

B2B Marketing Communication in **Slovenia**

Brigita Lazar Lunder, MSc., MBA



E-LEADER

Milano: June, 2014

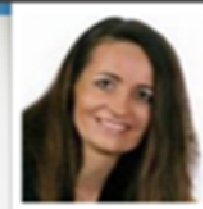
References 25 years ...



Zavod Republike
za zap



Golf
zveza
Slovenije



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This email was intended for Brigita Lazar Lunder, M. Sc., MBA (Regional Manager Chocolate Graphic Intl. (Australia) EU Office & Lecturer & Consultant). [Learn why we include this.](#)

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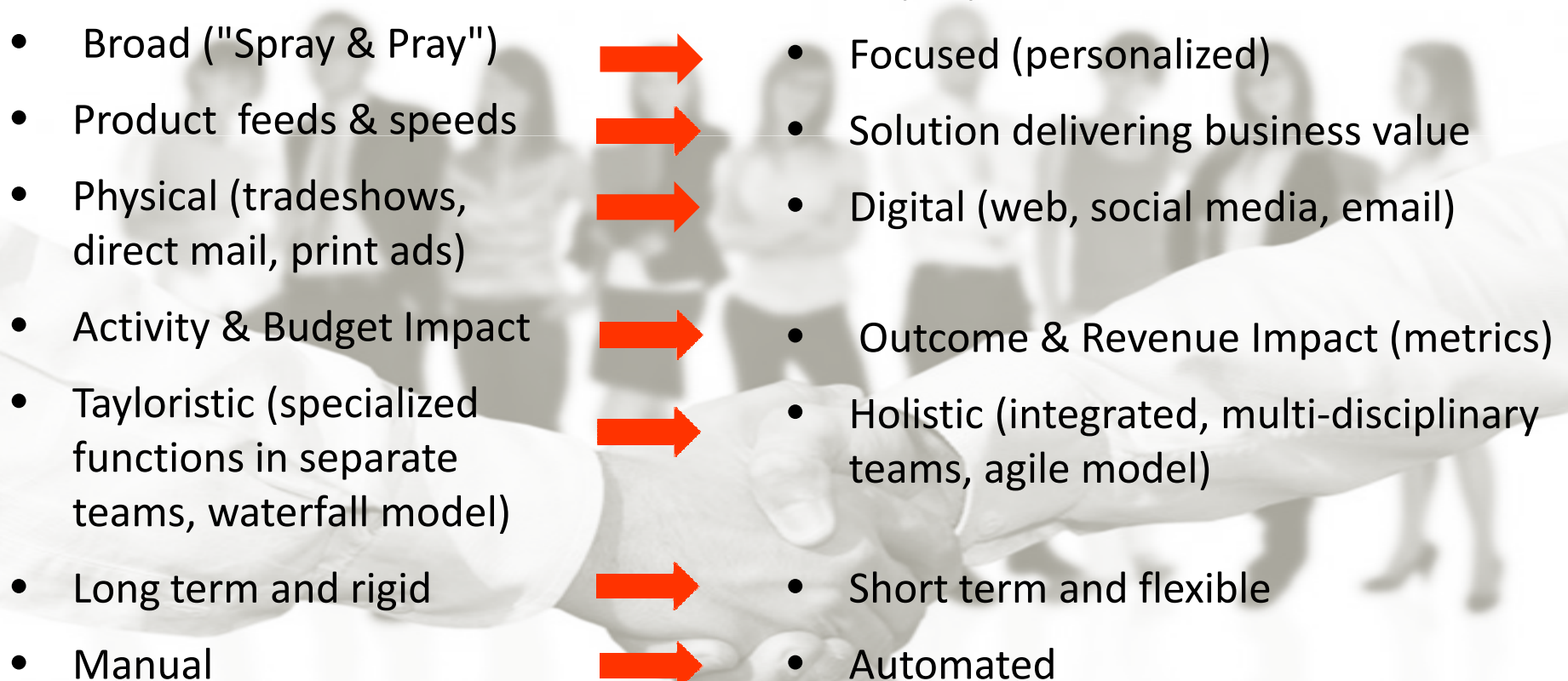
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Buying process has fundamentally changed

- customers are armed with knowledge
- connected (comparisons on-line, price transparency)
- social networks (85.000 !)



The **new World** of B2B Marketing

- 
- | | | |
|--|---|--|
| • Vendor (owned most information that buyer needs to make decision) | ➔ | • Buyer (has most information to make decision, decides if and when to engage) |
| • Vendor push (outbound) | ➔ | • Buyer pull (inbound) |
| • Broad ("Spray & Pray") | ➔ | • Focused (personalized) |
| • Product feeds & speeds | ➔ | • Solution delivering business value |
| • Physical (tradeshows, direct mail, print ads) | ➔ | • Digital (web, social media, email) |
| • Activity & Budget Impact | ➔ | • Outcome & Revenue Impact (metrics) |
| • Tayloristic (specialized functions in separate teams, waterfall model) | ➔ | • Holistic (integrated, multi-disciplinary teams, agile model) |
| • Long term and rigid | ➔ | • Short term and flexible |
| • Manual | ➔ | • Automated |

Source: adopted B2B white board

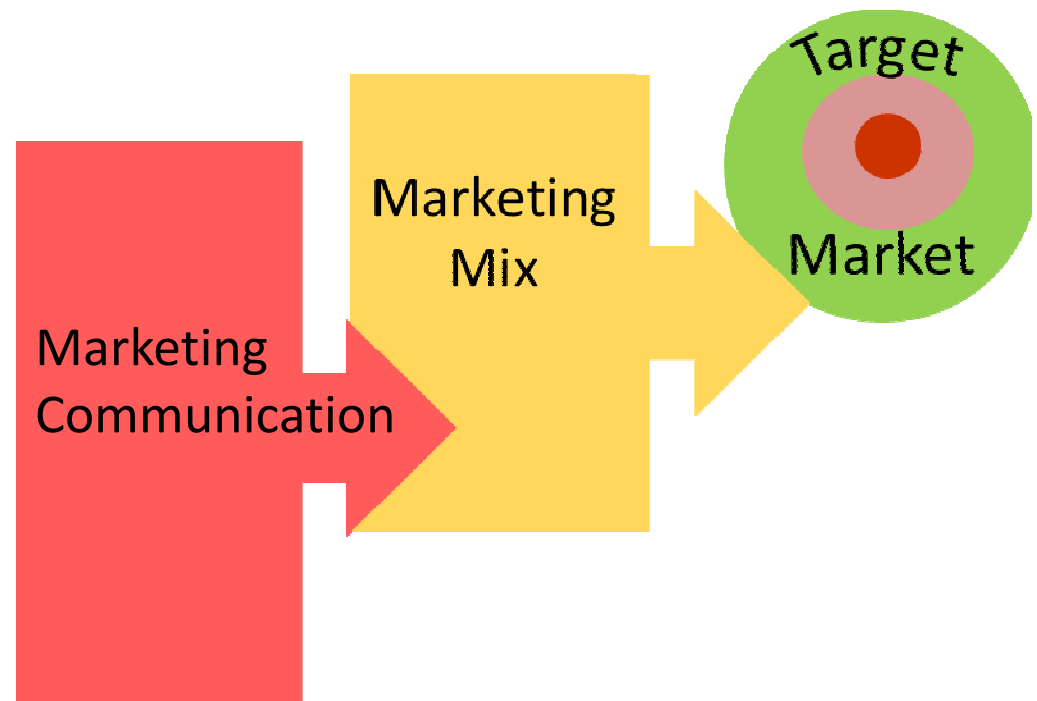
Marketing Concept

An organisation is successful only if it understands **the needs of their customers** and performs **coordinated activities** in order to **satisfy them, while reaching organisational goals.**



The key is Marketing Communication

- established **Trade Mark & Marketing Communication (MC)** are **the only** Company differentiators
- to achieve its objectives company must:
 - adequately present itself
 - inform customers about its products & services



Slovenia Business

Basic data

Official name	Republika Slovenija (Republic of Slovenia)
Form of state	Democratic parliamentary republic
Area	20,273 sq. km
Capital	Ljubljana
Population (2014)	2,061,300
Language	Slovenian
National currency	euro (EUR)
GDP growth (2013)	-1,1%
GDP per capita (2013)	€17,128
Annual Inflation (April 2014/2013)	0.4%
Basic interest rate (May 2014)	0.0% monthly, 0.00% yearly
Number of enterprises (2012)	161,636
Exports of goods (2013)	€21,628 million
Main destinations of exports (2013)	Germany, Italy, Austria, Croatia, France
Imports of goods (2013)	€22,197 million
Main origins of imports (2013)	Germany, Italy, Austria, Croatia, Hungary
Unemployment rate - ILO (March 2014)	9.7%
Net monthly earnings (February 2014)	€ 994.34



TOURISM

Objectives of the study & Methodology

➤ Objectives:

- state of the B2B Marketing Communication in SLO
- impact of economic activities, regions, organisationsize

➤ Research – Methodology

- PIRS*, 32.599 e-mail, 10/2009
- online survey, 2% response
- sample 522 organizations
- 9 economic activities,
- 8 regions, 4 company sizes
- SPSS, MS Excel
- ANOVA, $p < 0.05$
- frequency distribution

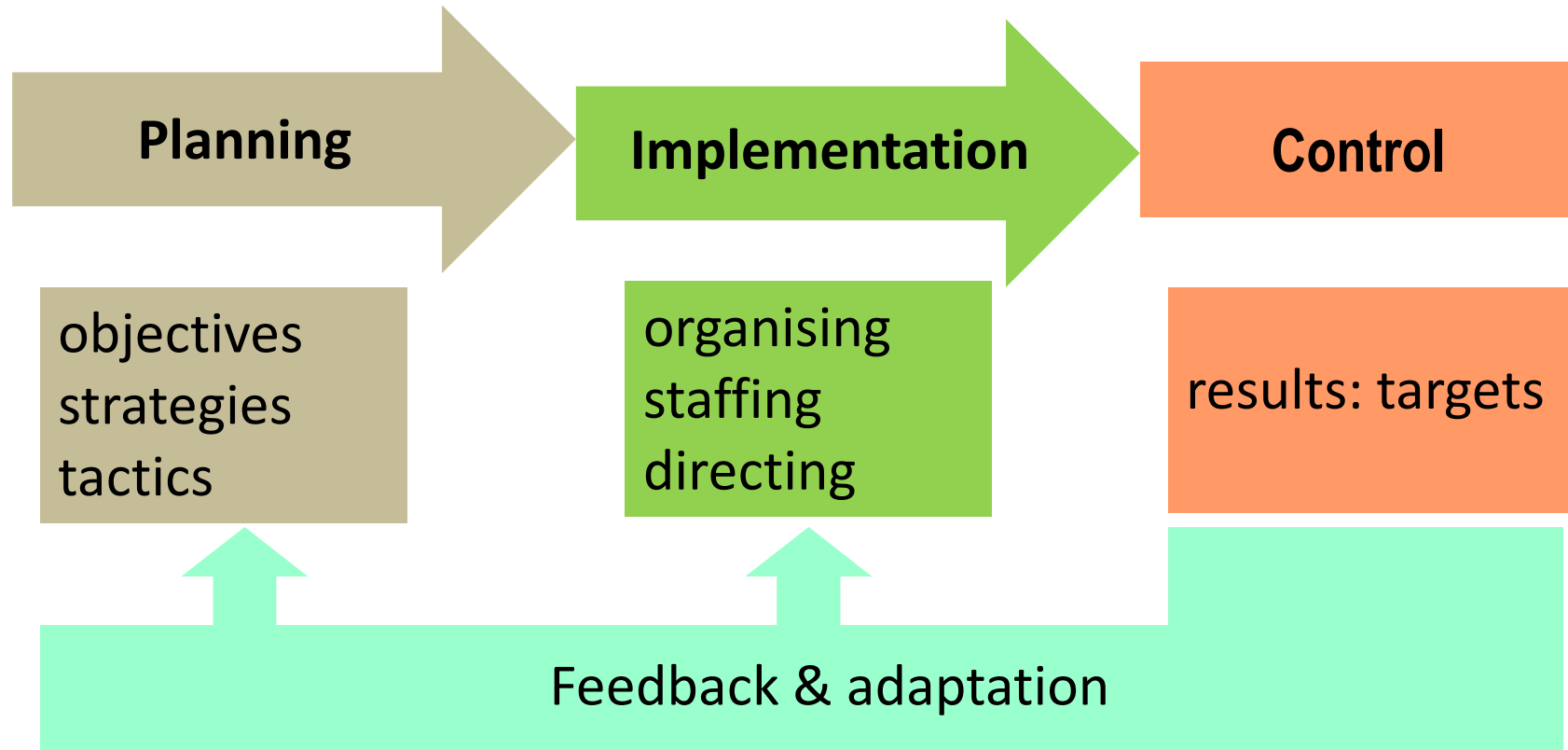
*PIRS Business Directory of Republic of Slovenia

The image shows a screenshot of a survey form from PIRS (Poslovni informator Republike Slovenije). The form is titled "B2B marketinško komuniciranje" and is addressed to "Spoštovani,". The sender is Brigita Lazar Lunder from the Faculty of Economics at the University of Ljubljana. The survey is about B2B marketing communication. The form contains several questions:

1. Kakšna je glavna dejavnost vašega podjetja po standardni klasifikaciji dejavnosti (SKD)? (Dojavnost vaše...)
2. Prosimo, označite regijo, kjer se nahaja vaše podjetje.
3. V katerem od spodnjih razredov spada vaše podjetje po številu zaposlenih?
 - do 10 zaposlenih
 - od 11 do 50 zaposlenih
 - od 51 do 250 zaposlenih
 - več kot 250 do 500 zaposlenih
 - več kot 500
4. Leto ustanovitve podjetja.
5. Pravni status vašega podjetja.
 - s.p.
 - d.o.o.
 - društvo
 - d.d.
 - javni zavezi/zavod
 - d.n.o./k.d.
 - drugo (napišite prosimo)
6. Prihodki iz poslovanja v EUR za vaše podjetje v preteklem letu.
 - do vključno 2.000.000 EUR
 - nad 2.000.000 EUR do vključno 7.300.000 EUR
 - nad 7.300.000 EUR do vključno 29.200.000 EUR
 - nad 29.200.000 EUR

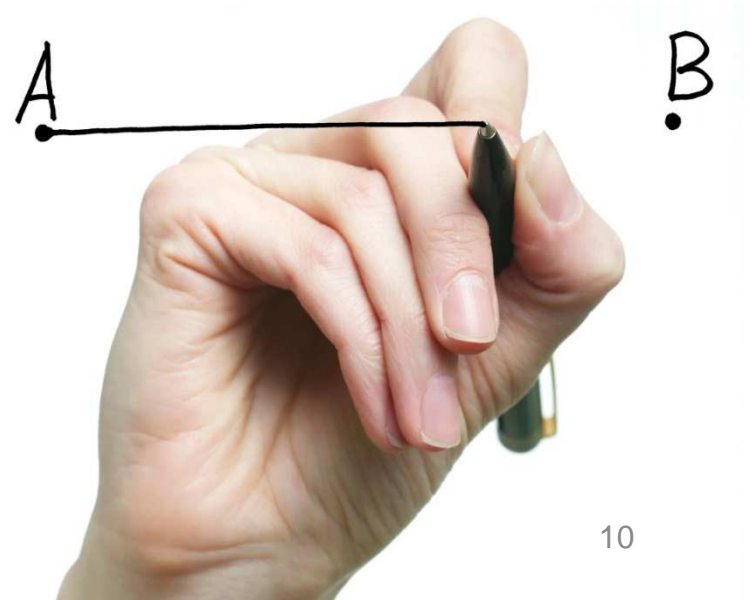
The SurveyMonkey logo is visible in the bottom right corner of the form.

MC Management Process



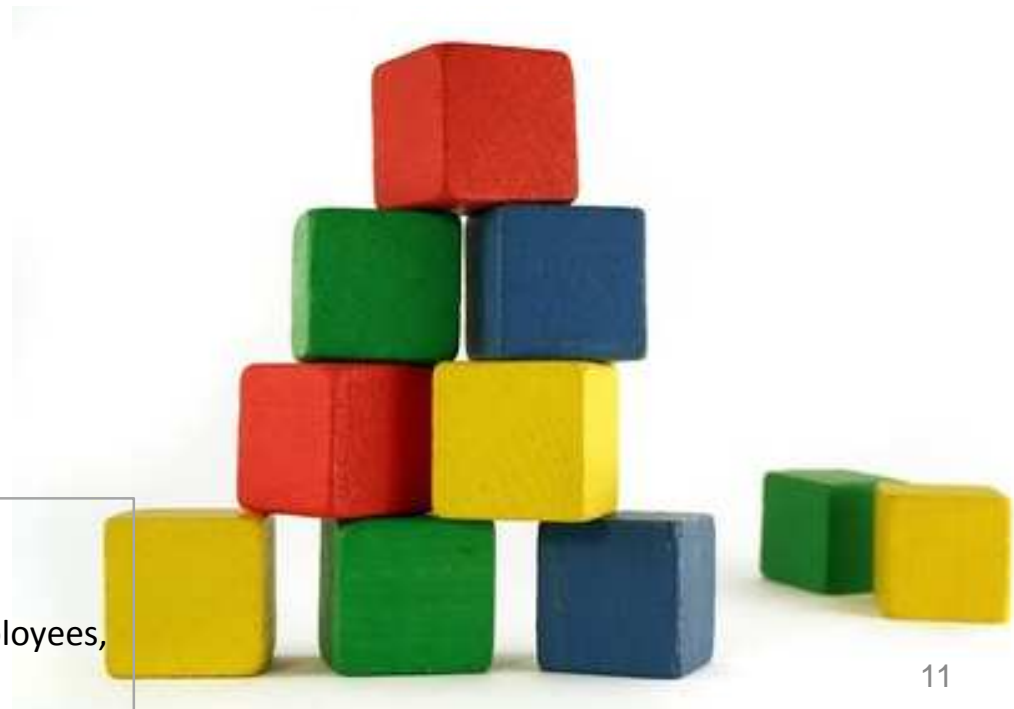
Planning MC

- 3 key elements:
 - objectives
 - strategies
 - tactics
- **important** to take into account all factors in **the organization** (vision, goals, strategy, resources) and in **the environment** (customers, competition, market)



Planning MC & SLO

- occasionally planning
- big (L)* organisations more frequent than (S, M, XS) organisation
- the marketing concept more considered in L than in XS organisations



*XS micro-organisation - up to 10 employees,
S small organisations - from 11 to 50 employees,
M medium-sized organisations – from 51 to 250 employees,
L large organisations – more than 250 employees

MC Implementation

- involves:
 - organising
 - staffing
 - directing
- B2B usually a small number of marketing staff (organisations rely on personal selling)
- bigger organisations & larger budget for MC more likely MC will be organised in its Marketing or MC department and more likely outside experts will be hired
- crucial appropriate people (**sometimes the most important**)



MC Implementing & SLO

- more than 75% organisations have organised MC in their Sales Departments
- employ at least 1 person for marketing (3/4)
- only L organisations have their Marketing or MC departments and employ more people (to 5)
- most implement MC by themselves
- the exception is advertising, which L organisations often outsource (Agencies)



Monitoring MC

- one of the most difficult problems, with which MC Managers are encountered
- Monitoring:
 - identification of the results
 - ensure the effectiveness
 - find the causes for any discrepancies
- in practice, often not implemented due to various reasons, such as cost, personnel and time
- most commonly used = the contribution of sales effort (information on sales, profits, ROI)



Monitoring MC & SLO

- few SLO organisations regularly carry out market research or measure the effectiveness
- due to their small size the organisations often neglect preliminary research and follow-up testing of the effectiveness
- M & L organisations devote more attention
- satisfaction of customers is the most important indicator of effectiveness (majority of SLO organisations)
- the growth in sales is more important only in Osrednjeslovenska-zasavska and Goriška regions, information and communication activities, in manufacturing

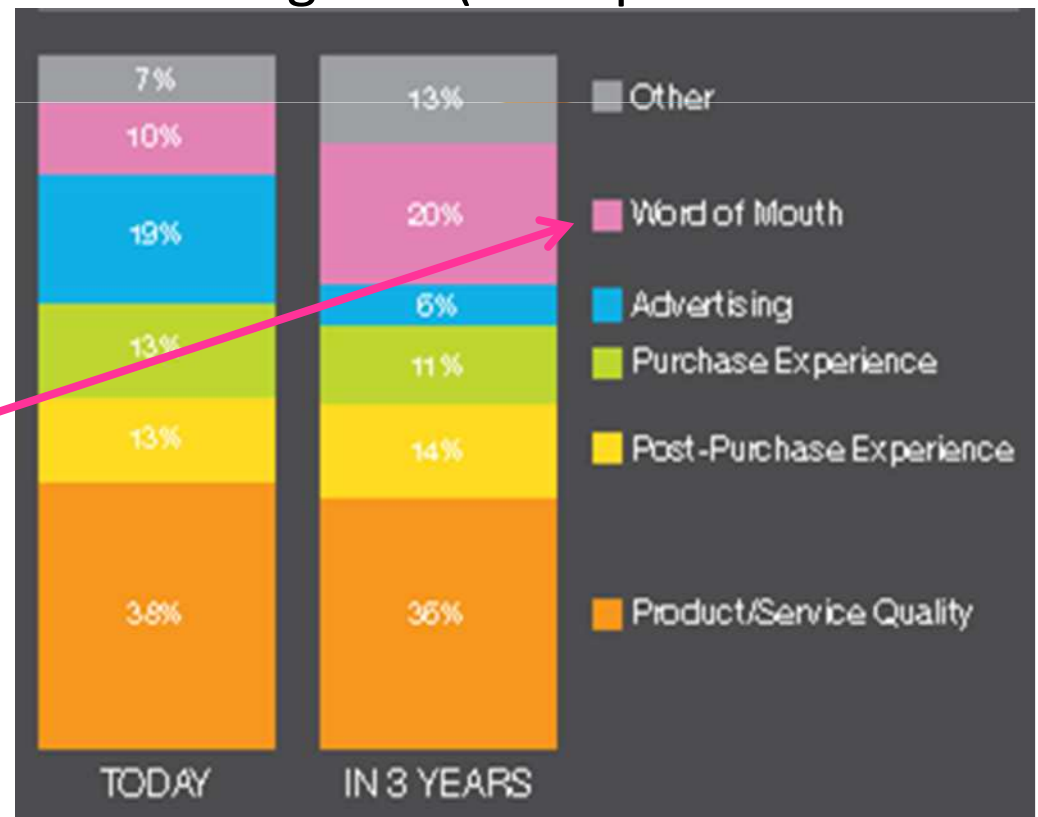


B2B MC Mix 5 instruments

- establishing relations with customers is the ❤️ B2B Marketing thus **personal selling** is the most used and effective
- other 4 instruments have a specific role largely as complementary and brings an added value
- growing importance of direct marketing DM (in response to the high cost of personal sales)

+ 6 WOM = **Social Media !**

What will be the primary "driver" awareness about the products / BZ in 3 years



World and the customers have changed?

What used to work does not work anymore



75%

B2B purchases
affect by
social media



57%

purchasing decision
is made **before**
the sales rep
included



97%

"Cold calls" not
working
*** 7% less annually 2010**

MC B2B Mix SLO

- the largest part of their budget and attach the greatest importance to personal selling and DM
- frequency of use: PR, advertising and sales promotions
- regard to the effect: sales promotions, advertising and PR
- personal selling is more commonly used in trade than in construction and other various activities
- instruments of MC are more widely used and considered to have greater importance and influence on major customers by L organisations
- the most important MC tools*:
internet advertising, personal selling , e-mail



* The organisations determine the importance of 18 MC tools.

B2B MC – Financing

- one of the crucial and extremely difficult task is to determine the amount of funds
- in many cases the means of MC are established before the objectives of marketing communications are set (depending on available funds) instead of depending on what is to be done, and how much will it cost (method based on the objectives of activities and the cost estimates)
- most companies continue to regard MC as costs rather than investment



Financing MC in SLO

- dominate organisations without an annual Marketing budget (68%) or annual MC budget (80%)
- the most developed Osrednjeslovenska-zasavska region stands out with 40% organisations having budget for marketing
- only L organisations have special budget for MC and it is more often decided by the Marketing Manager than the Sales Manager
- the **method of available resource** is dominant method of determining budgets for MC
- the largest part of marketing budget = personal selling & DM



Integrated MC

- complexity of the B2B Business and Communications (technological development) requires the integration of MC
- inetgration of: Marketing mix, MC mix, employees, executives, customers and suppliers
- to maximize the efficiency of and profitability MC
- despite the very concept of IMC is very clear, companies do not apply, reason lies in the obstacles to its implementation



We're using external suppliers and customer workshops to bring the voice of the customer into our enterprise.

Paul Matthews, CEO, Standard Life, United Kingdom



Integrated MC SLO

- IMC = integration of various instruments MC (65.3%)
- more than 80 % of the companies Marketing Department or MC Department, at least occasionally cooperate with other departments
- the most participation in information and communication activities and trade, Koroško-savinjski region and S organizations



Recession Impact

- the most common response = **reduce any unnecessary costs** (MC = costs!)
- harder "recovery" & increased financial investment in the future

1 year withdrawal = 4 years recovery



What all these companies have in common?



Recession & B2B MC in SLO


- mostly continue to invest the same funds in marketing activities (42%)
- most of them will continue to invest in PR
- slightly more than 30% of organisations will invest less
- more organisations will increase their investments in personal selling and direct marketing



Conclusion

- Slovene organisations observe marketing concept
- In practice the marketing department at least occasionally carry out marketing activities in cooperation with other departments
- many are not sufficiently aware of the importance of marketing and MC
- to maintain **competitiveness** in domestic and foreign markets they should include more comprehensive MC



A close-up photograph of a blue and green gecko clinging to a vibrant, multi-colored flower. The gecko is positioned in the upper half of the frame, facing left. Its body is primarily blue with green accents, and its large, prominent eyes are a striking yellowish-green. The flower it is on has bright yellow, red, and purple petals. The background is dark and out of focus.

"It is not the strongest of the species that survive, nor the most intelligent, but the one most responsive to change."

Charles Darwin - Naturalist

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