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COMMUNICATION MANAGEMENT

ONLINE COMMUNICATION OF CORPORATE SOCIAL RESPONSIBILITY

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Abstract: *The number of internet users is continuously increasing, and more companies recognise the significance of online visibility and digital media in communication with the stakeholders. The use of digital media in communication has affected the way the stakeholders get the information about companies and the way the companies are involved in the corporate responsibility. The subject of the research in this paper is online tools and digital media usage in communicating corporate social responsibility. The focus is on digital media special features, which due to their wide application and rapid development contribute to communicating the social responsibility. By employing a comparative case study, the paper analyzes the usage of digital media in promotion of social responsibility of the companies in different industries. Based on the results, the specific features of this form of communication are identified, and guidelines for improving online communication of corporate social responisibility are defined.*

Keywords*: corporate social responsibility, digital media, online communication*

1. INTRODUCTION

Corporate Social Responsibility (CSR), defined as “a commitment to improve community well-being through discretionary business practices and contributions of corporate resources” (Kotler & Lee, 2007), takes a prominent place in the global corporate agenda in today’s socially responsible business environment.

More than ever, companies invest significant resources in the form of starting different social and ecological initiatives – from investments in the local community, and reduction of greenhouse gas emissions, to socially responsible business in the area of employment, acquisition, product design, production, etc. These unprecedented efforts in the area of socially responsible business are not guided solely by the ideological attitudes of companies, but also by financial gain that could be realised through these endeavours. Many top managers and experts in the area of CSR point out that corporate social responsibility creates a unique business value in a number of ways – it has a positive effect on the reputation, employees’ moral, and strengthens the competitive advantage (Bonini et al., 2009). Establishing good relationships with the stakeholders is the key to successful business, and CSR has a special ability to additionally strengthen and preserve those relationships.

Corporate social responsibility depends on the stakeholders’ awareness of the socially responsible activities of a company. However, empirical studies have discovered that the awareness of the socially responsible business of a company among the external stakeholders, but also the internal stakeholders, is usually low, hence represents the key obstacle to the company’s experiencing the advantage of its CSR programmes (Sen et al., 2006). This is why it is necessary to create the constituents’ awareness of the strategy and objectives of the social responsibility of the company, as well as of the achieved results of the realised socially responsible activities.

It has shown that the outdated practice of communicating social responsibility, which meant printing brochures, flyers, and prospectuses, with the same messages for all the stakeholders didn’t have satisfying results, so the companies across the world started taking an online approach establishing a two-way communication on the global level whereby providing personalised messages for each group of stakeholders. A successful applying of this approach requires extensive knowledge of digital media channels, their advantages and risks, and this is why a special segment in the paper is dedicated to them in particular.

The paper presents analysis of digital media usage in communicating CSR of the companies from different industries and with different strategies, it shows in which way the communication of this concept is improved through using online approach. Furthermore, potential risks will be pointed out, as well as guidelines for the additional improvement of this process.

2. COMMUNICATING CSR

Today, more than ever before, the public expects from the corporate sector to have a more proactive role in social, environmental and economic development of the society. On one hand, people are more aware of ethical issues and more sensitive to their occurrence. On the other hand, the impact which corporate business operations have on people's quality of everyday life and society as a whole has increased significantly (Dahlsrud, 2008; Carroll, 1999). In order to be socially responsible each company needs to fully understand how its business activities affect the local community in which it operates. The concept refers to the integrated concerns about society and environment in day-to-day corporate activities (European Commission, 2003). With this in mind, companies should consider themselves as equal members of the community who have certain duties and responsibilities (Vlastelica Bakić et al., 2015).Elaborated description of the most important CSR concept definitions used in both academic literature and practice is given by the author Vlastelica Bakić (2012).

As it is mentiond above, stakeholders awareness and perception of the CSR strategy, programs, acitivities and results is of great importance. In order to inform stakeholders, companies use various media for communicating CSR. It has shown that tradional media are less effective, and the companies icreased their usage of online communication tools in CSR communication. Online communication requires extensive knowledge of digital media, their features, as well as their advantages and risks.

Digital media become a powerful channel for informing of stakeholders not only about company's offering, but also about other business issues, such as CSR programs and activities. The most common digital media used by companies include website, social media (Facebook, Twitter, YouTube, LinkedIn) and corporate blog (Georgescu&Popescul, 2015; Bagozzi et al., 2012; Tate, 2010; Safko&Brake, 2009; Scoble&Israel, 2006).

3. METHODOLOGY

The method employed in this paper is comparative case study analysis. Comparative case study represents a research method which as its goal has the identification of similarities and differences in processes, events and activities which are the subject of the analysis (Khan & VanWynsberghe, 2008). The following part will analyse the usage of digital media channels by companies Unilever and Starbucks in communicating corporate social responsibility.

The criteria used while choosing these companies are the following: Unilever is the leader in its industry for the year 2014 according to Dow Jones Sustainability index (http://www.sustainability-indices.com/review/industry-group-leaders-2014.jsp). This company is the first on the list of the 100 best European companies in online communicating corporate social responsibility (http://www.lundquist.it/6th-csr-online-awards-white-paper?cat_slug=whats-on/white-papers). Starbucks is one of the most successful multinational companies in the world and is on the Forbs list of the 100 most valuable world brends (http://www.forbes.com/companies/starbucks/). The companies in question belong to different industries, with different strategies for communicating corporate social responsibility, which makes them suitable for comparative analysis.

The sources used during the analysis of communicating corporate social responsibility are the official websites, verified Facebook, Twitter, LinkedIn and YouTube profiles of these companies, as well as the official corporate blogs.

4. ANALYSIS OF COMPANIES

4.1. Unilever Company

Unilever Company is one of the biggest producers of the consumer goods. With 400 brands and products which are sold in more than 190 countries, Unilever products are used by around two billion people every day across the world. According to the data available on the official website of the company (http://www.unilever.com) the company achieved a turnover of 48.4 billion Euros in 2014, and employs more than 172,000 people.

4.1.1. Unilever Company Website

What is noticeable when accessing the corporate website of the company (http://www.unilever.com/) is that the pieces of information regarding sustainable development pervade a number of the website segments. For example, in the "About" segment, in addition to information about business and brands, there is also a description of the responsible business of the company. On the same page the users can access the links which directly lead to the special page about sustainable development.

Even in the vision itself which is quoted in the "About" part, the company commits to doing business responsibly and promoting sustainable development, which clearly indicates the level of determination in the company's way of doing business. In purpose and principles ("Purpose & principles") description Unilever emphasises the importance of responsible and fair behaviour towards all of the stakeholders – the employees, suppliers, business partners, the local community, etc., and in the graphical representation of the business model the central part is occupied by sustainable development.

The recognisable logotype of the company, created in 2009, is composed of a multitude of symbols. Some of them, like the symbol of the bee, points to dedication of the company to influence the environment protection, reduce waste, and do business in a sustainable manner, which is very innovative in a sense of communicating corporate social responsibility.

A special page of the website is dedicated to sustainable development, to which leads a special tag in the horizontal navigation named "Sustainable living". The first part encourages interaction with the stakeholders in a number of ways. By clicking on the **"**News**"** field the stakeholders can get informed on the latest news in the area of corporate social responsibility. The news is divided into videos, press releases, and speeches and interviews. The company enables the users to share the news on the most popular social networks, but the downside of the page is that it is not possible to leave a comment. By clicking on the "Join In" field, the users can get more information on the CSR campaigns and areas in which the company invests its resources. In addition to textual information and video material, the company provides the possibility for the users to, by filling in a questionnaire "What is important to you", give their opinion on which aspect of environment protection is the most important for them. After voting, stakeholders can see the currents results of the voting. In this way, the company establishes a two-way communication, interaction which is in the most cases hard to establish through the channels of communication such as web sites. Also, the users can subscribe for the company bulletin which is completely dedicated to corporate social responsibility. By clicking on the field "What matters to you", the users can get answers to the most frequent questions. This points to how much the company takes into account the stakeholders' needs and tries to answer all of their requests.

The other part of this page is called "Sustainability Living Plan", and it describes the plan of the company to accomplish the vision of doubling the business, along with reducing the environmental impact and raising the positive impact on the society development until 2020. Moreover, at one's disposal is the link leading directly to company strategy regarding the responsible business. The three pillars of the sustainable business of the company, i.e. the three most important objectives within "Sustainability Living Plan" represented in three different segments are: improving health & well-being, reducing environmental impact and enhancing livelihoods.

4.1.2. Unilever Company Facebook Page

Unilever official Facebook page (https://www.facebook.com/unilever) has over 3 million users. The company posts around two times per week, and every post gets around 28,900 likes, comments, and shares in average, which points to extremely high level of engagement among the stakeholders. Through the posts analysis it is noticeable that the company intensively communicates the sustainable business subjects. In addition to textual information the posts contain videos, links, and photographs. There is a room for improvement in the way of addressing the customers, namely, the posts themselves don't directly call for the users' egagement, which would be achieved, for example, through asking them questions.

4.1.3. Unilever Company Twitter Account

The official Unilever Company Twitter account is called Unilever News (https://twitter.com/unilever), which is followed by 91,348 users. In a month's time period, the company tweets around 48 times, which is averagely 1.6 tweets per day, whereas the main competitor, Procter&Gamble Company, during the same time period tweets as many as 7.7 times a day. The more intensive competitor's communication on this social network has certainly paid off, since it has a few tens of thousands followers more than Unilever.

Unilever Company shares content and is involved in the subjects with the key words #marketing, #business strategy, #sustainability, #SustLiving, which points to the fact that the posts are mostly about sustainable development, just as in the case on the website. The way of communication is very similar to that through the Facebook page, interesting pieces of information regarding current campaigns are predominant, and interesting data from the CSR report are picked out, and what is characteristic is that in addition to textual statement, posts also contain photographs, videos, or links. However, just as on the Facebook page, what is missing is addressing the users directly through asking questions or their opinion which would additionally encourage their engagement. In addition to the official account, Unilever has a number of other Twitter accounts, which can be confusing for the users.

4.1.4. Unilever Company YouTube Channel

Unilever has its official YouTube channel (https://www.youtube.com/user/Unilever), and multitude of other brand channels (such as Dove, Knorr, etc.). On the official channel, the users can access play lists with video material regarding company's business presentation, as well as sustainable business. How important for Unilever this platform is as means of communicating corporate social responsibility states the fact that this channel has more than 417,000 subscribers, which is significantly higher number than that of Proctor&Gamble Company's.

The significance of the YouTube channel for Unilever Company is also stated in the fact that it has presented its largest socially responsible project "Project Sunlight" through a video on its official channel on precisely this social network. The project aims at encouraging people to adopt the sustainable way of life. It was started in 2013, and in 2014 the name of the project has been changed to "brightFuture". Within this project, the company has put at the users' disposal a large number of online activations enabling them to be involved in various ways and for the sake of contributing to the sustainable way of life – they can directly donate the resources for a certain campaign or simply fill in a form and give their voice to support a certain action, they can share the company film about the project through social networks, post their videos, and share the ideas for the new ways of sustainable living on Facebook and Twitter by using hashtag #brightFuture.

For the promotion of the video which presents Project Sunlight, the company used Trueview, a true innovation in YouTube advertising. What distinguishes Trueview from the classic forms of advertising on this social network is that the viewers have the option to watch the whole video or to "skip ad" after 5 seconds, just like with the classic advertising, but the advertisers are paid only if the viewers watch the whole video ad.

4.1.5. Unilever Company LinkedIn Profile

What one notices first on the official LinkedIn company page (https://www.linkedin.com/company/unilever?trk=top_nav_home) is the photography of the smiling, cheerful people, employed in Unilever, who form harts with their hands. In this way, the company sends a clear message that it wants to position itself as a responsible and eligible employer, who treats its employees in a suitable manner. Very often does the company post things regarding the subject of sustainable business which can be shared and commented by the users, but it is also noticeable that the company doesn't answer the questions from the comments, which can be interpreted by the stakeholders as the company's lack of interest to dedicate itself to them or the wish to hide something.

4.2. Starbucks Company

Starbucks is a multinational company which deals in coffee retail and owns a chain of coffeehouses around the world, but it is also present on many other markets. According to the data available on the company website, there are more than 21,000 Starbucks coffeehouses in more than 64 countries around the world, which annually sell more than 2 billion cups of coffee ((http://www.starbucks.com). Starbucks is one of the global brands which was the first to accept, use, and recognise the strength of digital media and thus took over the leader position in that area for a while. For communication with the stakeholders, they use almost all of the available channels – website, corporate blog, but also social networks, such as Facebook, Twitter, YouTube, LinkedIn, Google +, Pinterest, and Instagram.

4.2.1. Starbucks Company Website

Unlike Unilever Company, which intensively communicates sustainable development related subjects through a number of website segments, Starbucks focuses on its page on the corporate social responsibility, and the link to it is in the horizontal navigation at the website home page (http://www.starbucks.com/) under the name "Responsibility". In addition to the company news, there are campaign news and CSR news.

A click on the "Responsibility" link in the horizontal menu leads to a special website page about the corporate social responsibility of the company. The page is structured in such a manner that an average user can quickly notice that the company's CSR focuses on three areas – environment, ethical sourcing, and community. A special segment is dedicated to promoting CSR reports. Each CSR area is an individual subpage which offers additional information on realised and current activities and campaigns. Navigation is additionally facilitated since the users can move from one subpage of the website to another without previously going back to the homepage. The subpages are very simple, and, one could say, visually poor in comparison to the Unilever Company website, since in addition to the text they usually contain one video and a multitude of links.

The company doesn't offer a lot of ways of communication with the users on the subject of corporate social responsibility via the website. One of the possibilities is that the users send their ideas and suggestions to the special email address.

4.2.2. Starbucks Company Facebook and LinkedIn Profile

Starbucks Company Facebook page has just above 35,637,571 followers, and it releases the company news averagely two times per week. Unlike Unilever, Starbucks invests additional efforts to create natural conversation by answering almost every question or comment of the users, especially in they are negative.

According to the intensity of communicating realised and current campaigns on the subject of investments in the local community on the company website, it can be concluded that Starbucks invests the majority of the resources in this area of corporate social responsibility. A similar way of communication is used on the Facebook page.

Through the analysis of the posts and additional applications, one gets an impression that the company, via Facebook social network, mostly addresses the consumers and potential employees as the members of the community in which it does business, hence the desire to represent itself as a responsible and eligible employer is noticeable. For example, the specially emphasised sentence is that Starbucks provides equal opportunities for employment to all qualified persons including women, the elderly, and persons with disabilities, and the word "employees" is substituted by the word "partners" in all the news and videos.

The communication on LinkedIn social network (https://www.linkedin.com/company/starbucks) is similar to that on Facebook. The stakeholders can read and comment the news which is usually redirected from the company website. The covered topics usually have to do with employment or have a goal of promoting the company as a responsible and eligible employer. For example, the news released in June 2015 regarding the recognition for the leader in employing persons with disabilities in 2014, which was awarded by the American Association of People with Disabilities, after only four days had 352 likes and 17 comments, whereas a post regarding a company product has around 200 likes and 10 comments in average, which points to the interest of the stakeholders for social issues and the significance of communicating corporate social responsibility. There is also a special section called "Starbucks Careers" available for the users, with very similar content and functionality as the "Open Jobs" Facebook application. Starbucks LinkedIn page has more than half a million followers, among which there is a large number of the people already employed at this company.

4.2.3. Starbucks Company Twitter Account

Starbucks Company Twitter page (https://twitter.com/Starbucks) named "Starbucks Coffee" gathers around 8,500,000 followers. The company mostly posts things with the aim of promoting its products and brand. Although it looks like the company has left out this channel of communication from communicating corporate social responsibility, it hasn't always been like that. Starbucks realised a very successful campaign in 2013, named #comeTogether, inviting the American citizens to sign the petition which was started as a response to American Government Shutdown and human rights endangerment. After the campaign was over, the Starbucks Company gathered more than two million signatures which was a pretty good result, considering the subject of the campaign.

Communicating corporate social responsibility via social networks can have numerous advantages, such as improving the relationship with the stakeholders, and strengthening the reputation, but it can also have a completely opposite effect. Starbucks Company has started another campaign, and this time under the name #raceTogether with the aim of raising the awareness of the racial discrimination. On the day of the campaign start, 17th March 2015, the discussion on Starbucks Twitter account has risen for an incredible 266%, however, the 60% of the responses were characterised as negative. The next day, 18th March, the extent of the discussion has risen for 408%, compared to the trend in the previous months, but 62% of the posts were negative or very critical of the campaign (http://www.adweek.com/socialtimes/starbucks-race-together-campaign/617593). After the negative reaction of the stakeholders, Strabucks abandoned the campaign, but the damage had already been done.

4.2.4. Starbucks Company YouTube Channel

It is interesting that Starbucks doesn't own any additional YouTube channels except for the official company channel, which has over 77 thousand of signed in followers. Through the videos analysis, a conclusion is reached that the company uses video material for promotion of corporate social responsibility to some extent, but not with the intensity of Unilever Company. The most famous campaign in the CSR area on this social network that Starbucks Company conducted, was realised during 2013, under the name "Giving Back". Through a set of videos, the company wanted to present the way in which it contributed to the local community, i.e. the results of various socially responsible projects, but from the perspective of the project users. This is an excellent way of representing the results because videos are very emotional and the viewer can easily sympathise with the project users and the depicted problems.

4.2.5. Starbucks Company Blog

This communication channel enables the companies to connect to the stakeholders in a way which is more personalised, transparent, and interactive than the reports, press releases, and other formal communicational channels. The companies can tell their story about CSR in a more informal way and show they are open for discussion, new ideas, and suggestions. The blog which was started by Starbucks Company certainly had a great potential for such a thing. The blog is made up of 13 categories, one of the categories is dedicated to corporate social responsibility. The posts within categories contain video material, photographs, as well as the statements of the company CEO, who directly addresses the users on different subjects. The users can also access the archive of posts from 2009 to 2013. However, the last post on the corporate blog was published on 7th October 2013, so it could be said that the company missed the opportunity to use the great potential the corporate blog had as a channel of communicating corporate social responsibility to the stakeholders.

The result of content examination this company communicates through digital media channels shows that it is a very consistent way of communication, directed towards the consumers and potential employees with the aim of creating a perception that the company is a responsible employer who invests in the local community in which it does business and in the employees as the members of the local community in question. The company has an incredible reach on social networks (Facebook, Twitter, LinkedIn, YouTube), functional and attractive website, as well as a well set blog, but all of these channels are insufficiently used for communicating CSR strategy, aims, but also the results of the many CSR campaigns the company conducts.

5. CONCLUSION

In order for the right information to reach the stakeholders, the companies must take the integrated approach in communicating corporate social responsibility. It is an approach which includes using as largest number of digital communication channels as possible, from websites and blogs, to social networks, among which the most important are Facebook, Twitter, LinkedIn, and YouTube.

Successful and holistic communicational plan of corporate social responsibility should incorporate using as many channels as possible so as to deliver the message to various target publics. On the homepage of a corporate website there should be a clearly positioned link which would lead to a special page with more information about social responsibility of the company, because if the users cannot find this type of information, they will assume that the company doesn't engage in it at all. A page dedicated to corporate social responsibility has a positive influence on the stakeholders while collecting the information about the company business. CSR related content, whether it is on a special page or pervades a number of website elements, should contain value added, i.e. the pieces of information which cannot be found anywhere else, so as to attract the interest of the key stakeholders. Moreover, it is necessary to additionally encourage two-way communication, which is hard to realise through a website, but with the corresponding activations (which, for example, were implemented by Unilever Company – questionnaires, surveys, interactive maps) that, too, is possible to accomplish.

Social networks allow a high level of interaction with the stakeholders and provide opportunities for the company to promote its CSR strategy, goals, and results to the wide auditorium. In other words, social networks are ideal for storytelling, i.e. representing the company story about social responsibility. Thanks to a well told story about CSR, companies can raise interest and establish much better communication with the interest groups, than it would be the case with using dull facts and messages.

Through the corporate blog the company shows that it is open to discussion with the stakeholders on the subjects in the area of corporate social responsibility in a way which is more personal, transparent, and interactive than reports, press releases, and other more formal communicational channels.

And finally, an adequately presented CSR report is the best indicator of the company's dedication to corporate social responsibility, as well as transparent conducting of business and comprehensive communication. An online report which the company can communicate through all digital communication channels offers the stakeholders an experience and the content with added value. Through integration of interactive functionalities, turning statistical data into dynamic visual infographics and monotonous textual statements into video representations, and the browsing which is made easier by hyperlinks, the stakeholders are not only allowed to get the wanted information in a more simple and quick way, and absorb a larger amount of data from the reports, but also to share the newly acquired knowledge with their friends and business partners via various digital communication channels.

Via the internet, the stakeholders do not only download CSR reports and get the information about the corporate social responsibility strategy, but also comment, criticise, and express their opinion on socially responsible activities of a company on different channels. This can be beneficial for the company and its business development, but also a great risk at the same time. The company can easily loose control over the message it sends via digital media channels, as it was the case with Starbucks Company #raceTogether campaign, and significantly damage the reputation of the company. Managing the digital media channels is essential for avoiding the risks. That includes a good communication policy and a timely reaction to the critical content. Irregular maintenance, content which is not up to date, and not responding to the users' questions can cause negative users' reactions, and create an image of an irresponsible, disinterested company in the eyes of the stakeholders important for the company business, or a company which hides something from the curious citizens.

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https://www.linkedin.com/company/unilever?trk=top_nav_home
https://www.youtube.com/Starbucks
https://www.youtube.com/Starbucks
https://www.youtube.com/user/Unilever

MANAGING DIGITAL MARKETING COMMUNICATION IN ORGANIZATIONS IN SERBIA

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Abstract: *The aim of this paper is to examine how digital marketing communication is managed in organizations in the Republic of Serbia. The empirical study employed questionnaire as a research tool on a randomly selected sample of 231 private and publicly owned organizations, and examined different aspects of digital communication management: strategic planning, monitoring, community management, content management, online advertising, search engine optimization, human resources and training. The findings indicate that the majority of organizations use digital communication within marketing communication mix and confirm efficiency and cost-effectiveness of its usage. The results showed that its activities are most frequently executed in-house, with a high percentage or organizations having one employee dedicated to these tasks. For further improvement in this field there is a need for more investment in education of employees.*

Keywords*: digital communication, marketing communication, online advertising, search engine optimization, community management, content production*

1. INTRODUCTION

The information and communication technology (ICT) development and expansion contributed to changes in all the areas of business, including marketing and public relations. The ICT helps the consumers connect and communicate with each other, and at the same time allows establishing a connection between a company/brand and the consumers (Kitchen & Burgmann, 2010; Hall-Phillips et al., 2016; Hudson et al., 2015).

Digital communication is an indispensable part of the integrated marketing communications, within which, through coordination of promotion and all the other marketing efforts, a maximum informational and persuasive effect on the consumers is achieved (Pride & Ferrel, 2014).

Digital communication tools enable two-way communication with the consumers and multimedia content transmission (Bauer, 2013). This communication can be initiated through different digital channels from any location at any time (Yadav et al., 2015). Digital communication tools also enable distribution of personalized content based on the consumers‟ needs (Chan & Yazdanifard, 2014).

Rapid development of digital technology has resulted in diverse platforms, among which Weintraub Austin & Pinkleton (2015) list services that enable customer relations management, search engine optimization, trackable analytics, social media engagement and networking, online advertising, digital direct mail, content-based applications etc. According to the same authors, the consequence is that marketing communications and public relations changed their „top-down‟ model to real-time conversations, stakeholders‟ engagement and establishing relationships.

Internet technologies, social media and mobile technologies have had a large impact on businesses (Dong & Wu, 2015). A website, as a basic instrument of web communication and presentation of an organization on the Internet, enables informing, promotion, sales and customer support (Tate, 2010). Blogs are efficient in managing the online reputation (Cho & Huh, 2007). With the growing popularity of social media, companies are actively engaging consumers through social media sites (Bagozzi et al., 2012).

Considering increasing level of usage and important role of digital communication in different business processes and potential benefits which their adequate usage bring to the organizations, there is a need for exploring different segments that digital communication management encompasses (Vlastelica Bakic, 2012). The goal of the research presented in this paper is to provide a systematic insight into the current state of the digital communication in Serbia and with the aim of acquiring scientific and practical knowledge and its application in real systems.

2. DIGITAL MARKETING COMMUNICATION MANAGEMENT

An especially significant change in communication practice was brought about by social media through enabling the highest level of interaction between communication participants (Tiago & Verissimo, 2014). According to Sidjanin (2012), social media management encompasses marketing campaigns coordination, creating content that is of interest for the consumers and prompts them to further sharing, managing customer relations and sales on these digital communication channels. The same author also states that social media managing includes the following activities: managing social networks profiles, presentation, offers, advertisements and branding, creating content and responding to the received messages, preparing social media guidelines, reporting and analytics.

In the past few years, content marketing strategy became an integral part of digital communication management. Content marketing is the process in which relevant and valuable content is produced and distributed to attract, acquire, and engage a clearly defined target audience with the objective of driving profitable customer action (Pulizzi, 2012).

In a research conducted by Content Marketing Institute and Marketing Profs about the usage of B2C content marketing in North America, 76% of the marketers said that they used content marketing in their organizations. Among the possible tactics at the disposal of the marketers, this research quotes the following digital tools: social media content, blogs, website articles, microsites, online presentations, webinars/webcasts, e-newsletters, illustrations and photos, videos, infographics, branded content tools and mobile applications.

Nevertheless, compared to global trends organizations in Serbia are behind in digital communication usage. The results of a recent research (Veselinovic, 2015) indicate that a majority of organizations do not use blogs, Twitter, photo sharing SNSs, YouTube, LinkedIn and do not have online sales. Dominant digital tools are website and Facebook; whilst dominant activity is online advertising. The percentage of organizations that do not practice e-mail and mobile marketing is very similar to the percentage of those that actively use it.

However, in Serbia, according to annual statistics of the Statistical Office of the Republic of Serbia regarding the usage of information and communication technology between 2011 and 2014, the usage of digital media rises each year, and the number of Internet users, as well as the extent of its usage continually rises. Realizing that the Internet users represent a valuable target market, organizations in Serbia dedicate more and more attention to digital communication, but for further progress in this field, managers" education is necessary.

The growing significance of digital communication for organizations in Serbia is also expressed through the data of continual growth of digital advertising market. The research about digital and interactive advertising in Serbia AdEx2014, which was conducted by IAB Serbia (Interactive Advertising Bureau Serbia), concluded that the digital advertising market in 2014, compared to 2013, rose by 11.82%, reaching the overall value of over 18 million Euros, and the further growth of this market has been predicted. The largest share in 2014, as well as in the previous years, had display advertising (47.14%), but mobile advertising realized the largest growth the second year in a row (108%). A significant growth was recorded in social media advertising as well (21.15%). This data indicate that digital communication managers are slowly including newer, innovative formats of online advertising.

3. RESEARCH METHODOLOGY

The aim of this paper is to examine how digital marketing communication is managed in organizations in the Republic of Serbia. The research presented in this paper is a part of a larger study conducted for the purpose of the doctoral dissertation (Veselinovic, 2015). The empirical study was based on primary data and employed questionnaire as a research tool, using both paper-and-pencil and computer assisted approaches.

The questionnaire was distributed in the period July-December 2014 on a randomly selected sample of 231 private and publicly owned organizations (companies, institutions and banks) in Serbia. Companies were chosen from the “Biznis Top”, the rankings of the most successful Serbian companies, according to the turnover and profit, published by magazine “Biznis & Finansije”. Banks were chosen from the “Finansije Top”, the rankings of the most successful banks, insurance companies, brokerage companies, private investment and pension funds and auditing companies, based on official financial analyses and analyses of each sector, published by magazine “Biznis & Finansije” as well. Institutions were selected from the administrative register on the website of the Statistical Office of the Republic of Serbia.

The study was focused on managers of different managerial levels. The precondition was that they were familiar with the digital communication in their organization. The aims and purposes of the study were firstly explained to all examinees that participated in the study and their involvement was on a voluntary basis.

The examined organizations were stratified based on the 4 features: size, industry, business maturity and geographical coverage. The examined organizations sample structure is presented in Table 1.

Table1. Sample structure

Organization features	Absolute frequency	Relative frequency
Size		
Micro-organizations (less than 10 employees)	44	19.0
Small organizations (11-50 employees)	47	20.3
Medium sizes organizations (51-251 employees)	54	23.4
Large organizations (more than 251 employees)	86	37.2
Industry		
Manufacturing	51	22.1
Services	150	64.9
Manufacturing and services	30	13.0
Business maturity		
Up to 5 year	41	17.7
From 6 to 15 years	93	40.3
From 16 to 25 years	23	10.0
From 26 to 35 years	24	10.4
More than 35 years	50	21.6
Geographical coverage		
Local level	60	26.0
National level	37	16.0
Regional level	37	16.0
Multinational level	97	42.0

The questionnaire examined different aspects of digital communication management in organizations. The scale and purpose of research were firstly explained to the respondents. Respondents were asked to rate the following statements on a five-point Likert-type scale, where „1‟ stands for „strongly disagree‟ and „5‟ stands for „strongly agree‟:

- Digital communication is being used in marketing communication mix of my organization
- My organization strategically plans digital communication activities
- My organization monitors digital communication activities
- My organization practices online advertising
- My organization practices search engine optimization
- My organization organizes trainings and education on digital communication tools
- The usage of digital communication tools and activities made my organization‟s overall communication more efficient and cost-effective.

Additionally, the respondents were asked about internal organization, responsibilities and processes of digital communication management. This part of the questionnaire included 3 multiple-choice questions:

- My organization employs at least one person responsible for digital communication management
- My organization manages digital communication (publishing and community management) in-house, without outsourcing to agencies
- My organization produces digital communication content (text, graphics, audio, video etc.) in-house, without outsourcing to agencies

4. RESULTS

Descriptive statistics results on the digital communication management in organizations in the Republic of Serbia are shown in Tables 2 and 3.

Table 2. Digital communication management in organizations in Serbia - activities and characteristics (absolute and relative frequencies)

Statements	Frequencies	1	2	3	4	5
Digital communication used in marketing communication mix	Absolute	27	19	28	29	128
	Relative	11.7	8.2	12.1	12.6	55.4
Strategic planning of digital communication	Absolute	29	18	42	43	99
	Relative	12.6	7.8	18.2	18.6	42.9
Monitoring of digital communication activities	Absolute	36	5	36	43	111
	Relative	15.6	2.2	15.6	18.6	48.1
Online advertising in digital communication activities	Absolute	27	15	30	63	96
	Relative	11.7	6.5	13.0	27.3	41.5
Search engine optimization in digital communication activities	Absolute	61	52	30	26	62
	Relative	26.4	22.5	13.0	11.3	26.8
Trainings for employees on digital communication tools	Absolute	42	33	50	41	65
	Relative	18.2	14.3	21.6	17.7	28.1
Digital communication efficiency and cost-effectiveness	Absolute	21	4	60	47	99
	Relative	9.1	1.7	26.0	20.3	42.9

Table 3. Internal organization of digital communication management in organizations in Serbia (absolute and relative frequencies)

Statements	Frequencies	Answers		
Employee responsible for digital communication management		None	Combined*	DC** manager
	Absolute	37	68	126
	Relative	16	29.5	54.5
Online publishing and community management		Outsourced	Combined	In-house
	Absolute	42	34	155
	Relative	18.2	14.7	67.1
Content production for digital communication channels		Outsourced	Combined	In-house
	Absolute	59	31	141
	Relative	25.5	13.4	61

*Employee has other responsibilities besides digital communication management
**Digital communication

The results of the empirical study in Serbia indicate that more than half of organizations use digital communication in the marketing communication mix. With this claim strongly agree 55.4% of questioned organizations, which together with 12.6% that agree makes up 68%. Only 11.7% of the organizations do not use digital communication at all.

Strategic planning and monitoring of digital communication are processes which recorded similar results, and more than half of the organizations include them as obligatory in digital communication management (42.9%, i.e. 48.1%, for „strongly agree"). Online advertising is very present in organizations in Serbia – 68.8% practice it (41.5% - mark „5" and 27.3% - mark „4").

The situation is significantly worse when it comes to search engine optimization, an activity practiced by 38.1% of the organizations (marks „4" and „5"). Marks for the practice of search engine optimization activities are most equally distributed on the Likert scale. The education in the field of digital communication is at a low level. The highest attention to education dedicates only 28.1% of the organizations, and for another 17.7% this is an important subject.

Only 10.8% of the questioned organizations marked efficiency and cost-effectiveness of digital communication with the lowest marks („1" and „2"). Although there is 26% of those neutral on this question, very positive data is that as much as 63.2% (marks „4" and „5") confirm benefits of the digital tools and activities usage.

When it comes to the internal organization of digital communication management, more than half of organizations (54.5%) have at least one employee who is dedicated exclusively to the digital communication activities, whereas in 29.5% of organizations, the employee in charge of digital communications does other work as well.

For complementary processes of online publishing and community management on one side, and content production on the other, the results are similar. In both cases, the majority of organizations manage these processes in-house (67.1%, i.e. 61%), whereas 18.2%, i.e. 25.5% always outsource them. The least number of organizations use combined model where a part of the activities is outsourced, and a part is done in-house (14.7% for administration, 13.4% for content production).

5. DISCUSSION AND CONCLUSION

The growing usage of digital communication tools worldwide and numerous case studies published by organizations that have successfully implemented them and documented the increase in reputation and/or sales results due to their usage, indicate various possible benefits for business.

The research presented in this paper had the goal to identify the level of digital communication usage in overall communication mix in organizations in Serbia, to explore different aspects of digital communication management (strategic planning, monitoring, community management, content management, online advertising, search engine optimization, human resources and training), but also to determine if the usage of digital communication gives positive results in terms of efficiency and cost-effectiveness of communication.

The important findings are that the majority of organizations, significantly more than half, use digital communication together with online advertising, as well as that in the similar percentage of the questioned organizations, the usage of digital communication brought to more efficient and cost-effective communication. This data indicates a significant penetration of digital communication in the business use in Serbia and understanding of their benefits. With the new tools that allow micro targeting, a very precise result measuring, and detailed performance analysis, we can expect further growth in this segment.

The sample analyzed in this research has also shown other positive tendencies in the form of high percentage of the organizations that strategically plan their digital communication activities and monitor them. Strategic approach to digital marketing is very important, since it is the only way to track its performance and to check if the set goals, both communication and business, have been achieved. In that way, efficiency and cost-effectiveness of digital communication can be demonstrated, which would again make possible an increase of the marketing budget meant for these activities.

Encouraging as well is the high percentage of the organizations which have at least one person in charge of digital communication, which suggests that top management recognizes its significance. Also, it is in accordance with the findings that digital communication is most frequently done in-house, both for administration and content production for digital channels. That can be explained by the fact that large organizations have internal human resources at their disposal, whereas the cost of hiring an agency is often a problem for small organizations. We can expect that in the period to come, digital marketing agencies engagement will increase together with the market development, an enlarged scope of digital communication activities and their complexity, following the global trends, and implementing new tools. Together with showing the efficiency and cost-effectiveness of digital communication in the practice of organizations in Serbia, it can be expected that the number of organizations which have an employee on the position of digital manager will also increase.

According to the research there is a clear need for improvement when it comes to search engine optimization activities and providing education in digital communication tools usage and application for employees. These results show that, in practice, it is necessary to focus on these neglected segments.

It is especially important to coordinate marketing efforts in digital environment with offline marketing activities. Only through their integration organization can obtain a synergetic effect of the marketing messages and strengthen the influence on the consumer who, in all communicational points in which he meets the brand/organization, gets unique, consistent, and stimulating user experience. In order for marketers to get this result in practice, it is necessary to significantly raise the level of education, as well as the awareness that in a fast-moving area, such as digital marketing, it is necessary to continually improve knowledge and acquire new skills demanded by frequent innovations of digital tools.

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SOCIAL MEDIA AND PUBLIC SECTOR - THE EXPERIENCE OF THE USE OF SOCIAL MEDIA IN STATE ORGANIZATIONS AND SERBIAN DEFENSE STRUCTURE

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Abstract*: Social media have changed the way of communication in 21st century and made specific interactions among users possible. The participation of the public sector in social media may improve the communication with citizens and improve the relation government-citizens. The use of social media is of particular importance to the defense structure.*

This paper presents specific ways the social media is used by the public sector. It outlines the aims and communication procedures that military organizations utilize in global social networks and the use of social media by the Ministry of Defense and the Serbian Armed Forces in relation to the other government bodies in Serbia. The paper also analyzed the content and efficiency of the announcements of Ministry of Defense and the Serbian Armed Forces according to their types and content in 2015.

Key words*: social media, social network, public sector, defense structure, use of social media in defense structure*

1. INTRODUCTION

The public sector around the world has started using internet sites for its public relations more than thirty years ago. The world wide web has offered the public easier access to information, while sequentially, an informed public contributes to greater citizens' participation. It has also improved lobbying for the interest of the majority of social groups which led to better functioning of democratic processes. This was enabled by internet communication which limits the censorship, regulation and commercialization, like no other medium before. (McNair, 2005)

Information technologies and internet communication have facilitated formation of electronic government (eGov). E-government can be defined as 'the use by government agencies of information technologies that have the ability to transform relations with citizens, businesses, and other arms of government. These technologies can serve a variety of different ends: better delivery of government services to citizens, improved interactions with business industry, citizen empowerment through access to information, or more efficient government management' (World Bank, 2011). However, major activities of electronic government aim to educate and inform the public with possibility for some feedback mechanisms.

Only with the application of Web 2.0 and the creation of numerous collaborative and social media platforms, was it possible for the public sector to create genuine interaction. Social media encourage citizens to take part in decision making and enable government agencies to create two-way communication. Gov2 was created once new technologies were integrated together with a change in organizational culture, to increase openness, participation, transparency and collaboration in the public sector (Mergel, 2012) Although the term of Gov2 has often been used as a synonym for open government, there is a difference. Open goverment stresses on data openness and citizen engagemnet and the OECD (2009) defines it as a 'transparent, asccessible and responsive governance system, where information moves freely both to and from govermnet, through a multitude of channels'.

The capabilities of social media are evident in the way they support development of the public sphere and civil society. To support the democratic process, it is of crucial importance that political institutions become more transparent and accessible to the public which can follow, support or lodge complaint on institutions' functions and work.

The democratic potential of virtual communication is reflected in the fact that it overcomes the traditional status of unequal participants. For organizations that want to improve their democratic character, it is important to enable any citizen to directly and easily contact any elected political representative. (Đurić-Atanasievski, 2013). Today, the majority government initiatives focus mostly on participation and transparency and less on collaboration (Karakiza, 2015)

Institutions and organizations in the public sector can have different communication objectives related to social media, but their basic purposes are:

1) To increase transparency;
2) To support interagency and internal collaboration; and
3) To enable innovative forms of participation and engagement.

The increased level of transparency of public administration also creates higher accountability of government organizations.(Bonson et al. 2012) For this reason, many communication experts regard social media to be a powerful tool which improves the relationship between a government and the public and can result in increased public trust and satisfaction with the work of government organizations. In addition, use of social media improves communication between government institutions and agencies, or internal communication within a single organization. Using social media, the public sector can initiate discussions on an important social topic, ask for community input, prevent incorrect information from being disseminated or to estimate general public opinion on certain issues. Creating a message and content that can be shared with the wide public network creates an opportunity to build an on-line community that has the same or similar interest in regards to certain issues.

In this context, social networks are especially important. Personal communication with a high number of contacts and topics that are sent through the web increases the number of users that can be informed or are willing to participate. Although the users do not need to submit their personal details to the government agency, they can sign up or ‘like’ the pages with government publications. This is useful to government bodies as the information they publish on social web becomes available to huge number of people.

The use of social media in the public sector also has other advantages compared to other ways of public relations and communication. Mergel (2013) has noticed that operating outside their protected public relations and public affairs context gives the public sector more freedom to choose platforms where they see the most of their audience members congregate. Besides, the use of social media by government bodies requires less of a traditional decision hierarchy, as this use has the perception of less formal modern technology. Furthermore, the use of social media does not necessitate purchase of special equipment for its implementation as all tools and applications are easily available.

Practical use of social media in the public sector is aligned with existing theories on public administration, e-government and management communication. However, good implementation strategy is necessary to realize benefits and to avoid risks. (Picazo-Vela S et al, 2012). The implementation of social media highlights the importance of updating laws and regulations, and of promoting changes in government culture and organizational practices. Nevertheless, it is evident that very often government organizations have not adopted communication strategies for social media. Also, the public sector needs organizational change, developing a culture of trust and openness that will allow public servants to take advantage of the benefits that social media offer. (Fyfe, Crookall, 2010). The use of social media requires proper staff training based on plans and guidelines for efficient promotion. If staff in the public sector has not been properly trained for interactive communication, increased public participation can produce unwanted tension between the organizations and targeted groups. This can lead to undesirable and unexpected outcomes.

2. USE OF SOCIAL MEDIA AND SOCIAL NETWORKS IN THE DEFENCE STRUCTURE

Ministries of defense and armies around the world increasingly use social media. The decentralized platform and networking of people through social media enable more informed public support in the area of defense. The aim is to give voice to the citizens that will make them a part of a community formed on common values and interest.

Social media substantially changes the way information is transferred and thus changes conditions of military operations. This is the reason why many armies develop strategies to consider the influence of social media as one of the keys to success of future operations.

Because Facebook, Twitter, Instagram, LinkedIn and other social networks are ever-present in our lives, the potential for their use by the military is nearly limitless. Furthermore, communication systems in the defense structure that use social media can be successful and credible only if it is based on well established, professional manners that are inherent to the defense structure.

Perhaps the biggest benefit for the military in using social media is to be aware of national or international public opinion. Social media can contribute to better understanding of the environment and help create more accurate images of the factors that influence civilians. For example, sentiment analysis is used to establish what is the prevailing feeling towards a certain topic amongst users. The military can implement this analysis in the case of preparing for implementation of a reform, deploying in a peacekeeping mission abroad, recruiting new members and for any other operation when it is useful to know what are public sentiments towards certain issues. The degree of success of a psychological and intelligence operation is defined, above all, by an overall sentiment of public interest in it. Insight into public opinion, gathered through social media, is broader and more authentic than the information collected by other methods of gauging public opinion. However, the downside is that anonymous opinion expressed in social media does not always reflect community standards. So, it is possible that some of the opinions are antisocial, anarchical, morally dubious and essentially, do not represent prevailing public opinion.

In the case of military forces, some specific ways of social media use make them being identified as the newest international battle field. An increasing number of armies in the world use social media for announcing operations in their zone of responsibilities or their propaganda campaigns. Maintaining a social media presence in deployed locations allows commanders to understand potential threats and emerging trends within their AOR – zone of operation (Mayfield, 2011). Using social media supports their fight for ‘hearts and minds’ in multinational operations or make them win a ‘media war’ by being seen as proactive and able to tell their truth in a battle against negative and false reports.

Social media has been used as a psychological weapon against enemies in the always growing domain of cyber space. This is one of the reasons behind Facebook supporting multiple languages. Social media are forums where victories are declared, public perception of the conflict is formed and public opinion, own or foreign, can be influenced. Military experts also follow any criticism of a conflict that users of social media express, whether they are domestic or from the enemy side. The British military has admitted that in 2015 they formed a special unit consisting of reservists and soldiers with journalist skills who are familiar with social media. The new unit, based in Berkshire is called the 77th brigade and employ a new tactic – psychological operations using social media. One of the armies that pioneered the use of social media in unconventional warfare in the information age is the Israeli Defense Force. Since 2008, Israeli Defense Forces have been active on 30 social media platforms including Facebook, Twitter, Instagram and YouTube in 6 different languages. Some defense forces, especially of the most powerful countries, have been trying to directly influence and channel conversation in social media. These armies employ methods such as setting up of false individual profiles and others in their psychological operations around the world.

Social media creates opportunities for intelligence functions as well. Infiltration into open and closed social networks provide important intelligence to counteract ‘enemies’ and their propaganda, or can be used effectively to locate a person of interest. Military intelligence instigates research and development of various software applications and currently the USA is a world leader in this type of software.

Last, but not least, social media is useful in establishing partnership and unity with collaborative organizations, such as other institutions or foreign armies employed in the same operations.

3. PUBLIC GOVERNANCE IN SOCIAL MEDIA IN THE REPUBLIC OF SERBIA

The UN E-Government Survey (2012) has indicated that Serbia has created a positive environment for the development of e-services which can further contribute to increased transparency in the public sector and more efficent democratic processes. The Survey finding is that 'particularly notable is Serbia’s performance, which advanced 30 positions to arrive at 51st in the world rankings. In Serbia, the Digital Agenda Authority is responsible for introducing online services to improve economic efficiency and citizens’ quality of life, and for implementing e-government in accordance with a “one-stop-shop” principle'.

In order to encourage and increase the use of internet and social media in the public sector, making it the official government channel of communication with its citizens, Directorate for Digital Agenda of the Ministry of State Administration and Local Self-Government prepared the following documents:

- *Guidelines on web presentations of government services, agencies of territorial autonomy and local self-governing units; and*
- *Guidelines on the use of social network in State and autonomus regions public agencies and local self-governing units*.

The performance of eServices web sites is measured against the critera set out in the Guideline. There are specific requirements that assess web pesentations of public authorities at State and local self-governing level. A yearly assessment report is submitted to the Government of the Republic of Serbia. Key criteria for assessmant is how relevant published material is in informing the public on the functions and work of public bodies and institutions. According to the Directorate's assessment for 2014, the average success of this criteria was 56.6%, while the real results were at the level of 54%. (Report, May 2015)

Analysis of online communications with the public on the eServices portal in 2015 provides some insight on how the advantages of a global network and social media are used to secure a visible public presence of governing bodies in the Republic of Serbia. The analysis also estimates what would be the future characteristics of the online relationship between the Government and the public. The results of the analyses have shown that the web presence of all levels of State bodies that provide basic information to the citizens is 83%; relationship with media through various forms of newsrooms is around 40%; while the presence on social media is lower, such as Facebook (19%) and Twitter (15%). However, the analysis of the level of interaction between the public e-Service and targeted groups are low. (See Table 1 below)

Table 1: State Government on internet in the Republic of Serbia

Level of governance	**Public management**	**Sample**	**Presence**	**Newsrooms or Pressrooms**	**Social rooms or links to the Social Media**		**FAQ**
					FB	TW	
State Government	Ministries	17	17	11	5	3	9
	Agencies	10	7	4	1	2	2
Regions and Districts	Regions	1	1	1	1	1	0
	Districts	10	5	1	0	0	1
Local self-governance	Local government	10	10	2	2	1	6

Publication of Frequently Asked Questions (FAQ) is a mandatory requirement in '*Guidelines on web presentations of government services, agencies of territorial autonomy and local self-governing units*'. However, the analysis of all relevant web sites confirmed that only 38% of public sector bodies have published their FAQ. The majority of published FAQs are at the first level of sophistication (72%) according to the criteria developed by company called Capgemini (2007). This assessment tool of the company is adopted as the official criteria for benchmarking the sophistication of public sector electronic services in the European Union (EU).

The analysis of the Serbian Government online services has also shown that there is no clarity on who administers social media, while finding online pages to enable communication with public service is unreliable and uncertain.

The analyses have revealed that compliance with the critera for quality online relationships between the public sector and citizens is differnete. (Table 2)

Table 2: Compliance with hte criteria

Criterion	Public managment bodies which met the criteria (in percentages)
Two way communication with citizens	98%
Dissemination of information via DM	64%
News on latest initative and events	79%
Contact email provided	96%

Two way communication is enabled mostly using emails. Profiles and pages on social media are used for dissemention of news and multimedia content. In other words, online relationship with public are mostly at the level of publishing information on activities of government agencies.

4. SOCIAL NETWORK USE IN THE MINISTRY OF DEFENSE AND SERBIAN ARMED FORCES

The Ministry of Defense and Serbian Armed Forces (MoD & SAF) has had an online presence since 1997. The Army web site was launched to the public on 15 December 1997. That is also the day of the first independent appearance of the Army on the internet, on its own official domain. The Army web site has become a part of the comprehensive display of affirmative information on the armed forces in public. The structure of the web site reflects the intention to incorporate both dissemination of information and the need for presentation (Bobar, 2009).

A sharp increase in the number of users, especially younger generations, was evident during 2008 when the Ministry of Defense opened their pages on YouTube (2 September 2008), Facebook (22 December 2009) and Twitter (1 June 2011). The aim was to enable direct, two way communication with young people, who are an extremely important demographic group for the MoD & SAF. (Đurić-Atanasievski, Bobar, Krivokapić, 2012)

The main MoD & SAF's objectives for the use of the global network and of social media have been to ensure public support for the activites of the defense system; to reach out to young generations and increase their interest in the military profession and possible recruitment into the professional armed forces and to enable communication in crises situations. An important objective was also to prevent false representation of the MOD & SAF in social media, that is, directing users of the network to offical sources of information. These objectives and methods are of lesser scope and not that sophisticated compared to the internet activities and social media engagement of other military forces.

Strategic presentation of MoD & SAF in social media depends on changes initiated by Defense Strategy and available resources in the defense structure.

The anaylsis of the Directorate for Digital Agenda that focused on the use of social media in State bodies and institutions, concluded that the Ministry of Defense is the most successful in all aspects: frequency of announcments, interactions with their audience and the extent of their reach. In the '*Guidelines on the use of social network in State and autonomus regions public agencies and local self-governing units'* the profile and web pages of the Ministry of Defense are listed as an example of good practice.

The analyses of the MoD & SAF' presentation in social media in 2015 has come up with the following statistics:

Ministry of Defense published 2205 news and announcement, sorted and adjusted to available profiles and pages on social media.

Facebook page of the MoD & SAF got 182.000 approvals ('likes'). On the Facebook page of DM & SAF visitors publi(sh on average more than 5.000 likes, 150 comments and 120 'shares' per day. Announcment on the participation of the Serbian Guard at the military parade in Moscow is a textbook example of the viral trend on social network. This announcment was viewed by 800.000 Facebook users.

Twitter profile of the MoD & SAF has accumulated 4.050 followers and published 2.830 short messages. Each messsage published on Twitter was resent multiple times, for example, information on a Tank biathlone in the Russian Federation or preparation for the military parade in China. The reach of short messages is much larger than what the available statistics can record and impact on journalists and experts is bigger than the standard exchange of information.

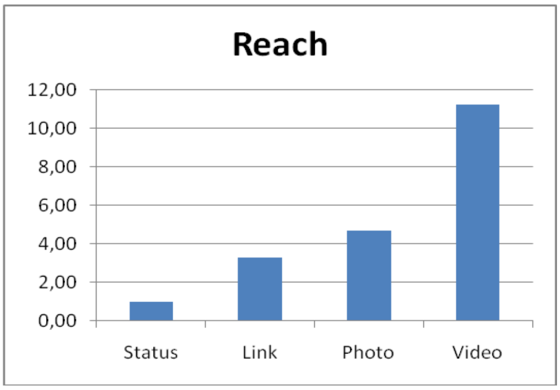
YouTube profile of the MoD & SAF has more than 25.000 views and more than 34.000 minutes of video material is viewed per month. The most popular clips are the opening ceremony of Tank biathlon in Russia, finals of the armoured vehicles competition, new recruitment video, *Be a professional,* offering jobs with the Army, video about shooting the film *Cizmas*i (Footsoldiers) and a report on the Guard preparation for the parade in Moscow.

Profiles on social network such as Facebook, Twitter and YouTube have been recognised by the public as an official and reliable source of information. That is of crucial importantce as the public sector often has to deal with the problem of reliability and authenticity of the source in social media, that is, to confirm if the source is official or fake.

4.1. Content analyses of MoD & SAF presentation on social media

The analyses of the profiles and pages of armed forces of EU countries indicate that the common theme is that of solders. Solders have the central role and the content published on social media reflects that (NATO Public Affairs Handbook, 2010)

Using available statistical tools on the profiles and pages of the social media of the Ministry of Defence, we have analysed the efficency of material published in 2015, according to the type and their content. Content analyses has been undertaken following two criteria: reach of the targeted public and engagement. Collected data was interpolated taking into consideration relative nexus according to the type of content. The results are presented in Table 2 and 3 below.



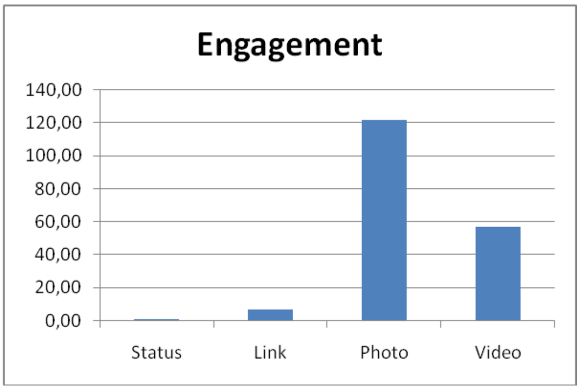


Figure 1&2: Interrelation of the announcement and its type to the reach and engagement of MoD & SAF social media

The finding of this analyses is that the most visited pages on MoD & SAF's social media are with video content, but photos initiated much higer engagement of the visitors to these pages compared to other types of content.

In order to still provide an answer to what content is the most suitable for publication on various social media, we have analysed the content on profiles and pages of MoD & SAF published during 2015. All content was put into following categories: training, practice, peacekeeping operations, natural disasters, promotions and defense politics.

Following the minimal and maximal values for each of the categories in 2015, we have defined relative relations, based on categories, for the maximal reach and engagement of each announcement. See table 4 below:

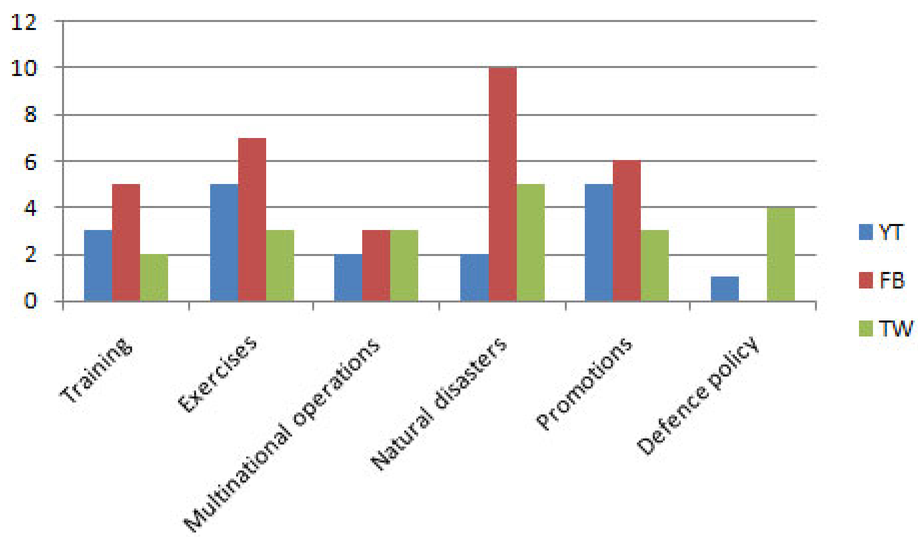


Figure 3: Categories of announcement on various social media and their relative relation

Results of these analyses confirmed that engagement of users point towards certain trends for each type of media. YouTube users most often follows clips which have content that is focused on training, practice, promotions. This is content where a soldier is a central figure.

Facebook pages initiated the most reaction when the army was involved in assisting crises during natural disasters or on their military drills. This type of content usually attracts a lot of positive comments and emotions.

The MOD & SFA Twitter profile initiates fairly equal reactions. It has also presented well as a medium useful for the distribution of information that have defense doctrine content.

5. CONCLUSION

Relevant research indicates that the public sector has not yet used all capabilities provided by social networks for the improvement of inclusive or consultative role of citizens anywhere in the world. In addition, the real effects of communication with the citizens has not been defined yet. However, existing survey of public workers, reveals that the participation of the authorities in social media may improve the communication and participation of the citizens, create greater transparency and transfer of the best practice between government agencies.

On the basis of previous experience in the implementation of social media as channels of communication of the Ministry of Defense and the Serbian Armed Forces, it can be concluded that the contents which are published on social networks are being followed by different social groups. The results of the 2015 analysis in the MoD and the SAF confirm that the editorial policy of the profile and the pages on the social networks must be well planned and based on evaluation of the publications in the previous period. This is especially related to the type of content and the content itself, i.e. suitability of the content for the specific type of social network. The analysis of the content of the MoD and the SAF confirm that the Youtube channel is a media suitable for promotional appearances, Facebook for communication with youths, and Tweeter for informing the public about the defense politics. Taking into consideration public accessibility of social media, it is expected that the announcements efficiency will not considerably change in the next period. Further improvements of the Ministry of Defense and the Serbian Armed Forces presentation can be achieved in direct communication with members of the public in social network. It is also important to prepare a good analysis of the influence that certain public media can have on the shaping of public opinion.

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https://stats.oecd.org/glossary/detail.asp?ID=4752
http://web.worldbank.org/WBSITE/EXTERNAL/TOPICS/EXTINFORMATIONANDCOMMUNICATIONANDTECHNOLOGIES/EXTEGOVERNMENT/0,,contentMDK:20507153~menuPK:702592~pagePK:148956~piPK:216618~theSitePK:702586,00.htm

RESHAPING THE FUTURE OF COMMUNICATION BY RESHAPING CRM

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Abstract*: This paper aims to clarify the notion of CRM, as well as the influence of this system on how communication with customers will be shaped in the future. Through CRM and systems used to facilitate CRM, companies find out more about their target audiences and the best way to meet their requirements, so that they may improve communication with existing and potential customers. Operational CRM consists of three main components: sales automation, marketing automation and service automation. Therefore, this paper will focus on better explaining these concepts, as well as on examining the future of CRM and the way this system may contribute to the better placement of products or services of certain companies on the market. The influence of CRM systems on customer satisfaction is also explained, as well as the future of communication between the companies and the customers.*

Keywords: *CRM, communication, customer, marketing*

1. INTRODUCTION

The speed at which the client is approached and meeting the demands of clients have become the key parameters of a company's successful management, where the most significance is placed on recognizing the needs of clients and fulfilling them as quickly as possible. *Severovic (2013) point out that: "companies meet the demands of a competitive market by constantly reaffirming their position when compared to their competition" (p. 143)*.

The concept of customer/client relationship management is essential in contemporary business practices. Customer relationship management directly correlates with marketing, i.e. sales. Satisfied customers are the instrument through which successful contemporary business subjects are realized, especially in today's modern terms of business, where the competition is undoubtedly stronger than ever before. There are numerous definitions of the concept 'customer relationship management'. Although customers are in fact managed by having their needs satisfied, and thereby building a long-term partnership between the customer and the provider, there are also some authors who speak of managing buyer relations, rather then managing customer relations.

Severovic (2013) point out that: "customer relationship management (CRM) represents the company's approach to managing and interacting with existing and future customers" (p.157). The CRM approach sets out to analyze data about the clients, in order to improve the company's business relations with them, with a particular emphasis on keeping a customer in order to boost sales

While developing customer relationships, technology, i.e. communication technology based on the support of the internet, has a significant role. It not only makes communicating with potential customers possible, but it also allows companies to develop long-term relationships with them, based on constantly monitoring their needs (Yeung., M . & Ramasamy., B., 2008).

One important aspect of the CRM approach is that CRM systems integrate information from a variety of different sources, including the company's website, telephone line, e-mail, live chat, marketing materials, social media, and many others. Through the CRM approach and the systems used to facilitate CRM, companies find out more about their target audiences and the best way to satisfy their needs. However, adopting the CRM approach may from time to time lead to favoring certain categories of customers, which in turn may cause dissatisfaction in many other customers and defeat the purpose of CRM in general.

CRM system's primary goal is for the company to integrate sales automation, as well as marketing and customer support. This is why these systems usually have a control panel which allows them to have a general overview of the three functions on one page, for each customer that the company may have. Control panels provide information about clients, sales, previous marketing activities and more, by summing up all relationships between the clients and the company (Kostic-Stankovic, M. & Filipovic, V., 2014).

Operational CRM consists of three main components: sales automation, marketing automation and service automation. Here we will aim to explain these notions more closely, as well as to examine the future of CRM and the way in which this system may contribute to the better placement of products or services of certain companies on the market.

2. SALES AUTOMATION, MARKETING AUTOMATION AND SERVICE

Sales automation occurs in all stages of a sales cycle, from the initial contact to the moment in which a potential client becomes an actual client. For example, in August 2000, Oracle came out with a CRM software package, OracleSalesOnline.com, that made contacts, schedules and performance monitoring available online, so that the required information about customers was easily accessible to all employees working in an office or in the field.

Sales automation conducts an analysis of sales for promotional purposes and it automates monitoring clients with a history of repeated and potential future sales. It also coordinates sales and marketing departments, call centers and retail stores. This helps prevent a double effort in order to establish communication between the sales representative and the customer, and it also automatically tracks all communication on both sides (Kumar, V. & Reinartz, W. 2012).

Marketing automation is focused on modifying the entire process of commerce, in order to make it effective and efficient. For example, by keeping scores of the customer's behavior, Salesforce Marketing Cloud allows for the marketing campaign to adapt to the customer's engagement in the transaction.

Kostic-Stankovic (2013) point out that: "CRM marketing automation tools can automate repeating tasks, such as sending out e-mails to customers at a certain time or posting marketing-related information on social media" (p. 113). The goal of marketing automation is to turn a sales advantage into the largest number of active new buyers possible. CRM system works on engaging customers through social media even today.

Service automation is a part of the CRM system focused on the direct technology of the customer service. Thanks to service automation, buyers receive support through multiple channels, such as a telephone line, e-mail, knowledge base, ticket portals, frequently asked questions section, etc. For example, Microsoft's Dynamic CRM Software monitors the time and the resolution of calls in order to improve the efficiency of particular customer services.

Analytical CRM. The role of analytical CRM systems is to evaluate customer data gathered through a variety of sources, so that business managers can make informed decisions. The analytical CRM system uses techniques such as data mining, correlation and shape recognition, in order to analyze customer data. This sort of analytics helps the company improve its services by identifying minor solvable issues in the marketing sector, which are in relation to different kinds of customers who need to be approached in different ways.

For example, by analyzing the customer base, which is in relation to customer behavior while shopping, the company can see if a certain buyer has not been buying a lot of products recently. After this sort of data is scanned, the company may choose to take a different approach to that particular group of customers, so as to present its products or services more effectively and show the customer what may be of use for them (Keller, L. & Kotller, Ph, 2006).

Mutual Fund CRM. The third primary goal of the CRM system is to include external partners, such as suppliers, salespersons and distributors, and then share customer information throughout the organization. For example, the feedback may be received through technical support, which deals with customer calls, and could help to give instructions in relation to the placement of products and services to that particular customer in the future (Draganic, D., 2013).

3. CRM SYSTEM'S MAIN COMPONENTS

CRM system's main components are building and managing customer relationships through marketing, observing these relationships in various stages, managing these relationships in every phase and recognizing the fact that the distribution value of this relationship of the customer towards the company is not homogenous. When building and managing customer relationships through marketing, companies may benefit from using different tools that facilitate the organizational design, stimulating programs, recognizing customer structures, all with the goal of optimizing the reach of their marketing campaigns. By acknowledging different CRM stages, companies can benefit from perceiving multiple interactions as linked transactions. The final CRM factor emphasizes the importance of CRM by calculating the profitability of client relations. By studying the particular habits of customers, the company will be able to dedicate various resources and attention to certain kinds of customers (Kracklever, A. H., 2004).

Relational intelligence, i.e. the consciousness about different relationships that the customer may have with a company, is an important component of CRM's main stages. Companies can be successful in recording demographic data, such as gender, age, income and education, and then integrating them into the information regarding purchases, so as to categorize clients by levels of profitability, but this is only a company's mechanical view of client relationships. This is a sign that companies always see customers as resources that can be used in up-sell or cross-sell situations, and not as people in search of interesting and personalized interactions.

Figure 1: *Components of CRM. (2016, May 15)*

4. THE INFLUENCE OF CRM ON CUSTOMER SATISFACTION

Customer satisfaction has significant implications for the economic performance of a company, as it can increase the loyalty of customers and reduce their complaints, as well as the possibility of losing a customer. Implementing the CRM approach is likely to have a positive influence on customer satisfaction and client knowledge in relation to the offer on the market and the purchase for various reasons.First of all, companies are able to accommodate their offers to each customer. By accumulating information through client interaction and the processing of this type of information, all with the goal of discovering different patterns, CRM implementation helps companies adapt their offer so as to suit individual tastes of their clients. This kind of adjustment improves the client's impression regarding the quality of the product and the service, and since it is that impression about the quality of the product that determines the level of customer satisfaction, it thereby follows that CRM implementation has a positive influence on customer satisfaction indirectly.

CRM implementation also enables companies to process buyer and client requests and demands precisely and in a timely manner. For example, Piccoli and Applegate discussed how Windham uses IT tools to deliver consistent service experiences to customers. Both companies improved their ability to adapt and decreased the variability of the customer's experience in relation to their view of the quality of the product (Kotler, Ph., Wong, V., Saunders, J. & G. Armstrong., 2006).

5. ADVANCING CRM SYSTEMS

The consulting firm Bain & Company claims that it is important for companies to establish strong CRM systems in order to improve their relational intelligence. According to this argument, a company has to admit to people having different kinds of relationships to different brands. One study analyzes relationships among customers in China, Germany, Spain and the United States to over 200 brands in 11 industries, including airlines, automobile factories and the media. This information is valuable because it provides insight into the demographic data, different behaviors and values on the basis of customer segmentation. These types of relationships can be both positive and negative. Some customers view themselves as being brand-friendly, others feel repulsion towards brands, while some have mixed feelings about them. These relationships can be distant, intimate or something in between (Maggon, M., Chandhry H., 2015).

6. INFORMATION ANALYSIS

Based on this information, managers should understand the various different reasons behind a particular kind of relationship and provide the customers with what they are asking for. Companies may gather this type of information through polls or interviews with existing customers. For example, Frito-Lay conducted numerous ethnographic interviews with its clients, in an attempt to understand their relationships to companies and brands. One of the things they discovered was that the majority of grown-up customers use their products in order to feel playful. They may have enjoyed the orange lighting of the company or some interesting shapes. Companies have to improve the relational intelligence of their CRM systems. These days, companies gather and receive large quantities of data through e-mail, online sessions, telephone calls, etc. Many companies handle these large quantities of data incorrectly. These are all signs of the type of relationship that the customer wishes to have with a company, which is why companies should consider the possibility of investing more time and effort into developing their relational intelligence further.

Companies may use the data mining technology and internet searches to understand the relational signals. Social media such as Facebook, Twitter, blogs, etc. are also a very important factor in gathering and analyzing information. Understanding existing clients and gathering this kind of data allows the companies to understand the desires of potential customers and their relationship to the brand (Kostic-Stankovic, M., 2013).

It is also very important to analyze all this information in order to establish which relationships have proven to be most valuable in terms of certain categories of customers. This is helpful so as to turn the gathered data into profit. Stronger relationships to customers contribute to a company's better placement on the market. By managing different portfolios for different segments of a client base, i.e. client category, a company may achieve its strategic goals.

7. EMPLOYEE TRAINING

Many companies also conduct training programs for their employees, whose main goal is to teach them how to identify and efficiently create reliable customers, i.e. brand relationships. For example, Harley-Davidson sent its employees on a trip with clients, all motorcycle lovers, in order to strengthen their relationship to them. Other employees receive training in the areas of social psychology and social sciences, so as to help consolidate client relationships. Representatives of a customer service have to be educated and able to appreciate client relationships, but at the same time, they need to be trained so as to understand the profiles of existing customers. Even financial and legal services should undergo training about the way in which relationships with existing and potential customers should be managed and built.

8. EVALUATING PRECESSES AND PLANNING NEW PROCESSES

Many companies that do not have a well-thought-out and logical process cannot be successful in achieving their goals. Companies have to define their business goals and evaluate their CRM processes in order to improve and expand the business so that it may suit their needs. The implementation of new technologies is also useful because the use of CRM systems requires changes in the infrastructure of the organization, as well as the development of new technologies, such as business rules, databases and informational technologies (Buckingham, R., 2011).

9. CONCLUSION

Customer relationship management (CRM) represents a company's approach to managing and interacting with current and future clients. The CRM approach aims to evaluate client data so as to improve business relations with customers, with a particular emphasis on retaining old customers in order to boost sales. An important aspect of the CRM approach is the fact that CRM systems integrate information from a range of various different channels, including the company's website, telephone line, e-mail, live chat, marketing materials, social media, and many others. Thanks to the CRM approach and the system used in order to facilitate CRM, companies discover more information about their target audiences and the best ways to meet their requirements.

The primary goal of CRM systems is to integrate and automate sales, as well as marketing and customer services.

By acknowledging different stages of CRM, companies will be able to benefit from perceiving various different interactions with customers as linked transactions. By studying the particular habits of customers, companies will be able to dedicate different resources and attention to certain kinds of customers.

Many companies also conduct training programs for their employees, so as to teach them how to recognize and efficiently encourage the increase in the number of their customers, i.e. brand relationships.

Companies should define their business goals and evaluate their CRM processes in order to improve and expand business so that it may suit their needs. The implementation of new technologies is also useful because the use of CRM systems requires changes in the infrastructure of an organization, as well as the development of new technologies, such as business rules, databases and informational technologies.

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www.enmain.com (2016, May 15)

BRAND DESIGN IN FUNCTION OF SUSTAINABLE CUSTOMER COMMUNICATION DEVELOPMENT

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Abstract: *Even though it should be logical that process of product selection while purchasing is based on simple ratio of price and quality, practice indicates that, in numerous cases, brand design and communication with customers are decisive factors in product purchase decision making. Reasons are very logical and connected with human psyche, as well as manner of perception and notion of different messages sent by brand itself. This is exactly the reason why, while creating brand identity,its aspects such as visual identity, image, brand tone and message, are thoroughly examined and why customers are consulted before and after creating conceptual solution. Based on above mentioned observation, this paper considers significance of branding concept and role of design as a source of sustainable communication development. Research on significance of these components was conducted in paper by applying quantitative method (questionnaire). Research is presented through result analysis and conclusions of primary study, which verify above mentioned claims.*

Keywords*: Brand, design, added value, emotional benefits, product visual identity, customers, sustainablecommunication.*

1. INTRODUCTION

Leading companies worldwide have been paying great attention to the design of their products with the aim of creating successful commercializationon the global market. (Novaković, 2002)In modern world, no company can succeed unless it is in constant touch with the outside world through design and brand. Brand purpose is to create unique rational and emotional associations among customers since they are of great significance when it comes to making decisions about purchasing products. (Cicvarić, 2006) Innovative design is becoming more and more influential on customer's desire to purchase a product as well as on loyalty to a company. The ability to solve problems in communication, including problem identification, research, analysis, solution generation, prototype creation, consumer testing and results evaluation, represents the significant contribution of the design in creating a special connection between producers and customers. (Kuzmanović, 2008)

The broader comprehension of the issues related to customers' expectations regarding cognitive, social, cultural, technological and economic contexts of the design is becoming a prerequisite for creating higher quality communication capacities of the brand. Therefore, the aim is to establish the significance and influence of the design, as a key brand component, on the creation of sustainable communication and its constant promotion in the process of brand creation. The fact that this issue has not been addressed properly in our society, compared to more developed ones, adds significance to this research. Design innovations have recently had great influence on increasing brand value as well as product's competitive advantage. Since brand represents an instrument of competitiveness, which has an important role for gaining leadership position on the market, it is vital to constantly introduce innovations in all business processes. (Kotler, 2005) In that way only can the costs be reduced and revenues augmented, with the aim of improving business results and increasing the competitive capacities of a company. Branding strategy based on future goals which include final customers, raising awareness of the brand, its positive image creation and building a loyal relation with the brand, is of great importance. Standard scientific research methods such as inductive, deductive, analytical and synthetic methods, as well as statistical and comparative analysis were used in this paper. Domestic and foreign references, as well as electronic resources will be critically analyzed, with the aim of gaining new scientific and expert knowledge on business practice. Empirical research was conducted by using methods of surveying, interviewing and effect measurements.

2. DESIGN AS A BRAND FACTOR

Design, viewed in its broadest meaning, represents visual, functional and qualitative modelling of the overall life conditions of the society.(Filipović, Kostić-Stanković, 2009) Design is supposed to contribute to creating functional aesthetically acceptable products of high quality, while at the same time achieving optimal cost-effectiveness and productivity in business. Design was made because of the need to create visual identity of the product which is the sum of different means that in artistic and graphical way create unique representation of a product, or a whole brand to which several lines of products belong, or even a certain corporation and its activity. The process of designing is realised through problem definition, relevant information gathering, generation of several preliminary designs, final design analysis and selection, and finally its testing and implementation. The aim of every company is to get public favour with its unique visual identity, and then to take its place on the market through consistency in representation of its advantages and quality. It is very important to pay close attention to cosistent use of the carefully designed visual identity components, with which wide recognition and differentiation on the market is achieved. The search for media values forced the companies to rely less on conventional means of advertising and to accept other communication forms: design, sales promotion, direct marketing. (Lamb, Hair, McDaniel, 2005) Nowadays, the focal point of innovation in the design section is a human – or, to put it differently, design should question human needs and, accordingly, ensure functionality, possibility of marketing positioning, product usability and sustainability. The visual identity of a product and visual elements of a brand have become only one of its dimensions nowadays. The strict division of technical disciplines into industrial and graphical design has been replaced by interdisciplinary practice of strategic design which uses new forms of design with the aim of creating a product as the means of communication with the customers.(Lamb, Hair, McDaniel, 2005) Design is supposed to create and develop a visual solution for problems in communication between the brand and customers, including the comprehension of typographical and aesthetic elements, their composition and structure. Mass messaging is being transformed into narrower communication forms intended for specific audience, i.e. special interest design, which is supposed to provide the insight into the target customer groups, is developing. Additionally, new concepts of marketing strategy are about including customers in the brand values creation and the products that it covers. In business, innovative design can provide long-term competitive advantage sustainability and quality communication between brand and customers which leads to the creation of superior organization performances. (Kotler, 2005) Designing a product is a dynamic process constantly being updated with new innovative ideas in order to satisfy customers' needs and requests as well as to build long-term relations. Therefore, design is becoming a strategic resource form which is important for value creation since it has a decisive influence on the initial concept and the delivery of product and services which fulfill customers' needs and aspirations. The aim of the design is to connect the brand with the customer in a visually sophisticated way, thus separating it from the competition and differentiating its offer. Brand has to induce satisfaction in customers. Therefore, motivational researches are being carried out, and they are supposed to provide the answers to the question of customers' needs, desires and aspirations, based on which a design for a specific target group is created. Considering the fact that the visual elements language is understood much faster and easier than a verbal language is, visual elements of the brand identity are applied to all the components through which a company communicates with the general public. The color of the brand represents the mark of its visual identity which contributes to the higher level of recognition of the brand name and sign in relation to the competition. The purpose of the color is to communicate the essential information to the customer; it triggers certain reactions and stimulates thoughts, memories and different perceptions. (Gobé, 2006) The color has the crucial role in the process of brand evaluation and customer's final decision making whether or not to purchase a product. In brand creation, the knowledge and proper usage of colors is demanded, as they have highly associative and symbolic meaning. We are talking about visual, aesthetic and identification element that can cause different associations in different countries. (Rakita, Mitrović, 2007) Companies pay close attention to colors while designing brand elements, especially if they are present on the international market. Brands use different colors and nuances as standards for their visual application, all of which contributes to brand consistency and recognition. In the process of brand management, the packaging has an extremely significant role since it stimulates associations with the brand. Furthermore, the packaging design represents visual means of communication with the customers which makes it easier for them to recognize the products of certain purpose, kind and price.(Cicvarić, 2006)As well as having a practical value, design of the packaging has an emotional value. Actually, it is supposed to have a strong visual influence on the customer. The packaging directly influences brand image creation and therefore represents an important instrument for communication in marketing. (Filipović, Kostić-Stanković, 2009) As an instrument for communication with the customers, the packaging is used as a transmitter of the message about brand value, emphasising its recognition elements and attractiveness. The packaging design and the way of marking a brand influence the process of brand identity creation so that the original packaging will draw the customer's attention and stimulate impulsive purchasing. (Mandarić, 2012)

3. THE ROLE OF BRAND IN MODERN BUSINESS

In order for it to be successful, a company has to differentiate its offer and to position itself in relation to the competition so that the customers would perceive the difference between its and competitor's offer.(Milisavljević, 2013) Market trends which are conditioned by quickened development of technology, such as the mass production of the products having the similar or even same purpose, shortening product life-cycle, as well as accelerated product obsolence have resulted in the inefficiency of the marketing concept based solely on emphasising the functional advantages of the product and rational reasons for the purchase. Therefore, a company ought to strengthen its advantage in the intangible market-based assets. It led to the necessity for brand creation and the development od its management concept. The purpose of this form of communication is creation of atmosphere, emotions and associations with the customers related to a certain brand, no matter if it is a company, product, service idea or person. (Vlastelica, 2007) Brand has a deep set of thoughts and associations within itself; it has to provide some kind of additional value to the consumer. So, it may be said that the brand represents the way in which customers experience, perceive and understand a specific brand in all its dimensions.(Veljković, Đorđević, 2009) Brand can be defined as a recognizable group of elements: name, logo, design, person and message. The aim of all these is to identify and differentiate organizations, products, services, places and ideas.(Cicvarić, 2006) Unique combination of basic brand elements causes rational and emotional associations, beliefs and expectations in consumers / buyers / users. Brand elements are the basis for product identification and differentiation. However, the most important thing here is to establish emotional connection with the buyer. The fact that the famous designer Marc Gobébelieves that we live in the age of "emotional economy" whose vision is to "make the surroundings more pleasant, exciting and precious place for us all" only proves this statement. (Gobé, 2001). Brand is a very important source of competitiveness because it enables keeping the existing buyers and attracting new ones. In modern business conditions, general public is faced with different manifestations of brand. It can be represented in the form of product branding, service branding and corporate branding, as well as co-called private branding or trademark, with the obligation of observing the image of the country of origin, or should we say its influence on the brand. (Veljković, Đorđević, 2009) Persons, places and organizations, sports, art and entertainment, countries and different geographical locations, information, ideas can all become a brand. (Filipović, 2008) From all the above said, it can be concluded that nearly everything can be branded, which is viewed as a chance for achieving better business results because brands enable the consumers to develop higher level of loyalty and affection for certain products and services. The value of the brand is based on the difference in consumers' reactions which represent the result of consumers' knowledge on the brand comprising of thoughts, feelings, images, experience, beliefs etc. Different consumers' reactions, which actually create brand value, reflect in perceptions, preferences and behavior in accordance with marketing aspects of a specific brand. (Novčić, Damnjanović, Filipović, 2012) Brand is thought to have a positive value based on customers if the customer has a positive reaction on the brand and the way it is launched in the situations when it can be recognized, unlike in those when it cannot. The benefit of brand existence can be considered from the customer's and organization's point of view. The advantages that the brand offers to customers are multiple. Brand identifies the source of the product, and it provides the customer with the possibility of allotting it certain responsibilities. Brand also facilitates the process of decision making on the selection of the product and it reduces the research costs related to product internally, through time needed to be spent on thinking, and externally, through time needed to be spent on product search. From the aspect of organization, a properly created brand will promote the company into a recognizable player on the market in relation to other business partners. Also, a certain degree of differentiation is achieved in relation to the competition, which can be seen as an indicator of high quality by customers. Provided that brand characteristics satisfy customers' needs and desires, customers will certainly opt for different products of the same brand thus building loyal customer – brand relation. On the basis of loyalty, a constant need for the product is developed, which is how brand proves to have economic benefits. According to the above mentioned facts, the following conclusion can be drawn: brand has economic and social contribution. The social contribution is perceived through generating customers' loyalty which leads to producing a stable revenue for the company, or in other words, economic contribution. Regular and steady revenue generates steady income for all the company's employees which is an extremely valuable social contribution.

4. SUSTAINABLE COMMUNICATION AND BRAND IN FUNCTION OF CREATING RELATIONSHIP WITH CUSTOMERS

Sustainable communication is firmly connected with strategic customer relationship management, which can be defined as a marketing approach towards managing company's interaction with current and potential customers. (Hasty, Reardon, 2007)Sustainable communication implies long-term coordination of organizational structure business strategies and corporate culture with customer data and information technology with the aim of satisfying customer needs and achieving business profit. (Shimp, 2003) Therefore, sustainable communication implies gathering information from all sources inside the company, as well as outside the company, which implies customer feedback and activities of competitive companies. This enables company's marketing experts to make proper decisions rapidly and effectively to fulfill customer needs, due to the fact that satisfied and loyal customer is far more interested in creating long-term relationship with certain company and its products. Communication specialists agree that, besides costs reduction, there should be three new priorities in creating relationship with customers: a) increasing services level and quality; b) increasing competence level, in order to provide business partners and customers with quality responses to additional requirements and c) active usage of social networks in communication with clients. (Levine, 2007) Due to the fact that their consumers are becoming more demanding, better informed, and in a certain manner even suspicious about the quality of a product or service, successful companies are trying to improve their relationship with customers by providing them with extra value, such as different personalized gifts, for example multipurpose loyalty cards, different discounts for special occasions, or providing customers with post sale activities such as servicing. (Filipović, Kostić-Stanković, 2009) However, by conducting this kind of activities, company is gathering valuable information about demographic structure as well as preferences, interests and life styles of their customers, which are of outstanding significance in product development. Other authors suggest that sustainable communication has five crucial tasks: a) encouraging new forms of customer behavior, b) placing customer in center of marketing activities, c) combining different messages and media for achieving desired communication effects, d) developing strong and unique brand image, e) developing long-term relationship with customers.(Hasty, Reardon, 2007)

In the conditions of modern market environment, one of the main prerequisites for a successful business is to establish high quality communication with the target groups, particularly with the buyers or service consumers. The understanding of the growing importance of the communication for the company’s market success has contributed to positioning this business function amongst the top priorities of the company’s organizational structure and affecting its strategic decisions.(Mitić, Ognjanov, 2013) Brand creation is one of the ways to establish and maintain communication between a company and the customers since brand is not only about a product’s or a company’s name but it also includes a complex functional end emotional structure. Nowadays, consumers are overcommunicated as a large number of information is directed towards them on a daily basis, they are exposed to information from 40 billion webpages and hundreds of television channels as well as thousands of newspaper headings. (Cicvarić, 2006) Thus, the process of perceiving and processing different information is greatly facilitated with the existance of brands. Even though the purpose of the brand is to identify products and services, as well as their producers, it can also be used to identify customers which enables the establishment of communication system and connection wiht other people who are the consumers of the same brand.

Brand is created through different communication forms which is a key factor in establishing a connection between brand and customers. Firstly, it is necessary to define and adopt brand identity which is followed by the analysis of the manner of communication with the customers. The communication on brand – customers relation begins from the moment the customer becomes aware of the brand and that communication is maintained through marketing and corporate communication activities. (Cicvarić, 2006) With the aim of achieving the desired brand communication effects, it is necessary to create communication programmes from customers’ or target groups’ point of view, in accordance with their needs, desires and characterisitcs. Successful brands communicate with their customers, listen to and learn from them preserving the possibility to transform and adapt to different target groups segments. While planning sustainable communication between brand and target groups, it is important to devise a certain creative style of sending the desired messages to the customers, which will depend on identified target groups’ characteristics. The aim of the communication activity is to inform the customers and other groups of interest and to draw customers’ attention which will stimulate them to purchase and create a long-term position of the brand in customers’ consciousness. Communicational brand mixture comprises elements of integrated marketing and corporate communications.(Cicvarić, 2006) The same author states that the aims of marketing communication are to inform the customers about the products, services and sales conditions, to assure the customers to choose a certain product and to stimulate the customers’ reaction to their organization’s products. For successful realization of integrated marketing communication it is necessary to determine goals to be achieved, define program and financial funds needed for its realization, to observe the achieved results and to take the corrective action if necessary. Integrated marketing communication is realized through combined and coordinated usage of marketing activity instruments, such as: advertising, sales promotion, personal sales, packaging design, sales environment etc. (Vasiljev, 2001) Corporate communication, as a significant business function within modern companies, is comprised of activities directed towards creation of organization’s corporate identity, corporate brand and company’s reputation. Due to its complexity, brand development is an important element in the process of creating corporate reputation. The reason for that is the fact that the mere implementation of promotional activities is not sufficient for building a quality and long-term relation between an organization and the customers, since they are already exposed to a large number of information and they trust less to the content placed by mass media. (Macura, 2001) One of the most straightforward ways of establishing an immediate dialogue with the customer is to revive and humanize the

brand, i.e. to create brand personality as an integral part of communication strategy. (Starčević, 2012) The idea of brand personality creation was formed on the basis of the understanding of the interpersonal relations significance. The brand personality is its important aspect and has a crucial part in creating the relation between brand and customers since it provides basis to the customers to easily connect to and even identify with. Customers purchase a certain brand to express their own identity or image through it.
Numerous researches have shown that creation of a proper brand personality leads to establishing strong relation between customers and brand, as well as to other significant marketing outcomes such as easier brand recall, stronger and more positive attitudes towards brand, stimulations of purchase intentions, consumers' increased brand loyalty and augmented brand market value. (Starčević, 2012) The message of the brand comprises all ideas, concepts and symbols which an organization sends to chosen target audience. Its primary mission is to draw attention to the brand, to attract the customers who will become and remain loyal to the brand. If a product and its packaging are used as a means of communication, it is necessary to harmonize the typography, color, illustrations, shape and material in order to make a compact unit which transmits a unique message. (Kotler, 2003)

5. EMPIRICAL RESEARCH

The aim of the research conducted in the period between March and April 2016 was to determine the influence of brand design and its communicational capacities on the decision making about purchasing a product. 230 customers were surveyed on the territory of City of Belgrade, out of whom there was a higher percentage of women (63%) than men (37%).
The research was conducted using a personally delivered questionnaire. During the survey, some useful additional information was gathered through personal communication between the surveyor and the interviewee. The aim of the research was to determine which brand elements have the crucial influence on the decision making about purchasing a product.
In order to obtain the wanted results, the interviewees were offered two competing products – instant coffee by two renowned producers: *Nescafé*and *Grand* coffee. The reason for choosing this product is the fact that it is in every-day use and that it is bought because of habit. Additionally, this category of product is interesting because the Serbian market in the segment of traditional coffee brands is a certain phenomenon – annual coffee consumption is 4.5 kg per capita. Over 33 000 tons of this beverage are sold in Serbia (http://marketnetwork.rs/). The above mentioned brands are chosen because they have been listed as the favourite ones in the various opinion polls conducted in Serbia. Serbian consumers perceive *Nescafé* brand as the highest quality producer in the category of instant coffee on the Serbian market for which they would opt if the finances were not an issue (ICERTIAS – International Certification Association GmbH, 2015). *Grand* brand is chosen because it has been at the top of the list of domestic coffee producers on the Serbian market. The research according to which every other cup of coffee that is consumed in Serbia comes from the factory of the company that owns this brand, only proves the statement above (http://www.profitmagazin.com/). Also, *Grand* coffee is the winner of *Best Buy Award 2015/2016 Millenials Serbia* in the category of instant coffee, as a producer with the best rate of price and quality on the Serbian market (http://www.advertiser-serbia.com/).
The questionnaire includes questions about brand design, visual characteritics of the products that this brand has under its umbrella and the interviewees' aspirations towards creative participation in the promotion of the brand (the suggestions were mostly related to the promotion of packaging shape and functionality, ant its aesthetic elements).
The results of the research showed that 80% of those who were surveyed consume a brand of coffee, 48% of whom do it more than one time per day. Coffee consumers are mostly up to 45 years of age. The consumers mostly consume black coffee or the so-called Turkish coffee (53%), which is probably caused by Serbian cultural heritage. The information that 92% out of 25 000 tons of coffee sold last year is "Turkish coffee" supports this claim. Instant coffee is in the second place with 34 %, while other kinds of coffee (cappuccino, espresso and a decaf) take only 13 %. Instant coffee is consumed mainly by younger population, usually at work, college or university or on the go.
The research has also shown that the consumers are generally loyal to brands, that they notice changes regarding prices or design, and emphasise that recommendations by friends and family members about which brand to use are important to them. Also, the interviewees stated that coffee consumption provides pleasure; it is a habit and a part of their lifestyles.
The results of the research have shown that consumers take care of which coffee brand they choose, because the majority of the interviewees express partial to complete loyalty to one coffee producer. Design of the brand elements greatly affects its position in the consumer's consciousness. Those who were surveyed emphasize that brand symbol generally causes specific feelings and associations. *Nescafé* brand symbol is perceived as modern, innovative, and well-adjusted to the contemporary man who chooses his coffee on the go in accordance with his lifestyle. This brand's logo appears stable and strong, and yet subtle enough to reflect its essence. *Grand* coffee brand's symbol is perceived as creative imitation of the *Nescafé* logo, primarily because of the white serif font on the red background. A portion of the interviewees noticed a

golden detail in the logo and understood it as an aspiration to visually stress and support the brand name, as well as to draw attention to the premium quality and brand's superiority over its competition. The interviewees think that most of the domestic and foreign coffee producers keep up to date with the latest trends when it comes to product's visual identity which positions *Nescafé* as the global market leader with the idea that they will thus increase the competitiveness of their products on the market.
For 32% of those who were surveyed, the color is of utmost importance when creating a brand and products under its umbrella, because for most people it is the sign of recognition, i.e. it facilitates detection among numerous competition products. Consumers are also sensitive to sudden and drastic changes in the design of brand elements and its products. This is proven by the results of the research according to which 36% of the interviewees completely agree that the change in their favorite coffee brand packaging design would affect their buying decision, since they are used to having some kind of certainty and constant values offered by the brand. Although the interviewees do not have doubts about the quality of domestic or regional brands, the foreign ones are preferred. Thus, as much as 78% would opt for *Nescafé* instant coffee than for the same product of the *Grand* Company. A portion of the surveyed consumers believe that foreign brands have better competitive position on the market because considerable funds are invested in the promotional activities and thus increase their visibility. They also think that *Nescafé* sets the trends when it comes to both product quality and its packaging design. According to the gathered data, it can be concluded that *Nescafé* is making competitive advantage on the market and is gaining its share of the market all thanks to its brand strength, quality and tradition, superb design and well-conceived strategy of communication with the consumers. The confirmation of this claim is the fact that 39% of the interviewees point out that the image of *Nescafé* brand is its primary advantage in relation to competition, to which visual characteristics of this brand products contribute greatly. When it comes to packaging design, the interviewees emphasize that they prefer lighter ergonomically designed *Nescafé* cans, as well as the fact that different kinds of coffee have different can color which makes the selection of the product easier. Those who participated in the survey often mentioned that red *Nescafé* mug associated them with the ritual of coffee drinking which they relate to relaxation and pleasant moments. It can be said that this creation of the *Nescafé* brand is itself some kind of a brand. On the other hand, quality and reliability are generally emphasized in relation to *Grand* brand, since it is, particularly among older generation, known as renowned coffee producer on the Serbian market. It is considered that this brand's and its products' visual identity should not be drastically altered since, as a part of the legacy of the old times, it adds to the product value. When the interviewees were shown the *Grand* instant coffee packaging they said that it greatly resembles the *Nescafé* product of the same category. In accordance with the above mentioned, 23% of the interviewees think that *Grand* company ought to decide on giving a specific identity to its products' packaging in order to be different from *Nescafé,* while only 7% of the enthusiastic consumers would participate in the creation of the product's design.
When it comes to communication with the consumers via traditional media, the interviewees think that *Grand* coffee has the best commercials on the domestic market because they are fine-tuned to specific target groups within consumer structure. Thus, the company creates the specific visuals for customers who recognize and choose premium quality, followed by a higher price of the product. The consumer structure is mainly comprised of younger female population for whom the messages have been created as well as the tone of communication, and of consumers who rely on traditional values and who pay special attention to commercials during New Year's holidays. Those commercials usually feature famous people or portray scenes from every-day life while family, neighbors and friends are having conversation with a cup of coffee at their side.

6. CONCLUSION

In order to achieve success in contemporary business environment, which is increasingly globalized, oversaturated and shaped by demanding customers with high expectations, company needs to establish and retain successful communication and long-term relationship with their target groups. Gaining and retaining confidence of target groups is a key to achieving business success, since customers create value for a company by choosing its products or services. Creating corporate or product brand could be an efficient method of establishing firm and long-term relationship with customers, due to the fact that brand is perceived as a guarantee of quality which shortens decision making process, but also as a manner of customer self-expression. By choosing certain brand, person can send specific message to the environment about his/her life style, preferences, interests, system of values, beliefs, etc. By giving the opportunity to send a message about who they are to the public, brand creates very deep emotional bond with customers which will ensure their affection for the brand and its products.
Since company's product is one of the most important means of communication with selected target groups, visual identity of a product, i.e. its design,is used in the process of brand creation.By creating unique brand and product design, company can provoke different emotions and imaginations among customers, but also send specific messages about brand essence and its identity. Main aim of design in process of brand development is to connect customers with the brand, and provoke their interest for the brand, which is the

first step towards creating loyal customer base. In circumstances of mega competition, innovative design can be a powerful asset for brand differentiation.

Based on above mentioned claims, it can be concluded that brand development, with process of design developmentas its core component, should be used as a strategic asset in process of creating sustainable communication with customers. This recommendation is based on results of theoretical and empirical research which was conducted by the authors of this paper.Research conclusions, which were presented in this paper, indicate that customers in Serbia significantly appreciate aesthetic and emotional brand components, and therefore perceive products of certain brands as high-quality ones. Due to the fact that domestic practice has, to a large degree, unfairly neglected brand and product design as a core element for accomplishing business success, authors recommend that aesthetic andemotional components in production sphere should gain adequate affirmation. Developing brand design could be a solution for better positioning and competitiveness of domestic brands and its products in Serbian and foreign markets.

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EFFECTS OF BUNDLING NON-COMPLEMENTARY PRODUCTS – COMMUNICATION PERSPECTIVE

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Abstract: *Product bundling is a very common marketing strategy. Bundles composed of similar, related products are prevalent in the market. However, there is a growing trend of bundling non-complementary, unrelated products. This paper aims to explore the ways of product bundling, with the emphasis on bundling unrelated products, and to identify possible effects from the communication perspective. We employed qualitative analysis of both secondary and primary data, gathered from specific campaigns in which one of the authors was engaged as account director for the projects presented as a case. One would expect that bundling benefits directly from higher degree of complementarity, but there are some circumstances where asymmetric bundles with lower degree of complementarity can help in reaching more consumers.*

Keywords*: bundling, product complementarity, communication channels, target audience, consumer electronics*

1. INTRODUCTION

Bundling of products by independent companies is nowadays a very common marketing strategy in several industries (Brito and Vasconcelos, 2014). Bundled products provide customers an opportunity to obtain a pair of products for a price lower than that of individual purchase. Examples of bundles can be, among others, found across following industries: telecommunications (handset and GSM package), food (coffee and concert tickets), electronics (microwave and recipe books) etc. (McCardle et al., 2006). Furthermore, there are examples within the service industry as well, such as bundling between hotels and restaurants, airlines and car rentals, public transport with museums (Armstrong, 2012). Michelin is considered to be a pioneer of bundling. When they launched the Michelin guide with information about petrol stations, accommodation and food, maps and directions, they bundled it with a tyre offer (Yan and Bandyopadhyay, 2011).

Sometimes manufacturers employ bundling strategies that are contrary to common practice. For example, inexpensive products (e.g. household cleaning products) are bundled with high-end products such as washing machines, vacuum cleaners or refrigerators (Samsung, LG), or dinners in restaurants with premium dinner-ware (Villeroy and Boch, Christofe, Wedgwood). Marketers can bundle an unknown product with a well-established one as a product launch strategy. Strong brands are an extremely valuable asset in bundling strategy, since their attractive attributes can affect quality perception of weak or new brands (Sheng and Pan, 2009). According to these authors, if a bundle contains a strong brand, the weak or new brand is most likely to be seen as representative of same category group as the strong one, for example “high end”, “quality” or “premium”.

Stremersch and Tellis (2002) provided comprehensive literature overview on the topic, indicated inconsistencies in definitions and terminology and presented a classification of various types of bundles with emphasis on the legal aspect of bundling. Gans and King (2006) describe the bundle as widely used business strategy where firms tend to obtain customers’ loyalty by offering interlocking discounts between particular brands or what seems as a pair of unrelated products. Bundling has also been identified as a tool for price discrimination, increasing market share and sales, product differentiation and competition reduction (Girju et al., 2013). Furthermore, bundling can help save transaction, packaging and advertising costs (Sheikhzadeh and Elahi, 2013) and serve well as mechanism for market entrance; all of this leads to increased profitability. The trend of using bundles increased over time due to an apparent emergence of packages consisting of a product and a service (Dukart and Swartz, 2000). Estelami (1999) researched bundle benefits and found out that the average saving when purchasing bundles goes up to 8%, affecting customers’ perception and evaluation of the bundle’s individual components. Bundling of products can also serve as a tool for new product introduction (Simonin and Ruth, 1995). An example of this is the launch of Samsung Galaxy S5 phone exclusively with Telenor, a mobile communications operator in 2014 on the

Serbian market. Bundling also occurs in mergers or strategic alliances, where firms can improve profits by bundling after integration (Mialon, 2014).

Apart from the benefits bundling strategies provide to companies, they are valuable for consumers as well. From consumers' perspective, bundled products provide the chance to pay less for a pair of products than the sum when purchased separately. Consumers then have a choice between meeting all of their requirements, which is rarely accomplished in the bundle, or purchasing items individually for a higher price (Brito and Vasconcelos, 2015).

Despite the fact that product bundling is a widespread business practice, there are a few researches and articles that deal with bundling unrelated products between two independent firms, especially when it comes to promotion. In this article, authors examine bundling of non-complementary products and its effects from the communication perspective. We employed qualitative analysis of both secondary and primary data of bundled offerings of electronics on Serbian market from February 2014 till February 2015. We examined bundles composed of product pairs. We consider that bundling of products of same quality is a natural scenario (Brito and Vasconcelos, 2014). Even when successful examples could be found on the market, it was most unlikely that a high-quality producer would be interested in making an alliance with a low-quality producer that would have likely harmed their reputation. We restricted research to two-item bundles, since they are most common on the market (Harlam et al., 1995). We considered two broad groups of products: consumer electronics and personal care. The results provide insights into good practices of bundling these classes of products.

This article is organized as follows: the next section presents definitions of bundling and introduces product complementarity in bundling. The following section develops a set of key propositions for bundling non-complementary products. The final section presents our conclusions, implications, and limitations.

2. BUNDLE COMPOSITION

In this section we investigate bundle components, types of bundles and product complementarity, whereas last has not received proper attention in existing academic literature, but may have major impact on bundle promotion.

2.1. Bundle terminology and definitions

According to Stremersch and Tellis (2002) there is no consistent, universally accepted definition of bundling due to lack of consensus in literature and proper use of terms, as well as vague distinction between important formulations and ambiguous domain of application. Adams and Yellen (1976) define product bundling as selling goods in packages. Guiltinan's (1987) definition considers bundling as a practice of marketing two or more products and/or services in a package for a special price. Recent literature still sticks to Yadav and Monroe (1993) definition, similar to the previous one, and sees bundling as a selling of two or more products in a package, at a special price. In this paper, we use the latter definition. Yet, due to a lack of literature consensus on a precise definition, practical implications of product bundling are still imprecise as well. Some of the basic terms that are present in literature are described below.

Bundling. Bundling is the sale of two or more separate products in one package. The term "products" refers to both goods and services. If there are separate markets, or at least some customers want to buy products separately, we can legitimate the term "separate products" (Stremersch and Tellis, 2002).

Bundling focus. There is a significant difference between product bundling and price bundling, though sometimes literature lacks clear distinction between the two. Price bundling is the offer of a package of two or more separate products at a discount. Since products are not otherwise integrated, bundling itself does not create added value. There are many examples for this, for instance: McDonald's Big Mac meal. Product bundling integrates two or more independent products at any price. This generally brings significant added value to customers, think of convergence (mobile phone and TV), convenience (cable TV, internet and landline), performance (proteins plus personal fitness plan), and reduced risk (car insurance and life insurance). It is important to differentiate price and product bundling, whereas price bundling is a pricing and promotional tool, while added value provides more strategic dimension to product bundling. Price bundling can be used on short notice, while product bundling demands long-term planning (Ulrich and Eppinger, 1995).

Bundling form. Bundling may occur in one of following forms: pure or mixed. Pure bundling offers only bundled products for sale while mixed bundling is a strategy where firms offer both the bundle and each individual product separately. Pure bundling is preferred whereas pure bundling and mixed bundling are proportionally profitable (Hui et al., 2012).

2.2. Complementary and non-complementary bundles

In this study, we focus on functional complementarity, where bundle components are dependent or functionally related (Ahluwalia, 2008). This concept is based on a wide scope of relations between bundled products: target audience overlap, convenience and usage situation, functional similarity, timing, image, occasions, seasonality, distribution, promotion, demand (Varadarajan, 1986). Guiltinan (1987) states that the degree of product complementarity is a crucial factor to the success of bundling strategy.

Complementary bundles are those in which individual products are functionally related (Sheng et al., 2007) and can be used together as a system in order to perform certain activity (for example: hotel and rent-a-car, razor and blade). In a perfect setting, one of the products creates the need for consumption of its complement - for example, demand for cheeseburger creates parallel demand for soda, ketchup, mustard etc. It is widely accepted that level of complementarity affects and enhances consumer perception of bundle components (Meyers-Levy at al., 1994). Complementarity of the bundle can offer economies of scale, and demand for one product creates a demand for its complement. Firms can thus gain more marketing effects through bundling, and moreover, profit - since consumers are more likely to purchase both products if the price is reasonable (Yan and Bandyopadhyay, 2011).

Non-complementary bundles are composed of products that are not functionally related to one another, have weak associations and are less likely to be used in common usage situations (for example: washing machine and make-up, mobile phone and sunscreen). With lower degree of complementarity, there is asymmetrical equilibrium, and majority of consumers opt for the dominant product (in terms of brand, price or demand) while fewer consumers decide to buy both (Yan and Bandyopadhyay, 2011).

Although complementary bundle seems like a reasonable, obvious and somewhat logical choice, there is an increased number of non-complementary bundles on the market, and in the next chapters of this paper we will try to find a reason why firms are doing so.

3. RESEARCH METHODOLOGY AND RESULTS

Our study employed examples of real brands in the marketplace in order to ensure the relevancy for managerial implications. Methodology used for illustrating the practice of bundling products is a case study analysis. We employed qualitative analysis of both secondary and primary data, gathered from campaigns in which one of the authors was engaged as account director for the projects presented as a case. Campaigns refer to bundled offerings of electronics and were executed on Serbian market, from February 2014 till February 2015. We examined bundles containing pairs of products of same quality, as we identified it as natural scenario (Brito and Vasconcelos, 2014). We considered two broad groups of products: consumer electronics and personal care. Samsung was chosen as a focal brand, while Sephora, Nivea and Braun were chosen as non-complementary brands. Bundles were assembled the following way: one consumer electronics product and one personal care product, as shown in table below:

Table 1: Product bundles used in desktop research

Bundle	Focal Brand	Non-complementary brand
Washing machine and make-up	Samsung “Black lady” WM	Sephora make-up
Mobile phone and sunscreen	Samsung Galaxy S5	Nivea Sun Protect 50
Microwave and razor	Samsung MWO	Braun shaver

All three bundles were launched on the market during 2014, and to make things more interesting all three bundles were used to support product launches of respective products.

We explored communication of all three bundles using secondary data sources that include retailers’ and manufacturers’ websites, social network channels and available web archives. Furthermore, we used primary data gathered from the campaigns (web banners, social media posts, web site, OOH, leaflets, wobblers, window graphics), as one of the authors works at advertising agency Leo Burnett and was engaged as account director for the projects presented in the paper. These examples are published in consideration of both the agency and the retailers (Homecenter, Positive line) who launched the aforementioned bundles, with the acknowledgment of Samsung.

In order to prove our findings, we used what we considered the control bundle, composed of complementary products – Samsung UHD TV and Pickbox, also launched in 2014, on the same market and at the same time as non-complementary bundles that were investigated.

On the basis of theoretical background and direct author's involvement in planning and executing bundle offerings, we compared the span of target audiences and the number of communication touch points in order to identify the effects from the communication perspective. Results are given below.

3.1. Effects of bundle offerings

When the level of complementarity is high, the associations between two products are strong (Khandeparkar, 2014). Therefore, it's likely to assume that target audience will be more compact and similar in consumption. Bundles composed of complementary products tend to have significant target audience overlap (in our example, a consumer who purchases a Samsung UHD TV is more likely to have interest in a Pickbox, since both products can work as a system, and are fulfilling very similar needs, due to functional relations). With the low level of complementarity, products are addressing different and broader target audiences, with lower overlap. In the presented case, analysis showed that the lower level of complementarity between the bundle components reaches the broader target audience.

The rationale for this lies in the fact that consumer electronics products and personal care products have low degree of overlap of desired target audiences. On one side, we have consumers who are motivated to buy e.g. washing machine, while on the other side we have consumers who are not considering purchase of white goods before they are addressed with joint communication. The presence of both products works as added value for the first group (since the price of make-up is considerably lower than that of washing machine), and for the other group, interested in cosmetics, this type of bundle manages to raise awareness of non-complementary bundle component. Therefore, we have a broader target audience we are addressing, with a potential - raised awareness will create prompted interest in purchasing bundled products. If the products are complementary (UHD TV and Pickbox), this type of bundle raises interest within a homogenous target audience, with low or no potential to induce purchase intention within other target audiences.

Furthermore, from our experience, the lower level of complementarity of bundle components provides more communication touch points. This proposition indicates that bundling of non-complementary products has a considerable effect on the number of communication touch points. Let's examine a bundle composed of a Samsung washing machine and a piece of Sephora make-up. In this example we have joint communication channels, such as mass media (OOH, print, web, TV), social network channels (Samsung, Sephora and Homecenter respectively), retail (Homecenter). When comparing it to a bundle consisting of complementary products (Samsung UHD TV and Pickbox), we noticed that that number of communication channels was lower, since Homecenter is a retailer of both Samsung and Pickbox, due to the similar product categorization. This is a potential task for further examination: what is happening if products of same category, but with low level of complementarity are sold in bundle by different retailers? For example, supermarkets have a broad scope of product categories, and this type of bundle is more likely to happen in such retail environment.

4. CONCLUSION AND MANAGERIAL IMPLICATIONS

Previous researches investigated bundles from different perspectives. Determining which products should be bundled in order to maximize communication effect is a challenging issue when deciding about bundling strategy. In this paper we analyzed examples of bundles composed of a pair of otherwise unrelated, non-complementary products, and identified that they can serve as important communication tool that could provide a broader target audience and - under certain circumstances - engage more communication channels. Our findings indicate that firms should join in bundle arrangements of unrelated products if and when they want to penetrate into secondary target groups and decrease the level of advertising investment.

There are several limitations to our research: it was conducted specifically for consumer electronics products combined with personal care products with a specific retailer. Further research should explore a more complete information setting, at least more different industries and bundled products.

A manager can use our insights in order to decide on an optimal bundling strategy. If their major goal is to maximize profit, they can combine highly complementary products and charge them at a relatively lower price (Yan and Bandyopadhyay, 2011); or if they are undertaking activities that affect market size in terms of broadening the scope of target audiences, they can combine non-complementary bundles in partnership with unrelated companies from different industries.

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