the successful functioning of the company, and this is associated with three basic concepts that have a similar meaning. It is the performance, which is the general level of effort of an individual and indicates a mutual relationship of contribution - benefit and resources used. Another term is efficiency, which indicates the effectiveness of resources and means in achieving goals, and at the same time is a quantity that expresses the relationship between input and output, and the last term is productivity, which indicates the performance of an employee, a machine, a plant or the entire company in a given unit of time. (Veber, 2004).

The definition of the term "performance" is expressed in different ways by different authors. Neumaierová and Neumaier (2002) claim that the value of a company is determined by its performance, and if a company wants to increase this value, it must increase the performance of its business processes. According to Souček and Fotr (2011), performance is characterized as the ability to produce a sum of goods and provide services for a certain period of time. And it can also be understood as the ability of the company to utilize the investments made as much as possible. (Sulák, Vaclík, 2005). According to the European Foundation for Quality Management (EFQM - European Foundation for Quality Management), performance is "a measure of the results achieved by individuals, groups, organizations and processes" When analyzing the definitions of company performance, it can be defined as work results evaluated on the basis of consumed resources and own activity that yields profit over a certain period of time, and thus a successful company is the one that has a correctly defined strategy and is able to achieve predefined goals.

## 2.3 Business performance measuring

In general, performance measurement is characterized as the regular measurement of outputs and outcomes with the production of reliable data, which is a source of efficiency and effectiveness of processes in the company. Performance measurement is the key to management in the company (Bititci et. al., 1997). The business unit is managed by several interested parties, being bound to individual interests of its parties, such as the interests of owners, investors, employees or customers. Therefore, it is necessary to consider the performance of the business unit from multiple sides and perspectives when evaluating it to meet the requirements of listed companies. Each of them evaluates the performance differently, based on the return on the capital invested in the company (Neumaierová 2003). A similar opinion is held by Stýblo (2008), who assumes that the valuation of the company performance depends on which of the market participants makes this valuation. In turn, it can be an evaluation from the individual point of view of the customer, who considers the performing company with the requirement to anticipate his need when it arises, while the company will be able to satisfy this need in the required quality, price and deadline. From the manager's point of view, the company's performance can be successful if the company prospers, is stable in the market, maintains customer loyalty, or has high profitability in management. Here, the speed of response to changes caused by the external environment becomes the measure of performance evaluation. Another evaluation can be made with the help of the owners, who assess the company's performance by evaluating its financial resources and consider as efficient the company that is able to utilize this invested capital in the shortest possible time and to the greatest possible extent.

High-quality systems that support the fulfillment of strategic objectives are used to measure corporate performance. They are based on the principle of improving all the activities of the company, which are part of its tasks, so that it works well. The system should serve owners and managers in such a way that it can be used by both parties with positive results without compromising proper performance measurement (Sabol, Tkáč, 2012). To achieve the desired results in measurement accuracy in the organization, employees need to be strategically aligned and better motivated to use the right approach (De Waal, 2003).

According to Kaplan and Nortno (2007), the basic conceptual problems associated with the creation of a performance measurement system include the following

- identifying the main users of performance information;
- determining incentive factors so that performance and its indicators become the subject of employee interest;
- determining the scope and depth of measurement;
- determining the methodology of indicators for performance evaluation;
- selecting the type of information for performance measures;
- establishing responsibility for the entire performance measurement process and its parts;
- ensuring the integrity of measurement and creating a logical and coherent chain of evaluation activities;
- ensuring the effectiveness of measurement and creating feedback;
- ensuring the use of performance measurement results.

## 2.4 Performance indicators

Performance indicators are used to measure and evaluate the performance of individual processes. They are the means by which one can determine the required level of performance and the state of performance (Melnyk et. al., 2014). Quantified performance indicators are used for the correctness of these processes in connection with the set goals. When evaluating performance, an attempt is made to obtain the deepest and most objective view of changes in individual processes, because if the indicator is chosen incorrectly, this measurement cannot work (Wagner, 2009), and therefore, according to Rylková (2015), individual indicators should meet the following requirements:

- The ability to make indicators measurable
- The ability to capture even the smallest changes in performance thanks to sensitivity
- Determining the extent to which the change in the indicator corresponds to the change in the performance of the process through linearity
- Maintaining reliability so that the influence of subjective evaluation does not affect the results of the assessment
- The measurement must provide value and be effective
- It must have a sufficient focus on improving process performance using an improvement orientation rather than focusing on compliance with organizational policies.

Measurable data that reflect the efficiency and profitability of a particular business activity are considered indicators of innovation performance; they also monitor progress toward goals, reflect past performance levels, and promote the development of positive change in the organization (O'Sullivan & Dooley, 2009).

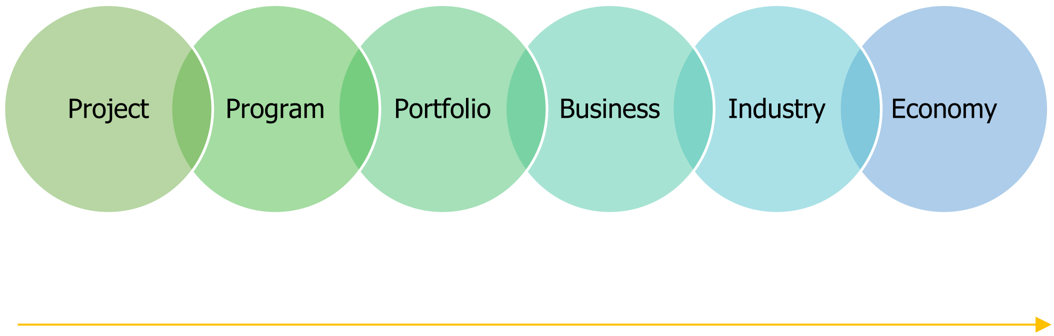
To show the relationship between innovation and organizational performance, Tidd (2001) divides indicators into two categories. The first category includes indicators related to accounting and financial performance. These indicators include profitability, return on assets (ROI), return on assets (ROA), return on sales (ROS), return on equity (ROE), sales growth, and stock price. The second category relates to market performance, such as share or growth.

Kaplan and Norton developed the Balance Scorecard (BSC) model based on study results from the study of 12 leading American companies in the early 1990s. It is a set of measures that provides managers with a comprehensive view of their company from four perspectives: Financial, Customer, Internal, Innovation and Learning. Goals are defined in each of these perspectives. Each objective includes one or more measures (indicators) that have been adapted to make the BSC more operational. By presenting goals and outcomes from multiple perspectives, the BSC forces managers to see the organization as a systemic whole and helps them achieve goals in one area without compromising efforts in another. The BSC balances measures that relate to the past (financial perspective) with indicators that show current effectiveness (customer and internal perspective) and measures that relate to future development (innovation and learning perspective). (Kaplan & Norton, 2007)

## 2.5 Innovative business performance

In terms of goals achievement, it is necessary to determine the implementation of innovations during product development that will ensure consumer demand for new and improved products and their competitiveness in the market. Georski (1994) points out that innovation is very closely related to business performance. According to him, there are two alternatives. The first view states that new processes or products strengthen the firm's competitive position vis-à-vis rivals, but that profits and growth last only as long as the firm can defend its market position. The second view states that the innovation process transforms the company by improving its internal capabilities and enabling it to respond more flexibly to the changing market environment. It is necessary to understand the innovation potential of each product innovation. Meier et. al (2004) define it as the interaction of corporate strategy, resources, processes, tools and culture that enables innovation success. According to Žižlavský (2012), the ability of a company to convert innovation potential into cash is an expression of innovation performance. He also defines innovation performance as "the ability to convert inputs into outputs, the ability to transform the potential of innovations into their market realization." In the context of measuring innovation performance, several levels are captured that can guide the measurement.

**Fig. 1** Levels of innovation performance measurement




Source: own processing

Figure No. 1 shows the individual levels according to Schepurek and Dulkeith (2013). Individual innovation projects that contain the initial innovation impulse can be gradually incorporated into individual innovation programs that continue the innovation process at later levels. These innovation programs are included in the innovation portfolio. On the fourth level is the company, whose company level is also based on the previous levels. In the first four levels, which converge on the fourth level, the areas of inputs and outputs, innovation processes as well as factors, corporate culture or the innovation strategy used can be measured from the point of view of evaluation. At this corporate level, the innovation system of the company is built, thanks to which we gradually arrive at orientations for the design of innovation processes. The orientation to the innovation performance of the company is followed by the orientation to the innovation performance of the entire industry. At this level, the innovation performance of selected industries is compared, or we can focus on an even higher level, namely the innovation performance of the entire economy or country.

The degree of exploitation of the innovation potential is indicated by the innovation performance of the company, so it is equally important to understand the importance of the performance and be aware of its need for measurement and evaluation.

## Conclusion

Based on the information obtained, we succeeded in achieving our main objective, which was to bring closer the importance of measuring the company's performance in relation to its innovative performance, measures of company performance and basic indicators. We also fulfilled sub-goals by identifying fundamental concepts from the field of product management. Nowadays, companies are aware of the importance of the products they produce, because the company's profit, its position on the market and its competitiveness depend mainly on them. In order for a company to develop, it must always be a thriving business with a stable background and strategic plans that predict the future and the market situation. It is also necessary for companies to focus on their own performance, because if the company underperforms, it will sink and thus lose its position in the market. To find out the company's performance, individual performance measurements are used, which can better describe the company's actual position. In order for the company to find out how it is performing, it must use individual performance measurement systems. For these measurements, it is necessary to know the performance measurement indicators. As long as the measurable data is effective, economical, and keeps pace with progress, it can be considered as indicators of innovation performance. From the analysis of the documents, it can be concluded that the company needs to develop new ideas and innovations in products and individual processes in order to maintain customer loyalty. Based on successful innovations, the company's performance increases because the product, which is the result of innovative activities, makes the company more competitive.

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