

# The process of communicating customer value and its role in a competitive economy

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**Abstract:** The process of communicating customer value not only provides buyers with awareness of what products and services they can buy, but also of the benefits of the purchase for them. The communication process aims to create and strengthen attitudes among buyers, leading to a favorable reception of products / services as well as a change of attitude from neutral to positive – creative. The focus of this study are the economic mechanisms of the effectiveness and efficiency of the process of communicating specified value to the customer, and an attempt to identify the factors boosting efficiency increase. Thus, the purpose of this work is to show trends, mechanisms and effects of communicating customer value, as well as an attempt to signal new challenges in the field of marketing communication.

**Keywords:** value; competition; effectiveness; communication; market

## 1. Introduction

In the current economic reality, the survival and development of enterprises depends on respecting performance categories in various areas of the organization. Analysis and evaluation of the performance criterion is also important when taking into account the company's communication system with the market. A problem always arises when the application of the communication process has to answer to market and effectiveness criteria (Dąbrowski, 2010).

The postulate for the efficiency and effectiveness of the process of communicating specified customer value is a result of several premises:

Firstly - companies are operating in increasingly challenging market conditions, in an environment which is more and more competitive, forcing more rational management of limited resources.

Secondly- achieving the desired increase in a company's performance is becoming more difficult, and requires more effort and more investment.

Thirdly - every increase in expenditure on the communication process, forced by market growth, raises the problem of efficient allocation of these funds.

Fourthly - a change in perspective in global business has generated interest in long-term viability of the communication system rather than short, temporary profit.

Fifthly - it appears that a highly efficient communication system and its growth determine the capabilities of a company to achieve competitive advantage in the market.

Sixthly - low efficiency of traditional communication media gives birth to the need to find new agents and instruments to increase the effectiveness of communication activities.

The starting point for further reflection is the low level of efficiency and effectiveness of traditional marketing communication in Poland. Decrease in the efficiency of traditional communication manifests itself in several ways, including in the forms of:

- a decrease in the degree of reaction from buyers due to too much contact with media transmissions,
- loss in reaction of buyers due to too frequently repeated emissions of the transmission in the media,
- less than a proportional increase of effect in respect to the increase in intensity of communication in the media (according to research, a one hundred percent increase in the intensity of communication causes no more than forty percent increase in effects).

## **2. Research Methodology**

The aim of this paper includes:

1. A critical assessment of the traditional process of communicating customer value. As it turns out, this system is - as practiced by many companies - increasingly ineffective and does not bring the desired effects of communication. Thus there is a need to analyze the process from the point of view of economic efficiency.

2. An attempt to identify improvement in the competitiveness of companies through the creation of effective and efficient business communication systems with the market. Thus, the

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current issue is the search for an answer to the question of what and who the efficiency and effectiveness of the process of communicating customer value depend on.

A method used in this paper was descriptive analysis based on extensive study of subject literature. Polish and foreign, mainly English-language, literature on economic issues connected with communicating customer value were used to support the theoretical part of the work. The use of foreign literature proved to be necessary because of insufficient Polish studies. This enriched the arguments and discussion of new aspects, and helped reveal the research problem in a broader perspective.

Paper contains confrontation of theory and practice - an analysis of the effectiveness and efficiency of communicating customer value. Theoretical considerations were based on studies conducted at foreign institutions as well as the author's own analysis. Analysis of the results of research carried out by foreign entities was conducted to provide information as to the overall development of business communication systems with the market. The author's own analysis should expand the knowledge available on aspects relating to the effectiveness and efficiency of the process of communicating customer value and should be a starting point for broader comparisons and conclusions.

### **3. The need for communicating customer value**

The traditional, narrow approach to communication reduces it to a one-way impact of a company on the market, while communication implies the need to "listen" to a variety of signals coming from the market and responding appropriately to them.

The pace of economic transformation and growing competition in the market mean that companies are faced with the need to replace their current "communication strategy" shaped by one-way marketing communication, with a process of interaction and "dialogue" between the company and its target market (Jelassi & Enders, 2005).

The consumer as the subject of the market is the main object of communication impact. Businesses who have knowledge about consumer behavior, their aspirations and expectations, as

well as sensitivity to communication tools, try to reach customers in the right way with their product offer in order to gain their interest.

Specified values are distinguished, taking into account various criteria, but the final value is determined by a particular consumer. The products themselves are not what customers want. Rather, it is the benefits derived from them which cause an increase in happiness, satisfaction and positive customer experience (Dobiegała-Korona, 2008).

Customers are not looking for products (services), but for a way to solve their problems. Being able to solve these problems builds trust and value among customers. Thus, managers of today's businesses increasingly opt for flexibility and creativity, and the most important issue is developing comprehensive solutions to customer problems. The essence of the efficient operation of a modern organization is that only the client knows the correct answer to the question of what is most important to him (Grajewski, 2007).

Relationship marketing is most widely understood as a process of cooperation with company employees and other stakeholder groups to develop profitable relationships with customers which are based on their satisfaction and emotional involvement.

Taking into account the fact that information is directed to such a broad audience, marketing communications should be seen as a process of building relations between the company and its surroundings (Webster, Malter & Ganesan, 2005).

The main objective of broadly understood marketing communication is not just quick turnover, but above all, a slow increase in sales. This is not so much the effect of postponement as much as a "spread" over time, resulting from the interaction of communication and the use of the product. Therefore, when analyzing the impact of marketing communication on the level of sales, we need to consider not only the rapid changes in the level, but also less visible trends (Śmigielska, 2008). Although they are associated with other elements of marketing, it is often the case that rapid changes in sales are the result of an effective marketing communication campaign.

The process of marketing communication consists of the following steps:

- identifying the target segment,
- determining the desired reaction,
- selecting the forms of communication,
- selecting information media,
- selecting product positioning characteristics,

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- collecting feedback.

In any communication process we can distinguish at least three of the following elements: the sender, the message and the recipient. The sender is the one who conveys the message. The message is what we want to convey. It may be an idea, thought or feeling. The recipient is one or more persons to whom the message is addressed (Colton, Roth & Bearden, 2010).

This process consists of the following elements involved at various stages: the sender of the message, encryption, the message, disruption (information noise), decryption, the receiver of the message, feedback (reaction to the message). In other words, the process of communication is created by many elements. An important factor to consider is the process of suitably transferring symbolic form (conversion of an abstract idea into a set of symbols). Another element is the process of “reading” the sent symbols by the receiver (re- conversion of symbols into an abstract idea). The last important element is the reaction of the recipient after the message is received (Kenton, Yarnall, 2005).

A company’s relationship with its customers is presented as a process of exchanging certain values between the parties. In this process of exchange, companies provide customers with value - benefits, satisfaction, (Porter, 2006) and in return companies receive value from the customer. Thus, marketing communication is the process of transfer - to communicate specified customer value.

#### **4. The objectives and tasks of the communication process**

Marketing communication is (Šikýr, 2013):

1. communicating a company’s values to its market based environment through marketing activities,
2. shaping the identity of the company, distinguishing the features of the organization,
3. responding in a unified way to information from the environment.

The modern understanding of marketing communication is the management of the dialogue between the company and the market environment. It is to contribute to maintaining partnerships with market participants.

Today an important issue in business is to build trust between a company and client. Ch. Tilly noted that "trust is subjecting values which are precious to us to the risk of ill-will, errors or failures of other people" (Tilly, 2005). Therefore, the purpose of marketing communication is the transferring of (providing) certain values and benefits to customers, thus building trust among consumers and business partners in a given company.

The management of a company's dialogue with its surroundings consist of the following elements (Hielscher, Pies, Valentinov, 2012):

- recognition of the company's competitive advantage and what features should be communicated to its surroundings,
- identification of who should be the main recipient of the message,
- planning of marketing communications,
- supervision of the process of communication,
- monitoring and correcting the effects of the communication.

The process of communicating specified values has specific objectives and tasks (Buttkereit, Pies, 2008):

1. Each message (including the omission of information) affects the image of the company (brand).
2. Each message should be consciously shaped by the company (in accordance with its marketing strategy) and controlled by it.
3. The entire message should be an integrated, logical sequence of actions synergistically affecting the company's surroundings.
4. The message should be tailored to a specific pre-audited recipient (individualized).
5. The message should establish a dialogue with the recipient (should foster the flow of information in both directions).
6. Competitors' marketing messages should be continuously monitored.
7. Reactions of the market environment to the marketing message of the company should be continuously monitored.

Communication is most effective when the level of the message (the degree of difficulty of the terms used, form, style, etc.) is slightly lower than the level of the recipient. From the beginning, the recipient should feel that they will find content that is valuable to them in the message.

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An important feature of a business with a good reputation is their transparency. Transparency can be defined in various ways. According to T. McManus, transparency is composed of two elements: the first is open, frank, and free flow of information and the second is dialogue with stakeholders (Lazarus & McManus, 2006). Free flow of information enables the delivery of a true picture of reality (regarding products, services, companies, etc.). Dialogue with stakeholders helps in turn to increase the level of transparency of the company by directing the flow of information. This allows information to be better suited to the needs of particular groups of stakeholders, and therefore more useful to them.

Marketing communication has an informative function, which involves sending (transmitting) information about the manufacturer - service provider, product features and specifications, terms of sale, price, payment method, location of sales outlets, etc. In this sense, every communication is information. The communication process is intended to convince the client of the value of a range of products and persuade him to act in a particular way, change his behavior, or even lifestyle, and purchase a particular product or service (Potts, 2007).

Communication of informative nature is used for goods where the customer is deeply involved in the buying process. When choosing a car, sporting equipment or an insurance policy, the buyer seeks to rely on the most rational, objective reasons for buying a given product, and advertisements presenting such products must give as much professional information as possible. Typically, such an advertisement is formulated according to the hierarchy of effects: learning - feeling - purchasing. The purpose of the communication is to provide rational arguments in favor of the promoted product. Humor is not usually used in this type of communication, but rather a scientific atmosphere is created. Frequently, such advertisements are placed in specialized trade magazines (Barone, 2009).

Emotional communication is used with products where buyers want to emphasize and highlight their personality, and their ego. In addition to perfume and fashionable clothing, expensive jewelry and other luxury products are included in this group. According to buyers, a sense of satisfaction is achieved because of the fact that the purchase was a unique, prestigious good. For such goods, the communication is intended to make a big impact on the recipient

through its chic, atypical style. The best media here are exclusive magazines and television (Nice, 2013).

Habit forming communication is used for the promotion of routine, frequently bought items (eg, food, household cleaning products). The purpose of this type of communications is to remind and preserve the image of the product in the minds of buyers. These types of messages often use an element of humor and songs. Due to the need for wide dissemination, habit forming messages are published in the form of outdoor advertising, in daily newspapers, or broadcast on radio and television (Moth, 2013).

Satisfaction giving communication is used in the case of goods where the purchase is associated with individualized tastes or where the choice of brand is strongly influenced by the reference group. These products can include, among others: soft drinks, cigarettes, salty snacks and beer. The purpose of this form of communication is to draw the public's attention and the next step is to create a distinctive image of the product among many similar ones. Excellent media include outdoor advertising, point of sale and mass media coverage (Feige, 2013).

The basic elements of marketing communication include formal communication and informal communication. Formal communication describes typical promotional activities which are planned and deliberate, involving areas chosen by the company. Informal communication are activities which indirectly provide information to the environment and affect the image of the company. This information is also used to promote a company (Dobiegała-Korona, 2008).

The processes of interaction between customers and a company allow for the creation of better values. The customer can accurately identify and design offers (including selected elements of communication) tailored to their needs, and the company benefits in the form of limited risk in shaping values (Dobiegała-Korona, 2007).

A particularly important role that consumers have are giving recommendations that attract new customers without the company incurring the costs of marketing communication. This is also an effective way of promoting a business and / or products (Kumar, 2008).

## **5. Impact on the Consumer**

A Customer Service System (CSS) is actually a composition of forms and methods of communication between businesses and their buyers to meet their needs. Through the

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communication process, a company informs consumers of its existence and the characteristics of its products (Ryan, 2011).

The aim of marketing communication is to impact a client by supplying information, arguments, promises and incentives to induce them to buy the products offered, as well as to generate a favorable opinion of the company (Urban, Amyx, Lorenzon, 2009).

It should be noted that through the communication process, the company increases public knowledge about their products and the company itself, in order to increase the demand for their products.

Raising awareness of needs depends on the client becoming aware of the difference between the status quo, and the state in which he would like to be in. The sources of these needs may be (Dobiegała-Korona, 2007):

- the lack of a product,
- the emergence of new needs,
- increased financial resources,
- response to information (advertising, ownership of a product by a peer, exchange of experiences),
- changing preferences and requirements for a product.

Recognition of motives and needs is the foundation of building a marketing strategy in which all activities highlight these particular aspects. Justifying the needs of a consumer starts the decision-making process. The consumer begins to look for ways to satisfy his need, and starts looking for information. He can use two sources of information (Śmigielska, 2008):

- his own experience,
- information from external sources.

Personal experience can be used in cases where a consumer is happy with a given product, and has a sense of satisfaction from using it. The consumer is willing to buy the product again. If personal experiences are used, the intervals between successive purchases are essential - the longer the interval, the higher the chance that the consumer experience is forgotten. The consumer exhibits a tendency to make use of external information sources. Consumers do not always have personal experience as a result of changes in the sales offer. Strong competition on

the market for many products mean that they vary significantly from one another, hence the need to use external sources of information. External sources of information can be divided into (Ratchford, 2009):

- mass sources (mass media),
- personal sources (family, reference group, opinion leaders).

The consumer compares two factors: the benefits and costs of the use of different sources of information. The relationship between these two categories determines the range of value of the obtained information. At this stage, the consumer determines the ways of satisfying his need. He chooses several options that he can accept, and proceeds to the evaluation of his alternative choices. This process includes the formation of (Porter, 2006):

- opinion,
- attitude,
- intention to buy.

The decision to buy is affected by the situation in which the consumer is in. After a purchase is made, the consumer may be in a state of satisfaction or a state of dissatisfaction, called post purchase cognitive dissonance. The emergence of post purchase cognitive dissonance entails finding a way to eliminate or at least partially reduce the tension caused by doubts about the purchase.

Unlike computed and prudent decisions, there is another kind of choice, which is made without deciding, made hastily, without thinking and making a commitment. Choosing not to decide entails making a buying decision without considering specific arguments for and against.

The following types of choices are not the result of a decision making process:

1. buying based on interior preferences,
2. buying based on habit,
3. buying based on random selection.

The contribution of buying out of habit in the buying process is very large. There are many products that consumers buy without making a calculation, without making a decision. The most common group of products purchased from habit are cheap and bulk products, and products purchased frequently. High frequency of purchase discourages the consumer from continuous deliberation and he falls into a routine. The process of buying under the influence of habit is not

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uniform. The different reasons for making a particular purchase are the following: buying out of habit, adherence to a brand, customer loyalty to a brand (Okonkwo, 2009).

In a situation where the consumer is convinced that all considered brands equally fulfill the functions that he requires, and do not differ from each other enough to have to collect additional information, the consumer will choose at random.

The indifference of the consumer to different brands may be due to the following reasons (Kenton, Yarnall, 2005):

- the consumer may consider the given brands to be equivalent and can be indifferent to them,
- brands may differ from each other in the mind of the consumer, but these differences are not relevant to the functions performed by the product. In marketing, such requirements are called holistic requirements<sup>1</sup>.

When making purchases without assessing the benefits, costs and risks, the consumer is influenced by many factors of a subjective nature. These factors are extremely difficult to define. Individual, subjective feelings are formed during the lifetime of the individual by the consumer environment. These types of feelings are referred to as internal preferences. Internal preferences reflect the tastes of the consumer.

Customer value is the effect of the perception of retail outlets in which purchases are made. In this sense, we are talking about positioning, which depends on creating a specific image in the consciousness of the customer ( by means of the process of communicating specified value) distinguishing the company from its competitors. Positioning strategy applies to notions that exist in the minds of buyers, which are related to the study of perception of the company / brand among a group of customers in the target segment. By distinguishing commercial services and positioning them appropriately in the minds of customers, businesses can gain customer loyalty.

The most significant problem for businesses in terms of customer service is to find the optimal ratio between costs incurred to increase customer service levels and its effect, which is an

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<sup>1</sup> Holistic needs of consumers occur when the consumer has no desire for any additional improvements or individualization of their current needs.

increase in sales as a result of better customer service. The most favorable situation occurs when a small increase in cost results in a significant improvement in customer service.

Communicating customer value is a form of non-price competition. Its competitive importance for the company depends on the following factors (Dąbrowski, 2010):

- business objectives (goals);
- competition on the market;
- nature of the market;
- the type and quality of products sold;
- the degree of product differentiation;
- the company's reputation on the market, and the relationship between buyers and the products of the manufacturer.

If the goal of the company is to increase sales, improve or change its image on the market, and ultimately - develop and expand, communication is an essential and necessary element of competition. The stronger the competition, the greater the role of the communication process in attracting buyers. There is also a visible link between communication and type, quality and differentiation of the product.

Depending on the type and quality of products on offer and their degree of differentiation, the activities in the field of marketing communication can focus on particular assets and display them according to their intended purpose.

In order to achieve these communication possibilities promotional packaging is used (with color and text placed on it, with a specific shape of the packaging). Product brand and the manufacturer can also have promotional functions. Communication should exhibit brand awareness among buyers, which helps to increase trust in the company.

Communication must also be closely linked to price. This relationship can be addressed on two levels:

- dependence of communication on the company's pricing strategy,
- the link between communication and specific pricing decisions.

The basic pricing strategies include the following:

- strategy of low prices,
- strategy of high prices.

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With an enterprise applying the strategy of low prices, communication is based primarily on the use of this particular argument in attracting buyers. The widest possible audience is convinced that a product is targeted to them, affordably priced, and competitive.

In an enterprise that uses a strategy of high prices, communication activities are primarily focused on emphasizing the uncommon nature of the product, the prestige of the user, or the uniqueness and exceptionality of the product and buyer.

A manifestation of the connection between communication and pricing decisions are promotional prices. Their essence results from lower prices compared to normal levels. Promotional prices are primarily used when introducing new products on the market. Other cases include price reductions on some selected products in major department stores and supermarkets. These prices attract customers who, in addition to buying the products at promotional prices, purchase other products, increasing store turnover. Selection of products whose prices "attract" buyers depends on the demand for and the frequency of use of such products - if they belong to the group of goods that meet basic needs, it is more likely that they will be purchased at a lower price.

The marketing communication system as a liaison between companies and clients should be seen as an ongoing process impacting consumer perception, consisting of:

- source,
- message,
- impact assessment of the message.

Marketing communication, as previously mentioned, is the way companies communicate with the market, spreading information about the company and encouraging the purchase of its products. Its effectiveness and ability to influence the achievement of the objectives of the company depend on the people who have a direct impact on its formation. The instruments (forms of) marketing communication include:

- traditional communication–advertising,
- elicitation,
- complementary promotional techniques,
- public relations and publicity,

- sponsorship.

Advertising is the best known and most widely used form of promotion. The characteristics distinguishing advertising from other forms of promotion are:

- Indirect, impersonal nature;
- Focus on a particular product, usually for mass consumption;
- Public nature;
- Effectiveness is based on multiple repetition;
- Ability to interact with different human senses.

Personal selling is based on attracting buyers through direct contact of company representatives with potential buyers. The advantage of this form of promotion is direct, personal contact. These include:

- possibility of flexible response to customer behavior,
- possibility to establish long-term cooperation, by having customers get used to particular salespeople, or by establishing informal relationships (in a positive sense).

Complementary promotional techniques, as sales support activities, are directed to individual end users or intermediate links in the distribution channels. The essence of this form of promotion is to increase the attractiveness of the product in a short period of time, usually through special incentives, invitations, and direct contact with buyers.

Sponsorship is the promotion and formation of the company's image through the financing or support of persons, institutions, events, television programs, etc. Public relations and publicity - also called marketing propaganda or reputation promotion, is based on shaping the company's image in the eyes of customers through the media (radio, television, newspaper articles, etc.).

Advertising is the classic and the most visible promotional instrument. It is every paid form of impersonal presentation and promotion of goods, services and ideas by a particular sender.

Two distinct subjects of advertising include (Webster, 2005):

- product advertising - emphasizing the advantages, applicability and benefits of the use of a good,

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- advertising a company (brand image) - bringing out the name, trademark and "personality" of the organization. Its mission is to increase the degree of identification and knowledge of the company on the market.

Elicitation of sales includes all activities and measures to increase the propensity of the consumer to buy a product by increasing its attractiveness. Advertising activities typically give consumers a preliminary introduction to a given product brand, but not sufficient stimulus for action (purchase). Sales elicitation tools (promotional or complementary) give the customer additional material or emotional motivation, increasing the value of the good in the eyes of the buyer. Therefore, such actions in regard to a product are referred to as additional or complementary promotional techniques.

Complementary promotional techniques cannot be used continuously. Increasing the attractiveness factor of a product may be used for a relatively short period of time. If a promotion lasts continuously, over time it ceases to be a unique phenomenon, and becomes the norm.

Due to the periodicity of the promotional activity, the purpose of using complementary promotional techniques is to evoke an immediate response from consumers. Consumers must immediately, on site of the promotion, make a decision to buy.

Elicitation of sales offers many benefits. It provides a quick increase in sales due to a direct effect on customer behavior. Adding additional value to the product reduces the risk the buyer feels when making a purchase (or effectively turns their attention away from the risk). It should be noted that the elicitation of sales is most effective when the goal is to divert consumers from competitive products (Ratchford, 2009).

Elicitation of sales can be used in relations between producer- intermediary, as well as intermediary - end buyer (or producer - end buyer). The strength and effectiveness of these activities depends on the intensity of similar actions by competitors and simultaneous use of other promotion - mix instruments (especially advertising, personal selling and public relations). Also of great importance is the question of what forms of elicitation the company is using in communicating with the market. Typical complementary promotional techniques include (Jelassi and Enders, 2005):

- refund offers - if the buyer makes a purchase of a certain size, and sends certified proof of payment to the manufacturer, they can receive partial reimbursement of the costs incurred,
- bonuses for buying - purchasing a product entitles the buyer to purchasing other goods at a very favorable price or obtaining a second good for free,
- promotional price cuts - the price of goods is reduced for a short term, to encourage buyers to purchase more,
- coupons - (e.g., sent through the mail, printed in magazines) entitle coupon holders to purchase the promoted product at a lower price, or in a richer version
- free samples, tastings - drawing strong attention to an offer, allowing customers to become familiar with a product newly introduced to the market,
- sweepstakes, contests - after making a purchase, the buyer receives purchase confirmation, which empowers him to take part in a contest after fulfilling certain conditions set by the organizer ( filling in a crossword, solving a puzzle, inventing a promotional slogan, and then returning the voucher to a certain location or mailing the voucher to the producer),
- shows, demonstrations - presenting a product and its qualities in the presence of potential customers,
- trading stamps - gathered while shopping in a particular store, which can be exchanged for certain products, for a premium payment or a discount on subsequent purchases.

Personal selling is a sort of art in how to present an offer and persuade someone to make a transaction. It allows for the greatest amount of control to whom the message is directed, to a precisely specified recipient.

The basic functions of a salesman usually include:

- obtaining information about the demands, needs and preferences of customers,
- searching for new clients,
- effectively presenting an offer and convincing the client of its benefits to him,
- negotiating transaction terms,
- concluding the contract,
- maintaining good relations with regular customers,
- creating a positive image of their respective companies.

A salesperson who presents themselves well creates a good image of the company in the imagination of the client. Such features as the right look, calm behavior, good manners and

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conversational skills are essential for the position of a professional salesperson. This person should be aware that they are responsible for the company's image in the minds of the customer and contribute to its positive perception (Demczyszak, 2010).

The philosophy behind PR assumes that an organization can achieve its goals much easier if it has social understanding, acceptance and support from the side of the market. This assumption corresponds to the definition of the British Institute of Public Relations, "*Public Relations* is a deliberate, planned and sustained effort, designed to establish and maintain mutual understanding between an organization and its environment (Dobiegała-Korona, 2008).

PR as a separate form of communication has not yet fully developed on the Polish market. However, the level and degree of utilization of techniques used in the field of reputation management is quickly growing among Polish enterprises.

The basic objectives of PR include:

- keeping society informed,
- influencing society's behavior,
- developing effective communication,
- facilitating the understanding of the motives of the organization,
- building trust and acceptance of the activities of the organization.

These objectives can indirectly and to a certain extent be achieved by the company through the use of other promotion - mix instruments

Professional use of *Public Relations* requires organizations to comply with the following principles (Okonkwo, 2009):

- the principle of truth - society should be reliably informed about an organization's activities, according to the statements: "PR does not create positive facts, it only uses them" and "Do good and talk about it out loudly",
- the principle of openness of information and openness to dialogue - an organization should address the need for information (often articulated by the media), should not operate on half-truths, should engage in dialogue and not avoid criticism - "in PR, one does not only say that, what they can, but also what has to be said",

- the principle of partnership- those responsible for promoting the company's reputation must respect the rights of those in their society who have a different opinion; the information provided to society must be of value to consumers - otherwise PR activities will be criticized or ignored.

Sponsorship is defined as bilateral relations, in which the sponsor transfers funds or performs other services to a supported entity. In return, the sponsored entity performs a service for the sponsor, which directly or indirectly contributes to achieving the objectives of the sponsor - the sponsor acquires the right to associate their brand with the supported organization or event (Urban, Amyx & Lorenzon, 2009).

As in the case of Public Relations, the main aim of sponsorship is to build a positive image of the company. At the same time, however, due to the completely different nature of the activities undertaken (and particularly the question of the existence of a bilateral legal relationship between the sponsor and the sponsored) it is treated as an autonomous, separate promotion - mix instrument.

Positive emotions triggered by an exciting event are associated with the brand of the sponsor (or its products). With regard to the local community, an important goal of the sponsoring is to create the image of a company that is responsible and affable to its surroundings.

Sponsorship is considered a discrete form of persuasion. According to media recipients, it is characterized by relatively high reliability. At the same time, however, it can carry potential risks for a company, because of the minimal opportunity to influence and control the sponsored entity and the risk of deterioration of its image if the sponsored institution runs into any problems (Porter, 2006).

Most sponsorships occur in the following areas: sports, culture, science, health, welfare, environmental protection, and safety. Modern sponsorship, based on a thorough analysis of the market and customer needs, has become one of the most sophisticated promotional techniques. It complements the traditional techniques of marketing communication - advertising, public relations, and personal selling.

In the communication process of a company with the market, sponsorship operates by association. It does not serve as a provision of information and arguments relating to an offer, but it can be effectively enhance a specific offer (Ryan, 2011). Therefore, entire enterprise

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communication strategies are often build on the basis of carefully selected sponsoring activities. In order to get the right effects from a signed sponsorship agreement, the company must generally also ensure that the fact of sponsorship (or commitment to the sponsored entity) appears in the media (usually in the form of advertising). At this stage, the advertisement should reveal information about the sponsor, the sphere of its operations and products. The company should also use the sponsored event to “present itself at the scene” to their most important partners and customers (by providing company guest invitations to the event ). Such actions create a positive atmosphere for the starting or deepening of cooperation.

### **6. Strengths and weaknesses of standard channels of communication**

Organizations using standard channels of communicating customer value enjoy a number of benefits:

- the ability to reach large groups of consumers, often geographically dispersed,
- the ability to exert a strong impression on the consumer, through dramatization of broadcast content,
- eliminating the appearance of uncertainty and distrust in products previously purchased (likelihood of buying a product that is familiar, at least from advertising),
- the possibility of multiple impacts on consumers, which allows for better assimilation and memory of the content of the advertisement,
- providing information and arguments in a pressure-free atmosphere (typical in direct client contact with a salesperson),
- long-term assistance in building the image of an organization, its brand and product brands,
- opportunity to enhance the effect of traditional media communication through the simultaneous use of several complementary means of communication.

Executives of many companies perceive standard communication systems as a chance to (Moth, 2013):

- develop positive relationships with service users of their products (primary and secondary),
- create a positive image of the company,
- beat competitors in the rivalry for subsequent buyers of their products,

- actively promote new and previously offered products,
- distinguish their company as a leader in a particular type of product that cannot be copied by competitors,
- reach as many potential customers, service users.

The aim of standard communication channels is usually to acquire new buyers (recipients) and maintain existing ones. Acquiring buyers involves attracting new clients to the company and its offer, while maintaining buyers means to encourage existing clients to purchase a company's products again.

The organization (business) is an open system that is in constant contact with its surroundings (Piotrowska & Rezmer, 2009). Its surroundings are a source of opportunities and threats. Elements of its surroundings affect every organization in different ways. That is why businesses take many measures to control their surroundings, and even to shape them. One of the ways businesses do this is through the use of the traditional system of communicating specified customer value (Ryan, 2011).

There is no doubt that conventional marketing communication provides a great capacity to reach huge masses of geographically dispersed addressees at a relatively low cost per unit (advertising before the weather forecast, based on the number of viewers reached, is cheaper than advertising on the radio, in newspapers or in magazines).

Traditional communication has the ability to dramatize the content of the message (even the best salesperson cannot replicate the way a shampoo commercial demonstrates the benefits of the shampoo's use on hair). The conventional process of communication allows for multiple replays of the transmission, which gives the recipient a chance to study its content and compare it to information from other sources (Spring and Araujo, 2009).

Traditional marketing communication often provides the recipient with arguments in a pressure free atmosphere, which can weaken the defense mechanism of the addressee against those trying to persuade him (Jones, 1995). Moreover, it is often an opportunity to strengthen the effect of advertising through the use of several complementary means of communication.

At the same time, criticism of traditional (standard) marketing communication are as follows:

- “informational noise” arising in the market today due to the huge volume of advertising make it more difficult for customers to decide which deal is best for them,

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- standard communication messages often falsify the real look and quality of the product,
- the impersonal nature of traditional communication - advertising is restrictive in the reach of the message and the use of arguments that work best for a particular client,
- one-sided communication hampers the possibility to assess the efficiency of the used means of persuasion (it is a huge problem to estimate how many customers took advantage of the offer just because it was emitted through an advertising campaign, difficult to determine cost-effectiveness),
- standard communication - advertising, in terms of the unit cost of reaching a customer, is relatively the cheapest option, but in absolute terms is very expensive (to afford an advertising campaign one must have a fairly large budget).

Increasingly, it appears that the traditional process of communicating customer value and benefits is not very effective in a competitive economy. This is the result of increasingly stronger tendencies on the market:

- traditional techniques of communication (advertising, elicitation of sales) are no longer considered by customers to be reliable, there is a lot of informational noise on the market, which is why enterprises are looking for new, unconventional methods of communication,
- there is a tendency among enterprises to exhibit their social responsibility and integration with their surroundings,
- increasing competition and similar offers are inducing enterprises to display their credibility, differentiate themselves with the help of their brand, and as a consequence, build a comprehensive program of visual identification of their enterprise,
- on the Polish market, there are more and more international companies which promote new standards for communication with society - including public relations.

### **7. Conclusion**

The traditional way of communicating with customers no longer works the way it did in the 1980's and 90's. During this time, it was enough to make the company visible. Meanwhile, the market has become more competitive, consumer expectations have changed, and new

technologies have entered the field of communication. There has been a natural tendency for society to divide into increasingly diverse consumer groups with well-specified preferences and expectations, and there is a greater demand for offers tailored specifically to their needs. In this situation, techniques and tools used in direct communication have become much more effective.

The main cause of the low competitiveness of many companies operating on the market today include obsolete (ineffective) ideas about marketing communication systems, resulting in low use of modern communication techniques by companies. Modern communication systems should increasingly be based on direct and interactive marketing. This is particularly necessary in a competitive economy and increasing globalization.

The communication process brings tangible value and benefits to consumers. There is a decrease in the distance between the seller and the buyer. In addition, it shortens the decision-making process for the purchase of a specific product, as the consumer knows what he needs. The level of education in society about changes in the products on offer, prices, new trends, etc. also improves.

In this case, it seems reasonable to claim that the basic condition for a company's competitive advantage in the market is to build an efficient and effective system for communicating customer value, and its consistent implementation. Increasing the efficiency and effectiveness of the process of communicating customer value determines the possibilities of achieving the company's competitive advantage. This advantage, as reflected in a more favorable relationship between expenditures and effects when compared with competitors, allows for an increase in size of resources and skills.

The first major change concerns business managers and their increased level of consciousness and knowledge about tools used in an analyzed market. Another important change is the increase in expenditures on direct marketing activities in the budgets of individual firms. The third change is the far-reaching transformation of the advertising agent market. Polish marketing, due to the crisis of the past couple of years, has undergone major professionalization. Only the strongest advertising agencies, in terms of economics, were able to remain on the market, and they are continuously developing. The increase in spending on marketing communication results from the focus on sales results, and here the best suited instruments are direct and interactive marketing tools.

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The level of effectiveness of traditional marketing communication, in turn, affects the effectiveness and efficiency of the company's entire system of communication with the market. A high level of efficiency of the communication system and its enhancement determine the possibilities of achieving a competitive advantage for an enterprise. Therefore, an important issue is the possibility to increase the efficiency of traditional communication as well as other popular modern forms of influencing the consumer.

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### ***Proces komunikowania wartości dla klienta i jego znaczenie w warunkach gospodarki konkurencyjnej***

#### ***Streszczenie***

Proces komunikowania wartości dla klienta uświadamia nabywcom nie tylko, jakie produkty(usługi) mogą kupić, ale również jakie mają zalety (atuty) dla potencjalnego nabywcy. W procesie komunikowania zmierza się do tworzenia i umocnienia wśród nabywców postaw, które prowadzą do przychylnego przyjmowania produktów/usług oraz próbuje się przede wszystkim zmienić postawy obojętne na pozytywne - kreatywne. Przedmiotem zainteresowania tej pracy są ekonomiczne mechanizmy skuteczności i efektywności procesu komunikowania określonych wartości dla klienta, a tym samym próba wskazania czynników dynamizujących wzrost owej sprawności. Tak więc celem tego artykułu jest ukazanie trendów, mechanizmów i efektów komunikowania wartości dla klienta, a także próba zasygnalizowania nowych wyzwań w zakresie komunikacji rynkowej.

***Słowa kluczowe:*** wartość; konkurencja; efektywność; komunikacja; rynek.