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Strategic Planning of Marketing Communications in the Digital Age: An Empirical Study of Small and Medium Freight Transport Companies

Neringa Vilkaite-Vaitone* **Simas Sologubas**

Vilnius Gediminas Technical University, Lithuania

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ABSTRACT

Small and medium transport companies play an important role in creating jobs and wealth of economy. Being related with the consumption of other products, transport companies should build marketing communication strategies. However, strategic planning of marketing communication might have specific challenges in this industry as recent innovations in the field of marketing communication (chatbots, groups in social networks, etc.) gain a considerable appreciation. Prior research has almost neglected specificity of marketing communication challenges faced by small and medium transport companies. Thus, the present research explored strategic planning of marketing communications in aforementioned industry. A qualitative research approach was adopted in order to collect information about peculiarities of strategic planning of marketing communication in transport industry. Interviews with marketing managers showed that their knowledge in the field of strategic planning of marketing communications is insufficient. Gaps in the stages of market analysis, mission statement, and measurement were identified. The lack of compatibility between mission statements and measures used for the evaluation of marketing communication results let authors to conclude that transport companies should pay more attention in ensuring the integration of marketing communication.

1. Introduction

Under extremely changing economic context, fierce competition and technologic development marketers' efforts in the field of communication gain exceptional importance. Marketing communication in transport companies is a "voice" of a company that intends to inform, persuade and remind customers about the services. Such a communication gives future benefits to the transport company^[1]. For a transport company it is es-

sential to decide on an appropriate marketing communication strategy in order to evoke eligible customer behaviour and growth of the company^[2-4]. The fact that marketing communication spending constitutes a considerable share of annual marketing expenditure^[5] also highlights the importance of well-balanced and consistent communication strategy. However, formulation of a productive marketing communication strategy in a digital age might become a challenge^[6]. A failure to successfully prepare and implement marketing communication strategy is likely to result

*Corresponding Author:

Neringa Vilkaite-Vaitone,

Vilnius Gediminas Technical University, Lithuania;

Email: Neringa.vilkaite-vaitone@vgtu.lt

in a decreased competitive advantage of transport company.

Previous researches in the field of strategic planning of marketing communication were concentrated on particular medias, for example social networks ^[7-9] or on specifics of communication in different industries. Scientific publications have covered the analysis of marketing communication in museums ^[10], health care institutions ^[6,11], higher education institutions ^[12], telecommunication companies ^[13], tourism industry ^[14,15], while marketing communication in transport industry up to date has been analysed in a fragmentary manner. Scholars have analysed particular stages of marketing communication planning ^[16,17], while the whole process of strategic planning of marketing communication in the context of freight transport companies remained unanalysed.

The purpose of this qualitative research was to find out the specificity of strategic planning of marketing communications in small and medium freight transport companies under the requirements of digital age. This research contained data collected from marketing managers who work in freight transport companies in Lithuania.

The article was structured as follows. The analysis opens up with a brief literature review in the field of strategic planning of marketing communications. Methodology provided an underpinning for the interview with marketing managers. This was followed by the analysis of results, discussion, conclusions and references.

2. Literature Review

Marketing communication as an academic field has attracted considerable interest of marketing scholars and is considered as “an important part of strategic business management” ^[18, 2]. Marketing communication research area has long been focused on definitional issues. Marketing communication is often described as an interaction (written, visual, spoken, sensory) between a company and a target market ^[19].

Academia and professional arena suggest that strategic planning of marketing communication in the digital age should be based upon a six stage model that involves market analysis, mission statement, message formulation, choice of media, budgeting, and measurement ^[20].

Market analysis involves evaluation of external, internal analysis and identification of target market. It is a common practice to base external analysis upon PEST model or its variations (PESTE, PESTEL). Internal analysis should cover the following factors: personnel, finances, type of product market, stage in product life cycle, customer readiness to make a purchase, brand's positioning and market share ^[21]. Market analysis also

involves identification of target market. Under the increasing importance of personalised communication, marketers have to be specific in identifying target market. Marketing communication seems to be no longer directed at a wide audience. It should reach individual members of target audience ^[22]. This is the reason why transport companies should put sufficient effort in identifying target market.

Taking a broad view, mission of marketing communication is to influence cognitive and decision-making processes of potential and current customers ^[19]. In short-term communications are aimed at generating demand for products, building strong brands. In long-term there exists interest in building and strengthening relationships with consumers, creating loyalty, building image ^[23].

Communication content, i. e. message, should match with the mission statement. To achieve communicational aims companies have to choose the most appropriate marketing tools. Traditionally the mix of marketing communication tools in a company involves one or more of the following: advertising, personal selling, public relations, direct selling ^[19]. Choice of media in a digital age needs to assure consistency between traditional and interactive marketing communication tools ^[8,24,25,26,27]. Traditional marketing tools seem to share the position with digital ones (social networking sites, blogs, chatbots, etc.). Digital marketing tools undoubtedly innovate marketing landscape by allowing transport companies to target specific audiences with a personalized content.

Every marketing tool needs funding. It is common that marketing budgets in small and medium companies have restrictions resulting from the lack of financial resources ^[19].

In the stage of measurement a company evaluates the achievement of objectives as scientifically as possible in order to rethink the strategy. Key indicators are essential for the evaluation of communication actions ^[28].

The relevant role of strategic planning of marketing communications has been highlighted in previous studies ^[1-6]. In this regard authors of this article insight a demand for a detailed research of strategic planning of marketing communications in small and medium freight transport companies.

The following research questions are posed:

RQ1. How do marketers analyse marketing environment in the digital age?

RQ2. What are practitioners' perceptions of the missions of marketing communications in small and medium freight transport companies?

RQ3. What messages practitioners are willing to convey to target customers?

RQ4. What are marketers' perceptions of the choice of

media in a digital age?

RQ5. How do practitioners plan marketing communications budgets?

RQ6. How do practitioners measure results of marketing communications?

3. Methodology

A qualitative research method, i. e. in-depth interview, was chosen for the study of strategic planning of marketing communication in freight transport companies. Through qualitative expert interviews authors have entered a dialogue with professionals in transport industry who are involved in designing and applying marketing communications on a daily basis. Lithuania has been selected as a suitable sphere of research to conduct a study aimed at the analysis of marketing communication issues that undoubtedly have a significant impact upon the performance of freight transport industry.

The process of interview started with the definition of the problem, identification of participants, and preparation of interview guide that contained questions to be asked.

Authors of this article designed a structured set of questions to explore strategic planning of marketing communication in freight transport companies. 12 open questions were presented for the participants. Marketing managers were asked if the company had marketing strategy, how the company implemented every stage of strategic planning of marketing communication, i. e. market analysis (1), mission statement (2), message formulation (3), choice of media (4), budgeting (5), measurement (6).

Research included a pilot interview that was conducted prior the actual interview with a purpose to find out if the questionnaire is appropriate and clear. During the research some additional questions were asked in order to clarify the answers.

The criterion for selecting participants for the interview was at least 3 years of professional experience in marketing management in transport company. All companies operated in business to business (B2B) market.

Personal interviews were scheduled at time and place convenient for marketing managers. Interviews were conducted in a comfortable, well-lighted room. Interviewer began session by acquaintance with one other. Some introductory questions were asked in order to provoke responses of participants. Interviewer promoted interaction of participants, ensured the discussion to stay on the chosen topic. Interviews lasted from 45 to 72 minutes. All interviews with participants were recorded and later transcribed.

Every participant signed up for participation in the research. Every participant was informed about the topic for

discussion. Interviews were collected in May, 2019.

In order to ensure reliability of responses from the participants the interview questions were clear. The study's validity was ensured by the opportunities for participants to correct, review or comment interview summaries.

The analysis of data was based upon full transcription of discussion. Every informant was coded (A, B, C, D, E).

4. Results

Results of the research of strategic planning of marketing communication in Lithuanian freight transport companies suggest that some companies have an official marketing communication strategy. These companies differ in the span of the strategy: one company prepares marketing communication strategy every half a year, while the other does it every year. Such findings confirm that none of the companies apply a truly strategic viewpoint to its formalized strategic planning of marketing communication, because it is commonly known that the shortest time span in strategic planning should be three years^[29]. Absence of marketing strategies in freight transport companies is related to the intensive fluctuations of transport sector. In some cases marketers admit to having an informal marketing communication strategy (*"... we do not have any strategy for marketing communications, but it doesn't mean that we do not have it at all. Our marketing strategy is integrated to our everyday operations. We introduce this strategy to employees at the moment of employment, adaptation. Later we just give advices how to apply communication tools more efficiently"*, A).

Analysis suggests that marketers engage in a variety of market research activities. They evaluate factors of company's external and internal environment, specify target market. Every freight transport company evaluates its external environment. Marketers emphasized the need to evaluate national as well as international environment. This process should employ interactive data, interviews with colleagues, experts. As stated by the participants of this study, evaluation of external environment should cover the observation of trends of transport sector, competitors and prices of their services, political situation, laws, economic development, social and cultural trends, technological changes, and geopolitical situation. Informants noted that evaluation of internal environment should include the following factors: personnel, financial situation. Marketers emphasized the significance of personnel motivation, satisfaction (*"... we do our best in order to motivate our employees with bonuses for a proper job, input to the welfare of a company <...> we suggest good working conditions"*, B; *"...every employee can choose an individualized motivation system. We are flexible"*, C; *"... for us*

it is very important to know that employees are satisfied and motivated. Otherwise we will have a high turnover”, D; “... we value individual achievements of every employee”, E).

To assess the stage of market analysis marketers of freight transport companies were asked to describe target customer. As stated by the participants of this study, the target customer usually operates in foreign market (“...residents of Republic of Lithuania are not our customers”, A; “The majority of customers are Russian companies”, C “They are all from Russia or Kazakhstan”, D; “We operate in Russia and other countries of Commonwealth of Independent States”, E). Dealing with foreign customers raises specific challenges related to foreign languages, cultures, time-zones, laws, business environment. According to a participant of this research, “sometimes the time zone differs even 5 or 6 hours. It stimulates us to follow the customs and culture of the client” (D). Majority of customers belong to a business segment (“Usually our customers are similar multinational transport companies”, A; “Our customers are other companies that operate in retail trade segment”, B; “The customer is <...> juridical entity”, C; “The company works in B2B mode”, D; “Usually the company cooperates with juridical entities”, E), however, in some cases transport companies serve individual customers as well (“The customer is individual person”, C; “... we also show interest in individual customers”, D). It was found out that customers usually have high requirements for delivery time (“... the company is oriented towards perishables, so the delivery time becomes very important”, B; “... for customer it is very important <...> to get operative deliver”, C; “They want <...> operative transportation”, D), frequency of information flow (“... it is necessary to inform customers about the stage of delivery”, B; “... for customer it is very important to get timely information”, C). Some informants noted requirements for specific temperature mode (“... we have to ascertain specific temperature”, B) or excellence of service (“They expect excellent service”, D).

Analysis suggests that marketers engage in a variety of missions for marketing communication (Fig. 1). A summary of findings in this field reflects that missions in freight transport companies are of different levels. Majority of them might have cause-effect relationships. For example, attraction of new customers definitely contributes to the expansion of customers’ base. Expansion of customers’ base together with attraction of new partners might lead to expansion of the company which might result in larger profits.

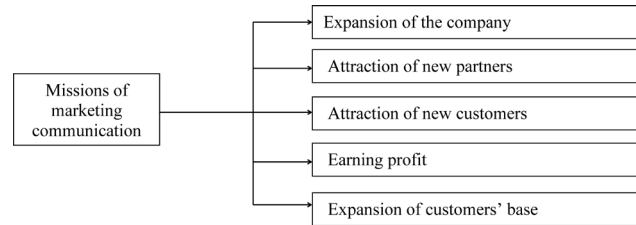


Figure 1. Missions of marketing communication in freight transport companies

The third stage of strategic marketing communication planning is message formulation. Message is the key element of communication. Informants highlighted that message tries to convey customer that transport company is able to provide high quality services in a quick manner, its services are affordable. Participants of the research noted the importance to emphasize social responsibility, orientation to customers. In order to transfer these messages transport companies apply a wide variety of communication tools. Some of them are traditional (telephone, postcards for Christmas wishes, participation in exhibitions, meetings with potential customers), while others represent modern, digital and interactive viewpoint to the choice of communication tools (e-mails, Skype, Viber, ICQ (for Russian market), social networks, Google Adwords, Messenger, Trans). Most of freight transport companies give priority for Skype and e-mails in communication with customers.

Marketing communication budgeting usually is a planned activity in freight transport companies. Some companies plan it once a year (“Budget plan is prepared at the beginning of the year”, B; “When the year begins we prepare a tentative marketing budget”, D), while others plan the budget every three months (“We prepare a project every three months”, C). In some cases instantaneous budgeting is applied (“... when particular financing is needed we find it, because these expenses are essential”, A). In freight transport companies it is common for CEO to prepare a budget. Usually it is done after detailed discussions with employees and managers.

Last stage of strategic marketing communication planning measures results. Analysis suggests that the following measures are common in freight transport industry:

- (1) efficiency of marketing communication tools;
- (2) customer feedback;
- (3) changes in profit;
- (4) customer reach.

In some cases specialized computer programs are used for the measurement. Freight transport companies differ in frequency of measurement. Some of them measure marketing communication constantly, while others do it several times a year. Informants noted that responsibility for the

measurement belongs to CEOs or managers of marketing department.

Analysis of semi-structured interviews with marketers of freight transport companies leads to a number of findings concerning every stage of marketing communication planning (Table 1).

Table 1. Peculiarities of particular stages of marketing communication planning in freight transport companies

Stage of marketing communication planning	Peculiarities
Market analysis	• Analysis of external environment covers observation of trends of transport sector, competitors and prices of their services, political situation, laws, economic development, social and cultural trends, technological changes, and geopolitical situation • Analysis of internal environment covers observation of personnel, financial situation • Target customer usually operates in foreign business market • Customers have high expectations for delivery time, frequency of information flow
Mission statement	• Companies seek for attraction of new partners and customers, expansion of customers' base, expansion of the company and profit
Message formulation	• Messages are focused on high quality of services, their affordability, quick provision • Some companies emphasize social responsibility, orientation to customers
Choice of media	• Digital communication tools are dominant
Budgeting	• Usually marketing budget is prepared every year • A common practice is for CEO to prepare a budget
Measurement	• The following measures are common: efficiency of marketing communication tools, customer feedback, changes in profit, customer reach

Results of the research have shown that freight transport companies understand the importance of every stage of marketing communication planning and their sequence in ensuring successful development of business. However, majority of freight transport companies lack compatibility between decisions made during different stages of marketing communication planning.

5. Discussion

This study examined issues of strategic planning of marketing communication in small and medium sized freight transport companies. Analysis of qualitative data suggests that during the process of internal environment analysis marketers pay sufficient attention to the motivation and satisfaction of employees. In some cases evaluation of internal environment involves financial analysis. However, other factors of internal environment remain unanalysed. As mentioned earlier in this paper, the literature review suggests that internal analysis takes into account not only personnel and finances, but also type of product market,

stage in product life cycle, customer readiness to make a purchase, brand's positioning and market share^[21]. It can be presumed that inclusion of the mentioned aspects into internal analysis could strengthen the potential of marketing communication strategy in transport companies.

Selection of marketing communication tools usually is a relevant concern for marketers^[31]. The study highlights the dominance of interactive marketing communication tools compared to traditional ones in freight transport industry. However, interactive marketing communication tools are used together with traditional. It confirms findings of M. J. Valos et al.^[8], A. E. Ivanov^[24], R. Batra, K. L. Keller^[25], K. L. Keller^[26], D. Oana^[27], who state that Internet use in many ways is combined with other elements of marketing communication mix. Such findings imply freight transport companies to find out the ways of how to combine interactive marketing communication tools with traditional ones.

It is praiseworthy that freight transport companies do not end up their marketing communication activities with choice of media or budgeting processes. Marketing managers believe that measurement of marketing communication results is a relevant stage of marketing communication planning. Such a viewpoint matches theoretical considerations in this field^[32-36].

During the last few decades interview has become one of the most favourite methods in social researches in exploring opinions, social representations, beliefs and other issues^[37,38]. It means that the potential of interview in marketing researches is much wider than it was demonstrated in the particular article.

The data for a qualitative study were collected in Lithuania; authors expect that findings of the study are not unique to the Lithuanian sociocultural setting. However, strategic planning decisions of marketing communications that emerged from the analysis of research results might be transport context-dependent and hence may not be commonly employed within any sectorial setting.

Even if researched companies operate in business-to-business (B2B) segment, this research did not involve peculiarities of marketing communication in B2B market. Therefore, future researchers can be concentrated upon marketing communication planning in B2B markets.

6. Conclusion

This article has discussed a range of strategic perspectives on marketing communication planning in freight transport industry. Results of the study have shown that strategic marketing communication planning in small and medium sized freight transport companies responds to a six-phase model that covers market analysis, mission

statement, message formulation, choice of media, budgeting, and measurement. Evidence from the research suggests that freight transport companies differ in the way they plan marketing communication and the extent to which they implement particular stages of strategic planning of marketing communication. In some cases marketing managers of transport companies lack knowledge in particular stages of strategic marketing communication planning. The choice of factors for the evaluation of external and internal environment can be considered as insufficient. A summary of findings reflects that there exists incompatibility between missions for marketing communication and measures used for their evaluation. Therefore, the communication strategy of freight transport companies is not sufficiently integrated, i. e. it lacks synergies among the actions carried out in particular phases of strategic marketing communication planning.

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