

THE EXTENT TO WHICH ROMANIAN COMPANIES ORIENT THEIR STRATEGIC COMMUNICATION EFFORTS TO THEIR STAKEHOLDERS

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Abstract:

In its market relations, the organization sets direct or indirect contacts with various public categories, which are part of the internal or external environment. The profitability of such interactions is obtained by using communication techniques, media and messages that may prove to be a real strategic and operational capital to reach the organizational targets. New dimensions of the organization appear due to the complexity of the relations which the company develops with the stakeholders. Increasing the value perceived by customers involves at present an orientation of the organization towards all stakeholders, who are a value generating chain, and as such a valuable component of relationship marketing. This study aims to assess the extent to which the communicational flows of Romanian companies are stakeholder-oriented. The results of quantity research demonstrates that there is a significantly distinct approach between the relationship marketing theory and organizational practice. The orientation towards employees, suppliers and distributors is the concern of less than half of the companies under analysis, whereas customers are still the main category of stakeholders from the viewpoint of the strategic communication approach.

Keywords: marketing communication, relationship marketing, audience-specific communication, Romanian market

1. Introduction:

The growing interest of both specialists and practitioners in marketing communication is mainly due to the evolution of the concept of relationship marketing. One of the most significant evolutions which accompany the emergence and development of relationship marketing is the introduction of integrated marketing communication. The attention of various authors in the field has focused ever since the beginning of the 21st century on setting the role and place held in the communication process and the means to improve it, so that the outcome of the marketing activity ensures the creation and development of profitable partnerships between the organization and stakeholders. "The old paradigm – a system of mass production and advertising is fully replaced by a new paradigm – a one to one economic system, products adjusted to suit each individual, customized promotion according to each and every consumer" ([7], Kitchen Ph., Don Shultz, 2009, p. 198). Customer orientation founded the optimization of the specific theoretical background by including in definitions terms specific to the current context, which have the special feature of expressing with words the total tendencies registered in customer communication. One of the latest definitions of the concept gives marketing communication the importance of "informing, persuading and reminding consumers,

directly or indirectly, of the traded products and brands ; it is the company voice and the means whereby it can set a dialogue with its customers and, at the same time, it can cultivate a relationship climate among them“ ([6], Keller K. L., 2009, p. 141).

The specifics of relationship marketing are represented by the mainly interactive nature of the business and the inclusion of all persons, natural persons or legal entities, with direct or indirect interests in the profit or company activity, in drafting and implementing marketing strategies. Basically, elements such as: stimulating feedback, listening to customers, customizing contact, managing complaints, client-oriented structures and systems, target specific messages, profitable collaboration, partnerships etc. create the relationship picture. As concerns this study, we can identify in the configuration of each of the above-mentioned elements, a communicational component that may influence the said feature. In the specialty literature, there are various statements which certify the role of communication in strengthening lasting and profitable relations with all categories of stakeholders. The following are among the most significant:

1. *Creating, maintaining and developing customer relations:*
 - “Communication is the fundamental integrating element of all the activities related to the creation, management and development of human relations and the brand” (Duncan, Moriety taken from [4], Gummesson, 2008, p. 132);
2. *Creating the conditions (techniques, tools, messages) necessary to set up stakeholder partnerships:*
 - “One of the most important features of integrated communication is that it considers all stakeholders in the communication strategy” ([8], Mulhern, 2009, p. 95);
3. *Communication with the help of modern technologies and through the digital media ensures the dialogue which is the essence of any relationship building:*
 - “Organizations all over the world increasingly integrate relationship marketing as strategic activity for business success and for customer loyalty. This global tendency is supported by the development of interactive communication and technological progress ” ([1], Abaetê de Ayevedo 2008, p.177);

2. Stakeholder communication:

In its market relations, the organization sets direct or indirect contacts with various public categories, which are part of the internal or external environment. The profitability of such interactions is obtained by using communication techniques, media and messages that may prove to be a real strategic and operational capital to reach the organizational targets. “Integrated marketing communication was proposed as a concept adapted to relationship marketing” ([2], Finne A., Grönroos Ch., 2009, p. 181) since increasing the value perceived by customers involves orienting the organizational efforts to all stakeholders, who are a value generating chain, and as such an important element of relationship marketing.

“Understanding long term relations both with the consumers and with other stakeholders was a phenomenon long neglected in the marketing literature; managing organizational relations both internally and externally must become a vital activity called relationship marketing” ([5], Jose Quero M., Ventura R., 2009, p. 20). In this case, one to one marketing seems to be limited. Going from interaction with individuals to the extension of relations within the network is indicated by Gummesson, who proposes the concept many – to – many marketing.

The transition from transactional marketing to relationship marketing has lead to a series of significant modifications, both conceptual and operational. One of the most

important is the redefinition of activity rules. Considering the complex concept definition, based on the interaction within relation networks as formulated by Gummesson, according to whom the network is “a set of multilateral relations which can develop and make a complex relation model... the involved parties coming into active contact ... which we call interaction” ([4], Gummesson E., 2008, p. 6), we note a multilateral process. In 2006, Grönroos defined relationship marketing as the “process to identify, set, grow and, if necessary, end customer relations and other parties interested in a profit, so that the objectives of all parties involved are reached” ([10], Pop N. Al., 2006, p. 38). The organization must not only analyse the components of the internal and external environment, but must also recognize the interested parties as partners that can collaborate in reaching the organizational targets. There is, therefore, the tendency to overcome limits in the market relations and to go to a much more complex configuration which involves the creation and development of relations within the network. Creating partnerships must be a priority for the top management.

The modern organizations’ orientation towards relationship marketing involves communication activities with a high level of specificity. The features corresponding to the relationship marketing objectives have lead researchers to new observations. The scientific results trigger the occurrence of a new concept which aims to capture the confluence area of relational marketing and marketing communication. Authors such as Duncan and Moriarty, Lindberg-Repo, Grönroos Ch. suggested the use of the interdisciplinary notion – relationship communication ([2], Finne A., Grönroos Ch., 2009, p. 179).

Since the main objective is to create and develop lasting and profitable partnerships, notions such as trust, collaboration, commitment, satisfaction and communication as dialogue are a favourable framework to reach this target. The ongoing exchange of information can create a climate of trust and collaboration becoming one of the fundamental elements with a substantial contribution to relationship strengthening. The communication process requires the coherence of planning, which is the result of a careful analysis on the needs of each party involved. The frequency of the communication action, its formality degree and the direction of information flows are possible factors that contribute to drafting the specific communication strategy.

It is necessary to consider new dimensions of communication due to the complexity of relations the company develops with stakeholders. Inserting these tendencies in this particularly rich field leads almost naturally to redefining communication as “the degree to which each member participates in the mutual exchange of useful information with the other partners, and the process includes issues such as frequency, mode, direction, quality and involvement” ([9], Polo Redondo Y., Cambra Fierro J., 2006 p. 85).

3. Case study

The philosophy of relationship marketing has had an unprecedented complexity in the history of conceptual and operational marketing. Traditionally, customers were the target of all marketing efforts of an organization, being considered that they are the main component of the external environment. The new paradigm, relationship marketing, imposes that the higher satisfaction of demand bearers is no longer the only direction which governs the activity of a company but also the relation with all categories of actors who have the interest that the organization activity becomes a central objective. Therefore, all the components of the (internal and external) environment acquire an essential role in reaching the final organizational target, which is to maximize economic efficiency.

Methodology:

Under the circumstances, this study mainly aims to assess the extent to which the communicational flows of Romanian companies are stakeholder-oriented. Because in the specialty literature there is the axiom according to which the relationship marketing objectives can be reached depending on the orientation of communication efforts in a balanced manner to each of the interested external parties, we tried to identify the difference between the theory and practice of companies in Romania.

From the diverse variants of marketing research, we opted for a survey through a questionnaire. The purpose of this survey was formulated in close connection with the problem under study: setting the extent to which the communication efforts are oriented towards customers, employees, suppliers and distributors. The respondents, in total number of 312, were randomly selected and work in small and medium size enterprises as well as large companies. The research was conducted in the period March-November 2010.

The theoretical data base and the identification of various aspects which characterize communication in the practice of relationship marketing, which is the result of observation and personal notes, lead to the following hypotheses:

- Customers are an integral part of the stakeholder category towards which the company mainly directs its communicational efforts;
- There is no balanced ratio between the parties with an interest with respect to the communicational actions carried out by the company;

Results of the research:

The order in the hierarchy of the company stakeholders which became visible following the survey is not surprising. As concerns the orientation of communication efforts towards customers, approximately 94% of the respondents expressed their agreement (totally 72.88% and partially 20.34%). A balanced percentage was obtained with respect to the category of employees and suppliers and distributors. From the perspective of the respondents, the companies where they work direct their communication efforts towards the two stakeholder categories (employees and suppliers and distributors) with almost the same frequency. The comparative analysis revealed the following:

Table 1. Comparative analysis of the frequency of communication actions oriented towards employees, distributors and suppliers

Answering time	Employee-oriented communication	Supplier- and distributor-oriented communication
Total agreement	46.15%	46.02%
Partial agreement	25.64%	29.20%

As indicated above, the simultaneous analysis of the answers to the question referring to the extent to which the communication efforts are oriented towards a certain stakeholder category, indicates once more that in the opinion of Romanian companies, customers are the most important stakeholders.

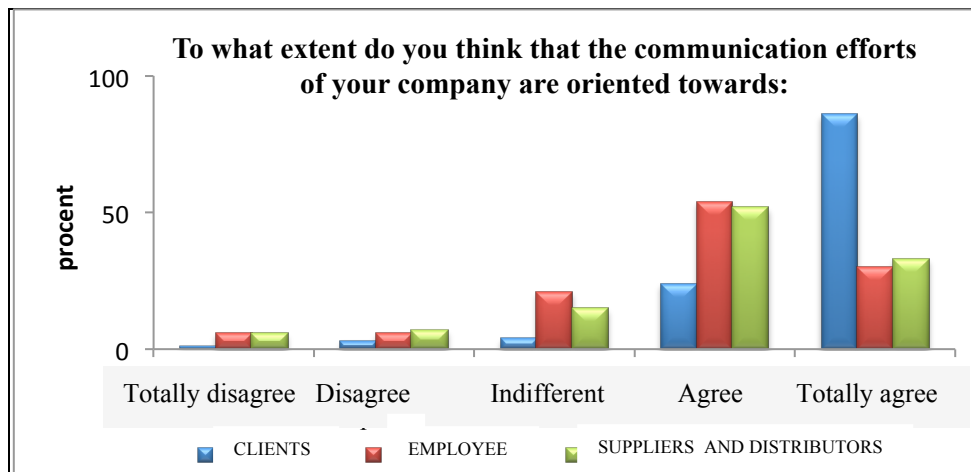


Chart 1. The extent to which Romanian companies orient their strategic communication efforts to their stakeholders

In the specialty literature, certain authors suggest the need to include customers, employees, distributors and suppliers in the same stakeholder category with a view to creating and developing partnerships which are profitable to all parties involved in the relationship process. Between the theory of relationship marketing and the organizational practice there is a significant difference. The orientation towards employees, suppliers and distributors is the concern of less than half of the companies under this analysis (total or partial agreement).

4. Conclusions:

It takes a considerable time to implement relationship marketing in Romanian companies. Adjustment to the requirements of the current economic situation requires a high level of flexibility. The communication role is considerable with respect to setting and developing partnerships within the relation network. Increasing the communication frequency and the involvement of the other stakeholder categories is critical in going from traditional marketing, oriented exclusively towards customers, to relationship marketing which acknowledges the role held by each external partner in carrying out the company market activity.

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