

ASSESSMENT OF THE USE LEVEL OF DIRECT MAIL IN THE V4 COUNTRIES

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Abstract

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The aim is to assess the possibilities of future developments of Direct Marketing in the Visegrad group. Particular attention is paid to the fact that even when there is a single political grouping of states, which between them reported psychological closeness, there are differences between them, to be taken into account. Significant differences are primarily in consumer attitudes and preferences, their purchasing decisions as well as acceptance of the various tools of communication mix.

Direct Marketing is form of marketing communication aimed on exact selection of target group and its effective addressing. Contrary to the Mass Marketing, each customer is addressed individually and directly, and databases of potential or regular customers are used. One form of Direct Marketing is Direct Mail. It is the oldest and most advanced tool of Direct Marketing. Also called mailing, it is the most important tool of Direct Marketing.

The country with the highest amount of delivered mailings is Czech Republic. Up to 82% of respondents indicated that Direct Mail receives often or very often. In Slovak Republic, Poland and the Czech Republic, more than half of respondents read the received mailings only occasionally. Significantly overwhelming majority of Slovaks, Czechs and Poles responds to the delivered mailings by checking out the sender's web site firstly, or establishing the contact via e-mail. Hungarian respondents prefer answer sheet the most.

marketing communication, direct marketing, direct mail, V4, countries, consumer

Direct Marketing is form of marketing communication aimed on exact selection of target group and its effective addressing. Due to interaction helps to create long-term relations based on values which are appreciated by customer. Contrary to the Mass Marketing, each customer is addressed individually and directly, and databases of potential or regular customers are used. These databases contain variety of information about each customer. More detailed they are, better chance of success reaching the customer they have. **Dzugasová (2008)**

Direct Marketing is a database-driven process of directly communicating with targeted customers or prospects using any medium to obtain a measurable response or transaction via one or multiple channels. **Scovotti - Spiller (2007)**

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Direct Mail encompasses a wide variety of marketing materials, including brochures, catalogs, postcards, newsletters and sales letters. Major corporations know that direct-mail advertising is one of the most effective and profitable ways to reach out to new and existing clients. **Direct Marketing Association (2009)**

Following the main function of mailing, two types are known:

a. Sale mailings

- One-Step Process (addressed respondent will order the service or product immediately)

- Two-Step Process (necessity to provide more information, perhaps even meeting with the salesman is anticipated before the sale)

b. Mailings promoting image – either only inform the customer in order to gain his sympathy or, con-

versely, acquire information from customers. If it is formed well, the customer views it as an attempt to understand him more, to know his views and supports his good relationship with brand. **Šolcová (2006)**

In the case of mailing which obtains information from customers, must include the return slip, which facilitates the reaction. Its content should be concise. Consent to being included in the marketing database is enough. It can be also questionnaires, and links to the web or call center. **Michálková (2008)**

The aim is to assess the possibilities of future developments of Direct Marketing in the Visegrad group. Particular attention is paid to the fact that even when there is a single political grouping of states, which between them reported psychological closeness, there are differences between them, to be taken into account. Significant differences are primarily in consumer attitudes and preferences, their purchasing decisions as well as acceptance of the various tools of communication mix. Partial objectives of this contribution are:

- determine the consumer attitudes towards the principal tool of Direct Marketing – Direct Mail, in the V4 countries and closer identification of their reaction pattern,
- characterization of consumer preferences to individual elements of Direct Mail.

MATERIAL AND METHODS

Questionnaire survey method was used to obtain primary data for the research, through which obtained data can be of qualitative and quantitative nature. The subject of marketing research was international comparison of consumer attitudes to the basic tool of Direct Marketing, specifically direct mail.

Of the 500 internet questionnaires sent out, 423 returned back completed. For the purpose of the relevance of the test results, 23 questionnaires were excluded, so four equally sized groups for comparison emerged. Respondents were asked directly by e-mail.

Besides the numerous and percentage recordings, contingency tables were also used for questionnaire evaluation. A contingency or a cross-table is a combination of two (or more) frequency tables so that each inner cell represents a clear combination of the specific values (also called categories in this paper), which are cross tabulated variables. It makes it possible to find out the frequency, number of respondents involved in special categories for more than one variable. Observation of these frequencies enabled us to determine the relation between the cross tabulated variables. The contingency table is only suitable for nominal variables or the numeral variables achieving a relatively small number of possible values.

The contingency table serves as the basis for interpretation of the two properties of the examined objects. To form the contingency tables, the frequency distribution was taken into account.

Absolute and relative response multitudes to individual questions of the questionnaire are stated at qualitative characters. Relative multitudes have enabled the comparison of various multitude divisions between the files, which differ in their content and at the same time which make the interpretation of research results easier.

Absolute multitudes (n_1, n_2, \dots, n_k) indicate how many times a mark will occur. Their total equals their file size n .

$$n_1 + n_2 + \dots + n_k = \sum n_i = n$$

Relative multitude will be achieved as part of the individual, absolute multitudes within the entire file extent. A percent formula is possible.

$f_i = n_i/n$, for which it is valid that $f_1 + f_2 + \dots + f_k = \sum f_i = 1$, respectively a cumulative multitude $N_1 = n, N_2 = n_1 + n_2, \dots, N_k = \sum n_i = n$

RESULTS

Characteristics of Visegrad Four countries

Consumer decisions can not be understood without a deeper understanding of cultural context in which they were made. Culture of one nation is a summary of the same values, norms and traditions of members of one society. Factors such as the geographical area in which the society lives, social structure and ideology in which they believe, are defining given group more closely and create among its members some sense of togetherness. It is this psychological closeness that single country and its citizens among themselves feel, that has significant impact on the decision of the organizations in the international trade. From the perspective of International Marketing this is the Multi-Regional Marketing. In this case, the company is adapting its marketing strategy to conditions of local markets. Those on the basis of the integration process, are creating groups of countries such as the Visegrad Four (V4). V4 brings together the four countries of Central Europe – Czech Republic, Slovak Republic, Poland and Hungary. All four countries that since 1991, acting under this unofficial designation, connects not only the common history, but also goals for the future and mutual cooperation. This group didn't arise for the purpose of isolation, or competing with other existing European and transatlantic groupings. Its primary and continues to be the main objective is to make the best integration in European structures, considering maintaining their historical and cultural identity, support, increasing stability and democracy in the countries of Central Europe and Europe in general.

European Union single market is currently about 490 million potential customers. By entering Slovak Republic, Poland, the Czech Republic and Hungary in May 2004, the space expanded by nearly 64 million people, the potential consumers. This however does not necessarily mean only the quantitative growth in the EU, but also a qualitative change

in terms of structure, educational level and cultural diversity of V4.

Demographic profile of the country as one of the main criteria taken into account in the international Direct Marketing has many aspects with information capability. Factors such as population growth, the percentage of most productive populations, the abundance of men, women and children, is important to take into account from the perspective of marketing communications and adjust marketing strategies of Direct Marketing campaign to the facts in question. Population growth in the V4 in 2008 was stagnating, respectively slightly declining trend (Czech Republic: -0.08%, Hungary: -0.25%, Poland: -0.05%, Slovak Republic: 0.14%). The most represented age category of the population is between 25 to 49 years old, which is commonly referred to as the most productive age. Significant is also the representation of the population, which consists of children, pupils and students, or age category of 0 to 25 years. In percentage terms it is the second most populated group, therefore it should be given adequate attention in the drafting of a communication policy. On the other hand, from the perspective of purchasing capacity in this group has more weight age category 15–25 years.

In each country of V4 is a predominance of women. Most significant difference between the two sexes is in Hungary, where there is almost 5% more woman, in other countries, this difference represents a value of about 3%. The same trend is not true only in the age category of 0 to 14 years where the representation of boys is slightly higher than girls. Percentage of women in the population and especially in the labor market is an important factor in terms of successful direct marketing campaign. According to the worldwide studies women are labeled as more progressive gender when this method of marketing communication is deployed. Whether this trend will be confirmed in the V4 countries is the survey objective. Prognosis of the future marketing predict the creation of an ever closer relationship with customers, which more educated and solvent customers will particularly favour. For this reason, communication tools which allow better targeting and interactivity will stand at the forefront. Educational structure of the V4 population is relatively high. 90.5% of the population aged 25 to 64 years in the Czech Republic, Hungary 79.2%, 86.3% in Poland and 89.1% in Slovak Republic has a secondary education. There is a theoretical presumption that targeted communication approach is really promising between V4 population.

From a marketing point of view economic factors as well as values and preferences are affecting the consumer decisions. The basic indicators of country economic performance include Gross Domestic Product. Its information capability is increasing by calculating the value per capita and the amount has a significant impact on average consumption and the expenditure pattern of households.

Economic indicator GDP is generally regarded as an indicator that best reflects the economic situation in the country. Expression of GDP by purchasing power parity eliminates differences in price levels between individual countries. Conversion to per capita permits the comparison of economically significant differences in absolute values.

The level of individual national economies of V4, expressed by the amount of gross domestic product per capita after calculating the purchasing power parity, is significantly lower than the EU27 average (Chart 1). Raising the standard of living as well as consumption is however demonstrated on the basis of the rate of real GDP growth.

For the Visegrad Group countries, except Hungary, the GDP growth until 2007 had a positive trend. The global slowdown in growth in 2008 is the result of the beginnings of a financial crisis, high oil prices and the strong euro. According to economic estimates, this phenomenon will continue as well as across all Europe in the coming years. From the perspective of Direct Marketing, economic growth due to increased consumption, positively encourages businesses to spend on advertising. Seeking new and effective ways of reaching the customer creates new conditions for increased use of Direct Marketing techniques.

Considering the consumers, GDP growth results in increasing purchasing power of the population, which is seen as a key indicator of the level of demand after direct mail services. The growth in purchasing power has a direct impact on raising living standards, increasing consumption and expenditure pattern changes, which is another important indicator of well-being of the nation. Generally accepted economic assumption says that with the growth of income of the population grows the demand for services more rapidly than demand for goods.

Structure of V4 citizens consumption basket is ranked according to purchased goods (energies, industrial goods of long-term consumption, industrial goods of medium-term consumption, industrial goods of short-term consumption, not processed food and processed food) and services (communication services, services related to housing, comprehensive leisure services with accommodation services, personal care and other recreational services, transport services, composite services).

The analysis of consumption basket in 2007 showed Slovak Republic along with Poland as countries with the largest difference in consumption of goods from the European average. Closer investigation has shown that compared with other Europeans, Slovak consumers spend more on processed foods, but the consumption of non-processed foods is the same as in the EU27.

In the case of industrial goods, consumption was lower due to higher share of energies in the consumption basket. Reason to this was a regular increase in the prices of energies, which is among the necessary expenses of household, which in turn

increased their share of consumption (Slovak Republic 18.4%, the Eurozone 9.6%).

Considering the structure of services consumption basket, Slovak Republic unlike with purchasing the goods, is on the same level as advanced economies. In international comparisons is Slovak Republic ahead of all the V4 countries and ranked the 12th place. Nevertheless, Slovak Republic and the Czech Republic in the last three years reached the maximum compliance of all 12 components of consumption basket.

Development of the labor market is one of most monitored indicators of economic and social matters. Unemployment is not only economic but also social phenomenon. Reducing household income logically reduces the demand for goods and affects household expenses. With regard to Direct Marketing plays important role in the demand for mailings the percentage of women in the labor market. Previous studies in the USA have shown that greater is the number of working women, the larger are the purchases based on direct mails. For this reason, a growing percentage of women in the labor market creates opportunities for Direct Marketing campaigns. It is expected that in the long term, the percentage of women in the labor force will not vary in several European countries.

The employment ratio of women in the V4 is more than 50% (57.3% Czech Republic, 50.9% Hungary, 50.6% Poland, 53.0% Slovak Republic), more pronounced in the Czech Republic and Slovak Republic. For this reason, it can be assumed that a positive affinity to Direct Marketing campaigns will be in these countries.

Politics, like economics, plays an important role in shaping the national character and the consumer typology. V4 countries now fully support democracy and European integration, and are politically

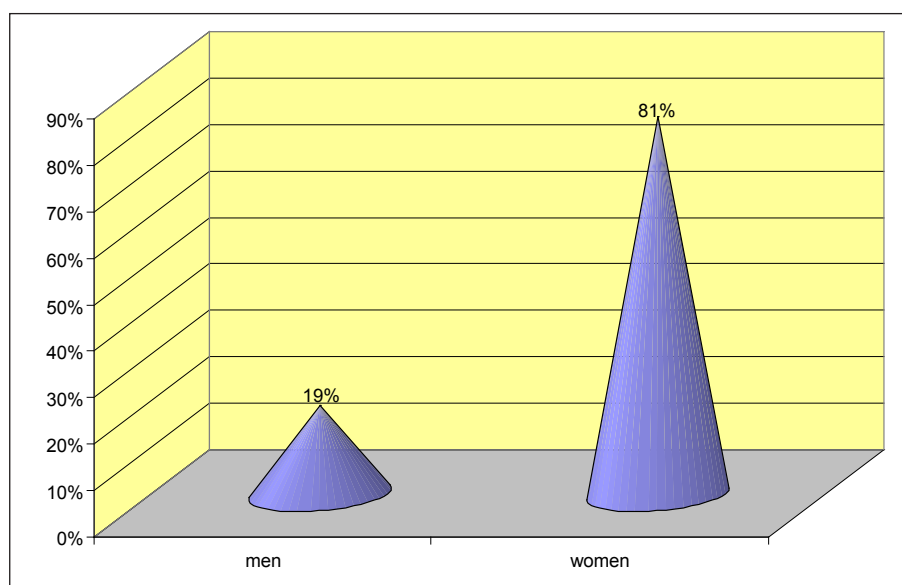
stable. The inflow of foreign investment, especially in Slovak Republic and the Czech Republic proves it. Efforts to achieve political and economic level of Western Europe countries has led, among other things, to an increase in consumption and increase in demands on the standard of living.

Values, preferences, norms of social behavior, or religion are all factors that significantly influence the behavior of individuals. Although they can be precisely defined, we do not know to influence them anyway, because they are the result of the complexity of historical developments. If, however, based on the assumption that culture is the result of history and has a major impact on consumer decisions, then it affects his perception of the elements of marketing mix and therefore the tools of communication policy. After the coup in 1989, people experienced euphoria and a feeling of freedom and consumer satisfaction. So-called middle class fortified, and changed its attitudes towards consumption, education and lifestyle. (Světlik, 2003, p. 56) In this quest for higher status and recognition, consumers are increasingly aware of their own individuality and its influencing their choice of goods and services. The same trend can be assumed even in case of preferring the individual instruments of communication policy before mass instruments.

Marketing research of direct mailing

All together 400 respondents from each of the V4 countries participated in this marketing research, while each country accounted for 100 respondents.

As can be seen in Chart 1, the overwhelming majority of respondents were female. The reason for this significant disparity of reached consumers is based on worldwide studies in which women show more affinity than man to the tools of Direct Marketing. Therefore, one of the objectives was to verify



Source: own research and processing

1: Percentage share of women and men participated on research

the position of women in Visegrad Four to the basic instrument of Direct Marketing, to Direct Mail.

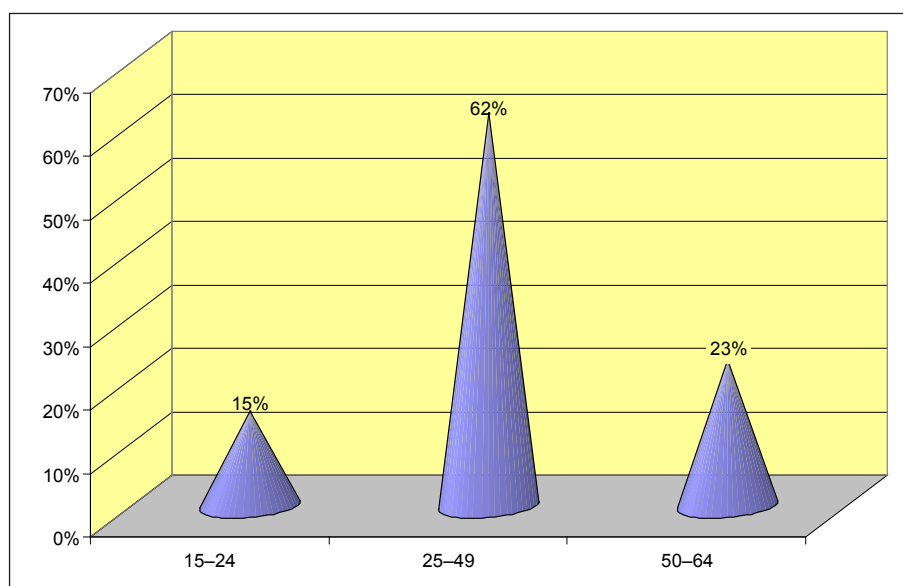
From the perspective of the age structure was the most represented category of 25 to 49 year with 62% share. About 39% less was included in the category of 15 to 24 years, and finally the smallest sample consisted of respondents aged 50 to 64 years (Chart 2). Other age groups were not included in the survey.

Another interesting characteristic in terms of respondents structure was the level of educational attainment. Larger group of respondents consisted of respondents with tertiary education, so in relative terms the group forms about 56% (Chart 3). Con-

sumer group with secondary education followed, and least of respondents belong to the group with a certificate of apprenticeship.

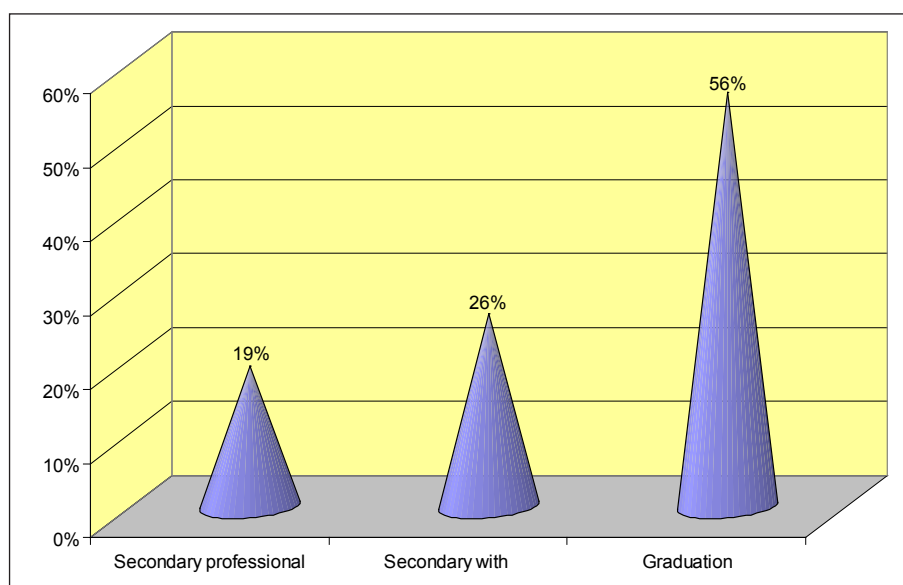
The final category in the survey was the place of residence (Chart 4). Respondents living in the cities slightly dominated the respondents from rural areas. The urban population represented 44 respondents, i.e. 52%, while the countryside was shorter of 3 respondents, i.e. 48%.

The first question of survey investigated the intensity of receiving Direct Mails in individual Visegrad Group countries. The answers of respondents are shown in Chart 5, and the following evaluations are derived from them. Country with the highest



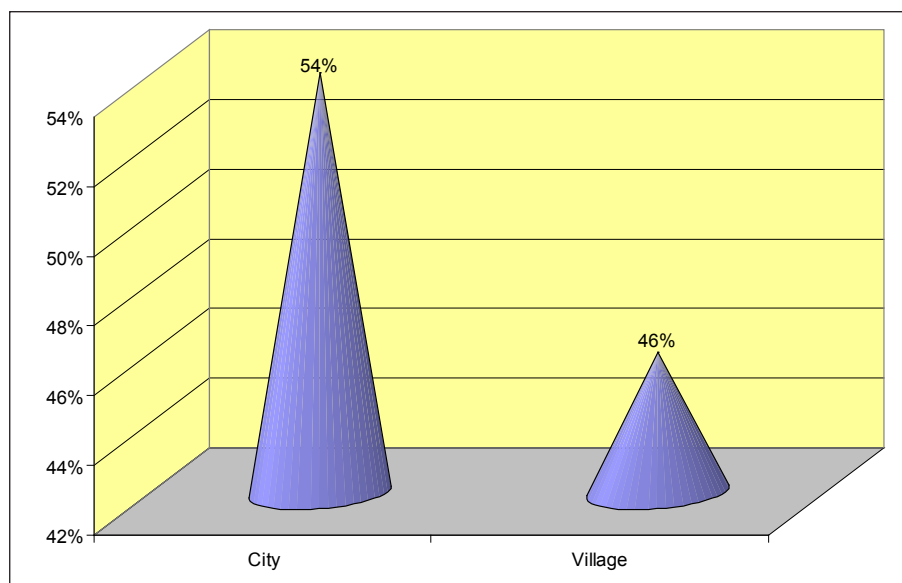
Source: own research and processing

2: Percentage share of participated respondents by age



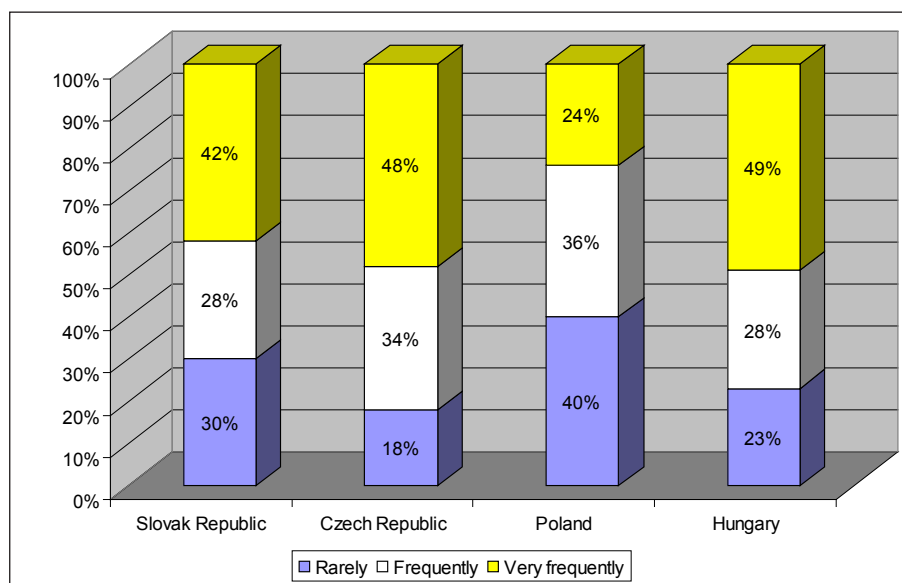
Source: own research and processing

3: Percentage share of participated respondents by education



Source: own research and processing

4: Percentage share of participated respondents by residence



Source: own research and processing

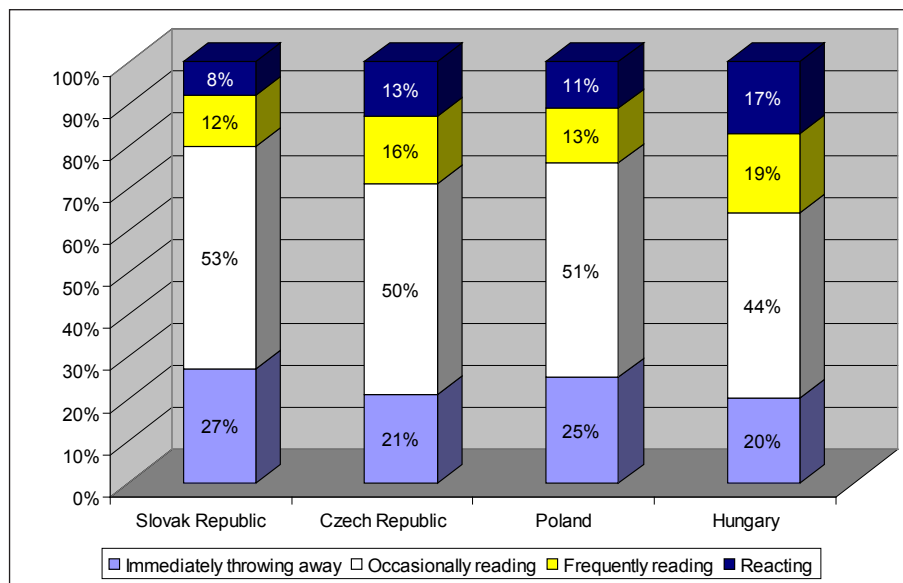
5: The amount of delivered mailings

amount of delivered mailings is Czech Republic. Up to 82% of surveyed respondents indicated that direct mail receives often or very often. This value is significantly higher than that of the Visegrad group (72.25%). In second place is Hungary with 77%, followed by Slovak Republic with 70%. The lowest intensity of delivering advertisement mailings is in Poland, where only 24% finds it as very often and 36% of respondents finds it as often.

On the contrary, regarding the responses of respondents to delivered mailings, the situation is not as positive. In Slovak Republic, Poland and the Czech Republic more than half of those surveyed admit that they read only occasionally offers presented in

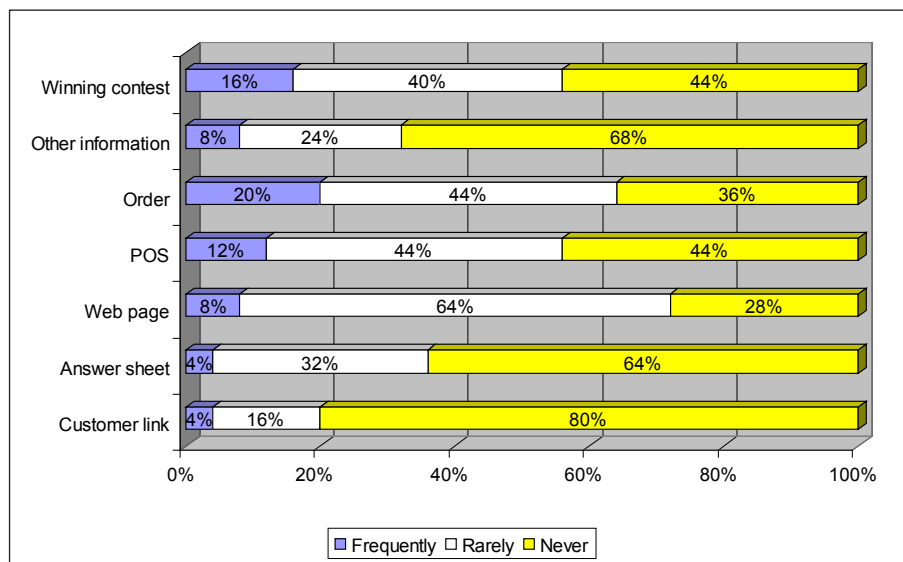
such form. Among respondents from Slovak Republic it is even only 8% that will establish feedback in the form of any response. But, in the Czech Republic and Hungary this affinity slightly better, Direct Mails are responded by 13% and 17% of recipients. In Poland the group consists of 11% of respondents (Chart 6).

Among the group of recipients who are not throwing mailings to the trash, channel of communication preferred by individuals in their response was investigated. Significantly the overwhelming majority of Slovaks (Chart 7), Czechs (Chart 8) and Poles (Chart 9) responds to delivered mailings by inspecting the company web site first, or establishing con-



Source: own research and processing

6: The reaction to delivered mailings



Source: own research and processing

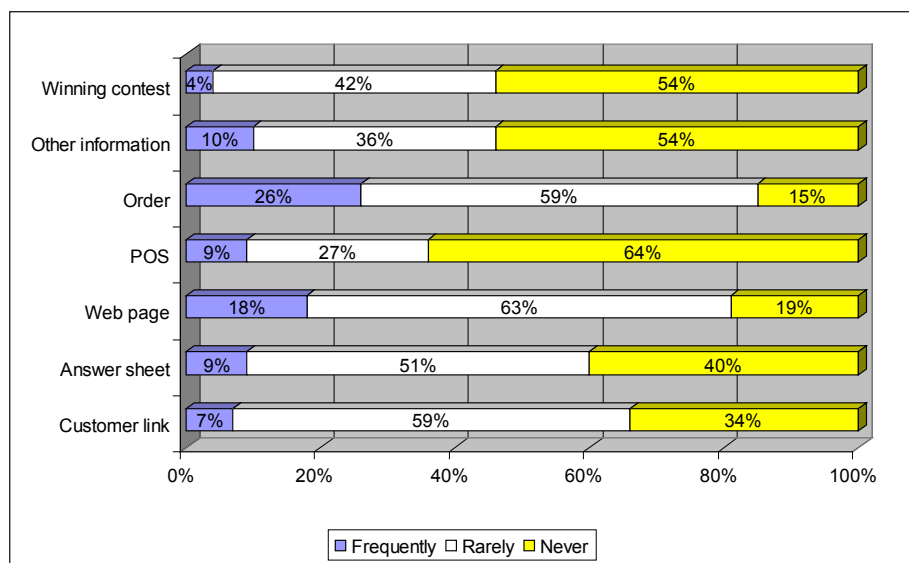
7: The types of reaction to delivered mailings in the Slovak Republic

tact via e-mail. Czech consumers in the second position included the possibility of using the helpline and finally answering sheet. Slovaks and Poles prefer to visit the Point of Sale directly before the answer sheet. Sequence of preferences not corresponding with any other country has been identified by Hungarians, where the most preferred is answer sheet, before the POS visit and e-mail (Chart 10). These forms of communication channels are used by recipients in all compared countries primarily for the purpose of direct order. Another, the most commonly occurring form of the Hungarian and Slovak consumer responses, is participating in winning competitions or direct visit of POS. Requesting fur-

ther information (with the exception of the Czech Republic) is one of the least occurring reactions.

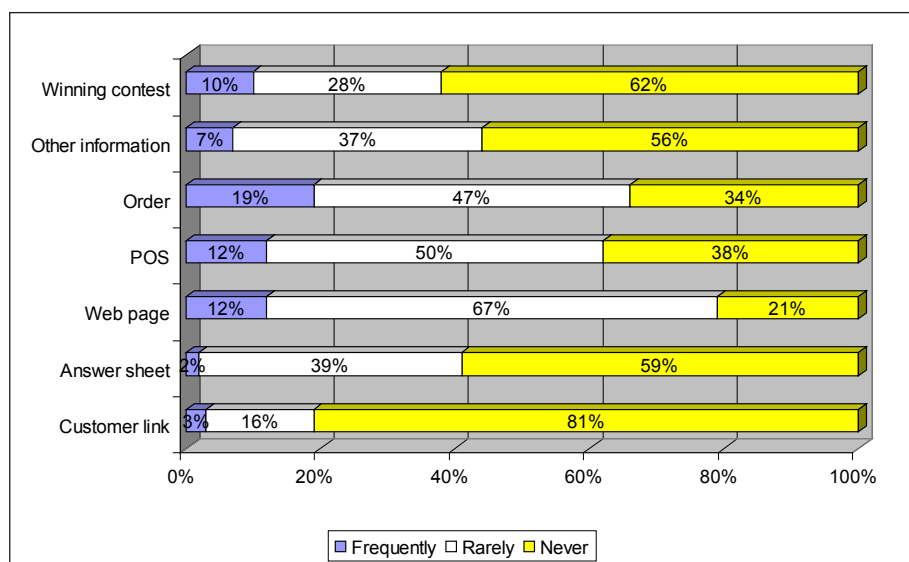
CONCLUSION

Of the various types of Direct Marketing tools dedicated to achieving this objective, the advertising message, expressed through mailings effects on recipient much more than e-mail or telephone call. The potential customer can thus presented offer grasp into their own hands, go through it in peace in his it's time and taste, and in case it is personalized, success is guaranteed. However, it is important to point out that the success means to obtain the attention just by reading or quick reviewing of mail-



Source: own research and processing

8: The types of reaction to delivered mailings in the Czech Republic



Source: own research and processing

9: The types of reaction to delivered mailings in Poland

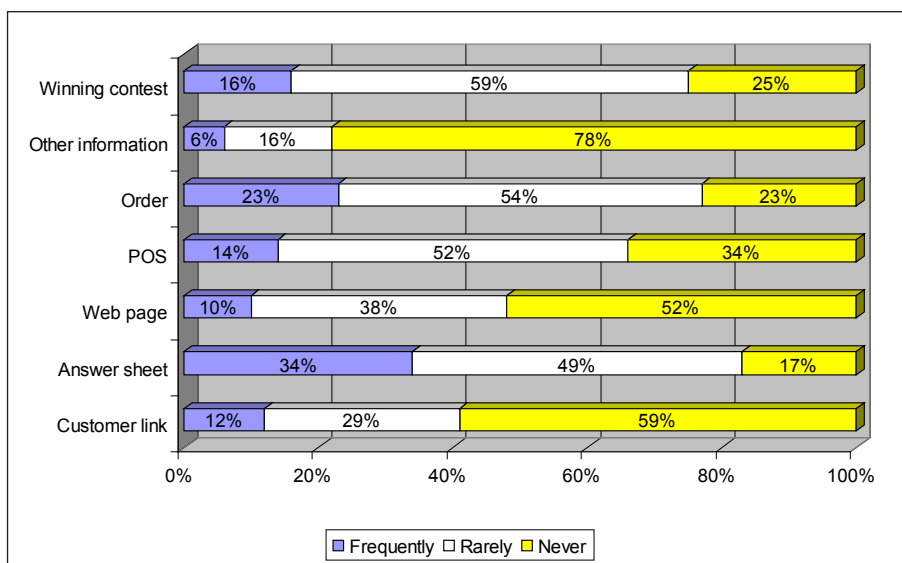
ing, without follow-up response. Sender will get this way into subconscious of recipient, thus building and strengthening the brand and image.

To manage fulfilling all of these tasks by Direct Mail, it must be first-rate assembled. The recipient of such advertisement shipment must gain an impression that its content is truly important to him. Direct Mail must therefore demonstrate ability to capture potential or regular customer in the first place through visual forms of composition and then with the factual arguments.

The country with the highest amount of delivered mailings is Czech Republic. Up to 82% of respondents indicated that Direct Mail receives often or very often. In Slovak Republic, Poland and the Czech Republic, more than half of respondents

read the received mailings only occasionally. Significantly overwhelming majority of Slovaks, Czechs and Poles responds to the delivered mailings by checking out the sender's web site firstly, or establishing the contact via e-mail. Hungarian respondents prefer answer sheet the most.

Visegrad Group as a whole seems in terms of Direct Marketing to be a promising market. The growing trend of gross domestic product stimulates increase of consumption, the structure of consumption basket gradually copes with developed economies, the modernization of Direct Marketing infrastructure, but particularly the appreciation of the importance of targeted communication by the companies leads to an increase in spending on Direct Marketing tools.



Source: own research and processing

10: The types of reaction to delivered mailings in Hungary

SÚHRN

Zhodnotenie úrovne používania direct mailingu v krajinách V4

Cieľom príspevku je zhodnotenie možností budúceho vývoja direct marketingu v krajinách Vyšehradskej skupiny. Osobitá pozornosť sa pri tom venuje skutočnosti, že aj keď ide o štáty jednotného politického zoskupenia, ktoré medzi sebou vykazujú psychologickú blízkosť, existujú medzi nimi odlišnosti, ktoré je potrebné zohľadniť. Podstatné sú predovšetkým rozdiely v spotrebiteľských postojoch a preferenciách, ich nákupných rozhodnutiach, ako aj v akceptácii rozličných nástrojov komunikačného mixu.

Direct marketing je forma marketingovej komunikácie, ktorá sa orientuje na presnú voľbu cieľovej skupiny a jej efektívne oslovenie. Na rozdiel od masového marketingu, každého zákazníka oslovuje individuálne a priamo, k čomu využíva databázy potenciálnych alebo stálych zákazníkov. Jednou z foriem direct marketingu je direct mail. Ide o najstarší a najrozvinutejší nástroj direct marketingu. Tiež je označovaný ako mailing a tvorí najvýznamnejší prostriedok direct marketingu.

Krajina s najvyššou mierou doručených mailingov je Česká republika. Až 82 % opýtaných respondentov uvádza, že direct mail obdrží často alebo veľmi často. V Slovenskej republike, Poľsku a v Českej republike viac ako polovica opýtaných číta doručené mailingy len príležitostne. Výrazne prevažná väčšina Slovákov, Čechov a Poliakov na doručené mailingy reaguje v prvom rade prezretím si internetovej stránky odosielateľa, resp. nadviaže s ním kontakt prostredníctvom e-mailu. Maďarskí respondenti uprednostňujú najviac odpovedový hárok.

marketingová komunikácia, direct marketing, direct mail, krajiny V4, zákazník

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