

# Advertisement wars? Watch whom you really offend.

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The rapid development of global business brings along a highly competitive environment among industries across cultures. Companies have been seeking ways to win customers over their rivals around the world, using technological development and know-how for their marketing. Communication tools and strategies to convince consumers about the superiority of their brand are becoming increasingly subtle, while social and cultural aspects are gaining in importance. But successful businesses know that it is not only about a good advertisement for their products or services, but also good relationships with a wider range of audiences.

The presented paper focuses on the way marketers, in their attempts to establish themselves within their industry over competition, manage comparative advertisement strategies. The study does not analyze factual consumer behavior or perceptions, but provides a socio-linguistic perspective on advertisement as a communication act. In a pursuit to show the dynamics enacted in advertisement messages, it focuses on the pragmatic function of offense, its socio-cultural contexts, and external effects on the interaction between companies and their customers. Examples of advertisement wars between industry rivals are analyzed to demonstrate how the use of comparative advertisement strategies affects the actors and their audiences. The results show that when adopting the linguistic format of offense, a communicative act problematic in nature and ensuing normative processes, it is of utmost importance to carefully consider the end audiences, their interests and feelings, as well as the consequences if the message hits the wrong target.

## 1 Introduction

There is no doubt that the success of companies largely depends on proper marketing communication with their audiences. Many modern companies understand the importance and deliberately work on building positive relationships with a wide range of stakeholders. Some marketers, however, believe that even negative attention is good advertisement, as it catches attention easily, quickly, and effectively. Is it a good advertisement in the long run, though? Can it build trust and positive relations between the brand and consumers?

This study does not aspire to research consumer behavior and attitudes. Rather, it focuses on the linguistic act of offense in advertisement, its function, role, and potential in communication with the end audiences. A sociolinguistic approach to analysis will be applied on selected marketing messages in comparative advertisements with a specific focus on the pragmatic function of offense as a speech act. Three samples of „advertisement wars“ using the format of offense were identified to test the hypothesis that even though negative attention-seeking communicative acts may be noticed by the customers more quickly and instill in their minds more effectively, it may not be a good strategy in the long run.

## 1.1 Comparative advertisement

Ever since the emergence of a consumer society rising along with capitalism and the industrial revolution, advertisement has played a major role in the public space. Brands use a wide range of media or platforms to win over consumers to buy their goods or services. The 21st century digital revolution has accelerated this trend by providing more sophisticated tools of communication through information technologies, internet, and social media.

The widening possibilities in marketing tools and strategies increase the occurrence and quality of advertisement. This brings along a rise of consumption and economic growth, and thus, increases consumer buying power. Wealth yields demand for more products, and thus, opens space for larger competition. This spiral development poses high challenges to companies on high standards of their marketing strategies. To be able to compete, rival brands strive to create strong marketing messages to convince the consumer that their products are the best.

To differentiate themselves from competition, some brands within single sectors use comparative advertisement strategies. These include messages that directly or indirectly comment on competition and its products. Some of them use comparison to convince the audience that their products are better than the others', some use parodies or hints, some apply direct comparisons that vary in the degree of aggressiveness. To protect the targeted companies, comparative advertisement has been regulated by international as well as national laws and must comply with specific rules. According to the Czech Civil Code (Občanský zákoník 2012), comparative advertisement messages must not lie, counterfeit, or mislead, must refer to the same type of product, must be measurable, must not denounce the opponent, and must not fake trademark products. When these conditions are fulfilled, comparative advertisement presents an opportunity to draw attention to win over the audience within competition, but as this paper will show, it must be treated with care.

Comparative advertisement campaigns are sometimes known as advertisement wars, as rival businesses compete through attacking" each other using various marketing communication strategies. Among the companies who have been known to lead these never-ending battles through advertisement are Microsoft with Apple, Apple with Samsung, Fedex with DHL, Coca Cola with Pepsi, Burger King with McDonald's, Nike with Callaway, Starbucks with Costa, or Mercedes-Benz with Jaguar, to name a few.

While engaged in advertisement wars, ethical standards still need to be respected. Advertising codes that have been tacit or openly articulated in the international advertisement law prohibits advertisers to break social or moral norms, lower human dignity, or discriminate. Breaking these norms may qualify marketing practices as unfair competition or false advertising and may result in financial or other types of sanctions, or companies may lose reputation and the consumer favor (Dornis 2017).

In recent times, however, one can observe some basic social paradigms, taboos, and value systems being challenged across various social spheres. Invoking the claim that „negative attention is also advertising”, some individuals or companies challenge social norms while balancing at the narrow edge of the socially or even legally acceptable. This trend of attention-seeking messages has been observable not only in selected advertisement war campaigns, but it has been particularly visible in the political scene with the rise of populism (Argandoña 2017, Roth 2017, Rovella 2017). Its protagonists build on the fact that negativity attracts attention more easily and quickly, and stores in memory longer (Müller 2018, Seib 2016, Denari 2014).

Apart from advertising, there is one other aspect that marketing communication practices have to consider when striving to gain the consumers' favor: it is the growing importance to build long-term relationships with their wider audiences. The communication explosion of the third millennium caused the originally distant world to shrink and speed up while public attitudes and opinions become decisive and influential. As a result, the power of the masses rises and the power of leaders weakens accordingly. Likewise, the tendency to use free will in accepting new ideas, products, or trends depends on the willingness of the masses as well as individuals. Experts point that due to

these global changes, it will become increasingly more difficult to influence people (Svoboda 2006, p. 17, Theaker 2016, Kotler and Armstrong 2015).

Building public relations (PR) as a marketing practice of growing importance, however, differs from advertising in many aspects. Advertising aims at selling goods and services with the goal to increase profits; PR on the other hand, works on positive image and reputation, to build long-term trust. Both work with media, but differ in how. Advertisement buys media space and time, but PR influences the way journalists spread positive messages on their own and permanently. Finally, PR and advertising differ in how language is used and accepted. While advertising represents a one-way communication aimed from the marketer to a potential customer with a high degree of control over the messages, PR leads a mutual dialogue with a much wider range of stakeholders with lower chances to influence how the dialogue develops. For that reason, it is of utmost importance to pay extra attention to how marketing messages are formulated in respect to the general public from a long-term rather than short-term perspective. The aim of this paper is to contribute to the discussion about communication forces and language functions in marketing with a socio-linguistic analysis of communication strategies adopted in advertisement wars and their impacts on the intended audiences on a global scale. In particular, the speech act of offense is being scrutinized for its functions in marketing communication and its ultimate effect on PR.

## 1.2 The pragmatic function of offense

One of the typical communication acts that can be traced in advertisement wars is offence. This section focuses on analyzing the function of offense from the perspective of language pragmatism, that is, traces and describes its socio- and psycholinguistic role and interaction patterns.

Offence has numerous functions in speech. According to the Merriam-Webster dictionary and thesaurus, it is described as „an act of attacking“, as an act of „displeasing or affronting“, or as „something that outrages the moral or physical senses“. A similar, negative feeling evoking the nature of offence is accentuated in other sources, adding that offence violates customs, rules, or laws and as such, causes annoyance, displeasure, anger, or resentment brought about by a perceived insult or disregard of someone (Oxford Dictionary, The Free Dictionary).

In human interaction, speech acts imply paired sequences (Heritage and Atkinson 1984), meaning, they occur between at least two parties who are expected to react to each other verbally, paraverbally, or nonverbally. Individual speech acts, then, imply specific responses, and thus, expectations. Offense as a negative invoking act generally inspires apology. From the perspective of the addressee, apology is the expected, „preferred“ (Pomerantz 1984) response to speaker offensive acts. Therefore, no matter if intended or unintended, offense generates expectations of an apology from both the speaker and the addressee. If not delivered, the general communication principles are violated and yield relevant reactions.

The seriousness of an offense and its related contexts, thus, influence responses accordingly (Mai Kuha 2003, Saleem and Azam 2015, Zareipur 2010), depending on varied cultural norms, situational circumstances, and on individual levels of sensitiveness to maintaining individual self-image called „face concerns“ (Spencer-Oatey 2000). Research shows that people use a wide range of apology strategies according to the perceived severity of the offence (Saleem and Azam 2015, p. 4). These include statements expressing regret, taking responsibility with self-blaming, exhibiting lack of intent, admitting fault, downgrading responsibility with excuses or justification, claiming ignorance, reducing the severity of offence by offering redress, etc. (Dewi 2009).

Offence in marketing communication, however, enacts different dynamics and therefore, requires paying special attention to the face concerns of the audiences represented in their sense of one's image of self, positive social value, or social approval. Advertising is generally defined as one-way communication, the addressee is physically absent, and thus, cannot provide the immediate reaction to the offensive forces of the messages. The marketer also has limited possibilities to appropriately react with an expected apology or other situation relevant redress. An apology, if ever intended,

then, becomes a domain of PR rather than advertising.

The limited possibility to deliver an apology would not be a concern in advertisement wars where offensive communication acts aimed at the competition are to a certain degree deliberate. But because advertisement messages occupy a big part of the public space, advertisement wars have a wider range of audiences, and their end messages inevitably reach the customers. This paper is to claim that for this reason, the marketers, when planning their attacks at their competitors, must watch for how they formulate their offensive messages in respect to the consumer and their socially or culturally shaped face concerns.

## 2 Methodology

To demonstrate the dynamics of the marketing messages of offense in advertisement wars, this paper analyses three comparative advertisement cases in which the intended attack hit the wrong targets. These include the „Lemmings“ TV commercial run by the Apple Computer company in the USA in 1985, the Apple „Get a Mac“ campaign run in the USA between 2006 and 2009, and the Hyundai tug-of-war with Škoda Auto in the Czech Republic from 2013 until recently.

All of the samples for analysis share similar attributes. They are created in the format of a video commercial. They all are financed by a multinational commercial subject within varied industries with intensive competition building on current technological development, namely the computer and car industry. They all classify as comparative advertisement with patterns of advertisement wars, meaning, they all adopt the format of offence aimed at their rivals which sometimes balances on the edge of advertisement law boundaries. All three cases, however, differ in their end audience structures, as well as in the reception from their competition, experts, the public, and the end consumers.

Each of the cases uses a transcription of the messages from the commercial script for a content analysis, and some of them are complemented with messages and slogans from other company campaigns, for example: billboards, posters, or media ads. Each message is first analyzed from the sociolinguistic perspective pursuing the pragmatics of the speech act of offense in advertising, including its format, functions, and related interactional processes it enacted in space. Each analysis defines the intended audience of the message, that is, the competition it was originally aimed at, as well as discussing the end audience the message ultimately reached. The analyses further assess the character and degree of the offence and surveys its actual impact on wider audiences, including the competition reaction, expert evaluations, critics or rewards, authority participation, or the consumer reception. The company ensuing business results are also discussed, if available.

## 3 Sample analyses

### 3.1 Lemmings: Apple vs. IBM

One of the areas of intense competition is the IT and computer industry, in which the rivalries between Apple, Microsoft, and IBM have been those that stand out. The following two samples trace their advertisement battles fighting to convince the audience about one brand supremacy over the competition.

„Lemmings“ is a TV commercial run by Apple Computer to announce the impending launch of the Macintosh office. Created by the Chiat Day agency and directed by Tony Scott, it was aired on TV on the occasion of the National Football League Championship Super Bowl game in the USA in 1985. The video spot is constructed on a plot surrounding the myth that lemmings, a type of rodent, are believed to commit mass suicides. The goal of the campaign was to label the competition PCs (mainly represented by IBM, cheaper and quite widespread at that time), old fashioned.

The implicit attacks on the competition are apparent from all aspects of the ad: the soundtrack, scene, and the script. The spot starts with a whistling melody of the „Heigh-Ho” song from the Walt Disney animated film „Snow White and the Seven Dwarfs”, showing a black and white video track of blindfolded businessmen in suits marching in a long line toward a cliff to fall off into a deep ocean one after another, until the last man stops to uncover his eyes and realize there is another way. It is the organized behavior, groupthink, as well as the blindness leading to an apparent death that is being contrasted by suggesting an option for open-mindedness and survival represented by Apple. The gloomy, depressive, and even morbid tone of the video is enhanced by the scene depicted through a sky with heavy black clouds and a whistling windstorm, as well as by a laconic text „On January 23rd, Apple computer will announce the Macintosh Office. [pause] You can look into it, [pause] or you can go on with business as usual” indicating the same, you either use tools from competition and kill yourself, or choose Apple for life.

Although quite audacious, unconventional, and dramatic, there has been a far-reaching consent that the commercial was an apparent failure, because instead of hitting the competition, it resulted in offending the consumers (Seibold 2011). This resonated from the numerous reactions of critics. Advertising Age magazine referred to the nationwide J. Walter Thompson survey results showing that lemmings ranked “very high both in terms of being most liked and least liked”, to explain that the commercial „made the people who wear suits in real life feel like they weren’t invited to the revolution” (1985). Both, Forbes as well as Slate magazines ranked the ad as one of Apple’s worst commercials of all time (Peters 2016, Smith 2014). Forbes magazine pointed out the situation to the company and its immediate developments claiming that the ad „almost killed Apple” (Allen 2012), as its failure came at a time when, according to Advertising Age, the company „profit margins were also tightening” and „cheap PCs with visual interfaces undercut the Macintosh on price” (1985). This was repeated by Allen in Forbes magazine who compared the company results recorded after the ad introduction with the one of 1984 a year before. He pointed out that „after the 1984 ad aired, Apple sold 72,000 computers in 100 days, 50 percent more than even its most optimistic sales projections.”, while „after Lemmings, Apple closed three of its six plants that year and laid off 20 percent of its employees” (2012). And regardless of the company’s current success, it is also worth noting that along with the famous event of the firing of Steve Jobs from his own company by his partners, this also became part of the series of important events of that time. And finally, although quite active in creating daring advertisements, after the „Lemmings” failure, Apple did not come with another Super Bowl commercial until 1999.

Feeling the urge to apologize, the company representatives publicly admitted that they missed the target. Steve Hayden, the author of the commercial, put forth a detracting but self-critical remark saying „I often remind people about „Lemmings” as proof of Karmic balance” (Allen 2012) to contrast the failure with the outstanding success received from a TV commercial called „1984” from the previous year. John Skully, an Apple CEO, added accepting: „From the Mac faithful it got a standing ovation. But to the very customers it was trying to reach, it was a disaster” (Allen 2012). Apple even publicly apologized. The commercial was not only retracted, but also, to redress the unintended offense of their potential customers, Hayden admitted for Forbes: „First of all, you can’t make fun of the customers you’re trying to reach. The very business customers we had been trying to go after felt they had been disrespected. That was not our intention” (Allen 2012).

### **3.2 Get a Mac: Apple vs. Microsoft**

The computer working style as a central theme was the aim of another advertisement campaign from the area of the computer industry called „Get a Mac” (Devin 2015, Nudd 2011), launched by Apple Computer in 2006. Created by the company’s advertising agency TBWA\Chiat\Day, and directed by Phil Morrison of Epoch Films for TBWA Media Arts Lab, the campaign aimed at contrasting their Macintosh with personal computers (PC) using the platform of Microsoft Windows. The messages embedded in the campaign’s main theme were to highlight modern features of the

new Macs through labeling the PCs as boring and old-fashioned. A series of videos, starring two popular American humorist artists John Hodgman and Justin Long, ran in the United States, Canada, Australia, and New Zealand. The choice of the actors was not occasional, as there was a clear resemblance between them and the compared computer company owners. The Mac was personified by younger looking, laid-back Long and the PC by more conservative, tight Hodgman (Kelton Rhoads 2007, p. 1). The series consists of 66 30-second video spots for TV and 16 shorter videos for various websites. To reach its audiences globally, international adaptations were also created for other foreign markets, in particular, Great Britain and Japan.

Each of the TV ads was accompanied by a song called „Having Trouble Sneezing,“ composed by Mark Mothersbaugh. The scene of all the commercial spots is set in the Apple typical minimalist style depicted by a simple white background. In all the samples, „Mac“ represents a modern looking young man wearing a business casual modern outfit acting informal, confident and free, while „PC“ appears as a conservative looking technician wearing glasses, and clad in old-fashioned, unfitting grey shirt, he acts formal, reserved, and helpless.

The leading idea of the campaign, to show the attributes of a Macintosh in comparison traditional PCs, was demonstrated through one of the samples called „Out of the Box“. The „in and outside a box“ idea refers to a popular English idiom to symbolize the contrast between open and narrowmindedness. In this commercial, „PC“ sits in a big brown box exercising with his hands while „Mac“ sits in relaxed position in a white one. The contrast between being locked into routines and thinking out of the box can be seen in the type of activities the protagonists are discussing with each other. After introducing themselves to each other by „Hello, I am a Mac“ and „Hello I am a PC“, the two men discuss their plans after they get out of their boxes. While „Mac“ shows excitement for varied creative and playful activities he is planning to do („I might make a home movie or maybe create a website, try out my built-in camera“), „PC“ is shown to be locked inside his concerns for work and limited to numerous uninteresting jobs („well I firstly have to download those new drivers, and I have to erase the trial software that came on my hard drive, and I’ve got a lot of manuals to read“). This is being sarcastically commented by „Mac“ who, after evaluating „PC“ plans with an indifferent „sweet“, and further remarks „you know it sounds like you have a lot of stuff to do before you do any stuff so I’m just gonna get started „cuz I’m kinda excited; let me know when you’re ready“ and jumps outside the box. The spot ends with „PC“ staying inside the box mumbling for himself „actually the rest of me is in some other boxes so I’ll meet up with you later“. The choice of formal vs informal variety of speech register for each actor seems also to be deliberate. While „Mac“ speaks slang, „PC“ uses standard language, to accentuate the flexibility of Apple computers against the constraints of Microsoft PCs.

Unlike „Lemmings“, the „Get a Mac“ campaign was mostly positively received by the critics as well as reportedly helped the company sales. In 2007, it gained the Grand Effie Award for the most successful marketing campaign of the year (Sullivan 2007). In 2010, Adweek reported it as „one of the best advertising campaigns of the first decade of the new century“ (Nudd 2011). The campaign was featured until 2009, but it has continued to entertain consumers for years. Its success might also have contributed to the company results reported at the end of the fiscal year in 2006. Apple announced a 39% increase in sales in that year, while shipping 1.3 million Macs within the US market (Bulik 2006).

Nonetheless, from the perspective of the marketing communication strategies with its audiences, the campaign contained a few problematic elements. This can be traced not only in the critical remarks of some experts, but also in the reaction of the targeted competition. Both, Slate magazine in the USA, as well as The Guardian in the UK evaluated the marketing strategy as too arrogant. Slate called the commercials too „mean spirited“ (Stevenson 2006), while The Guardian, referred to the „smug superiority (no matter how affable and casually dressed)“ as „a bit off-putting as a brand strategy“ (Brooker 2011). PC Magazine also disputed the relevance of the presented differences between the Mac and PC computers. They see the advertised messages as overstatement, claiming that the pertinent strategy, rather than to advertise for assets, was chosen to prevent the consumers

to „realize that the differences Apple is trying to tout aren't quite as huge as Apple would like ... to believe" (Ulanoff 2008).

From the perspective of the end audiences, similar to „Lemmings", the „Get a Mac" campaign, targeting the competition, ended up stereotyping the PC users in general, that is, hit the consumers instead. What is more, unlike in the case of „Lemmings", no apology followed to remedy the effects of offense on the unintended audiences. Although the ads were most likely not meant to offend the consumers, the campaign resulted in offending them all, that is, not only those traditional PC users satisfied and faithful to the competition brands (Brooker 2011), but also „those users who may not consider Macs when purchasing but may be persuaded to when they view these ads" (Rhoads 2007, p. 6). In other words, when attacking its rivals, Apple in some way offended their potential customers.

Releasing an offense but omitting an apology, the campaign triggered a relevant reaction. Microsoft took advantage of the situation to reassert their brand image and reestablish their PR and delivered the apology to the affected customer segment on their own. It responded with an analog campaign called „I am a PC" in 2008, contrasting John Hodgman with the company employee Sean Siler who is declaring pride to be a PC user. Microsoft constructed the video on presentations of individuals both famous and ordinary next to each other proudly identifying themselves as a „PC". Opening with Sean Siler's words „hello, I'm a PC and I have been made into a stereotype", the video features an African-America teacher in front of a white board stating „I'm a PC and I know what you call hit", Bill Gates in person holding a paper shopping bag saying „I'm a PC and a wear glasses" followed by other ordinary people from diverse ethnic and social background proud of wearing glasses, too. Other people are featured to be wearing jeans, studying about jeans, or designing jeans; the ad further shows people self-confidently reiterating to be „a PC" while holding diverse ordinary professions, such a designer of green buildings, an ecologist trying to save polar bears, a student, a lawyer, a street artist, a blogger, broadcaster, diver, farmer, pilot, driver, singer and manager, to name a few. The video is made to accentuate solidarity by celebrating diversity of gender, age, race, name, disability, or geographic location. The shot is closed by the famous writer Deepak Chopra reaffirming „I'm a PC and a human being; not a human doing, not a human thinking, a human being" and an advertisement slogan „Windows - life without walls".

No doubt that Apple by giving the offense to the Microsoft customers opened a gate for its competition. After Microsoft, other companies also used the „Get a Mac" campaign to parody Apple in order to draw attention at themselves, such as Novell to promote Linux, Vavle to promote Steam on Mac, or an American TV channel to promote a return of their show, to name a few. As an unexpected result, these organizations took the chance and downplayed Apple for their own marketing purposes, while publicly enhancing some of the Apple covert weaknesses, mainly their displays of superiority or arrogance. In other words, the campaign in an act to stereotype its rivals, contributed to promote biases of their own.

### **3.3 The neighbor from Boleslav: Hyundai vs. Škoda Auto**

In addition to the IT sector, the car industry is another area where audacious advertisement wars are frequent. The importance of proper communication with the consumers when choosing to compare a brand with its rivals as the company marketing strategy can be demonstrated by the example of the tug-of-war pushed by Hyundai Motor Company against Škoda Auto on the Czech market.

To understand the aspects of their competition, it is important to introduce the two companies' backgrounds. One of the oldest car manufacturers in the world, Škoda Auto is a Czech company with a tradition reaching back to 1895 when established as Laurin & Klement in Mladá Boleslav, a small town of roughly 40 thousand inhabitants located in northern Bohemia. The company received its name after Emil Škoda, an entrepreneur who bought it in 1926. After being nationalized by the state during the communist era, and again privatized from 1991, Škoda was acquired by the Volkswagen

Group in 2000. Currently, the company has its plants in numerous countries worldwide and its cars are being sold in over 100 countries. Considered to be one of the country's most successful businesses and employers of the current times, the company became the pillar and the main driver of the Czech economy (Škoda Auto a.s. 2018, ČTK 2017).

Hyundai Motor Company is an international car producer with a South Korean owner, also well-established worldwide. Its European production plant is located in the industrial zone of Nošovice, a town of roughly 1000 inhabitants located in the very north end of the Moravian-Silesian region. The company entered the Czech automotive market in 2006 and soon became a strategically important employer quickly drawing jobs, people, and money into an area in need. Ever since, it has been demonstrating an ambition to establish itself against the dominance of Škoda Auto on the local market currently selling roughly 25% of the number of cars compared to the Škoda sales in the Czech market (Accountant team 2017, ČTK 2017, SDA-CIA 2018).

In order to demonstrate further possible impacts of comparative advertisement on its wider audiences, a TV commercial promoting the Hyundai i30 model called „The Neighbor from Boleslav” [soused z Boleslavi] will be analyzed along with a set of slogans collected from further series of Hyundai campaigns targeting Škoda in current history. The samples chosen for the analysis show a varied set of strategies adopted by Hyundai to attack its rival, ranging from indirect hints or puns to a direct reference to the competitor attributes, some of them challenging the advertisement laws. All these vary in the reaction of both: the competition as well as the public.

One of their frequently used indirect strategies is playing on word connotations. Hyundai has often teased its competitor through taking advantage of the homonymous meanings of the company's name „Škoda” in the Czech language which can stand for damage, shame, harm, loss, or a pity in varied contexts. This strategy was first applied in 2013 (Novotný 2013) when it appeared in an advertisement slogan posing a rhetorical question to the consumers „Do you prefer a car with fewer facilities? And isn't it a „shame“?” [Chcete dát přednost vozu s nesrovnatelně menší výbavou? A není to škoda?]. Soon after, the same strategy showed in one of the campaigns launched after the floods that affected the Czech Republic in 2013. Their slogan „Hyundai goes with you against „damage“” [Hyundai jde s vámi proti škodám] was offering the Hyundai car owners free service and discounts for repairs. The same trick was used again later in 2017 in the Hyundai i30 Combi campaign called boldly „Slow-Witted Neighbor” [nechápvý soused], advertizing to Škoda Auto from Mladá Boleslav. In their intent to convince potential customers to choose their brand over competition, the advertisement slogan from the TV commercial proclaims „even a slow-witted neighbor will change seat; and if not, then his „pity“.” [I nechápvý soused přeseďne. A když ne, tak jeho škoda.].

Beyond playing on the ambiguity of the meaning of the word „škoda”, Hyundai also aimed at other rival attributes when creating their comparative advertisements. These include the interior and equipment, design and shape, corporate color, product line, as well as the company location. Most of these were the target of the „The Neighbor from Boleslav” TV commercial from 2015 which compared the Hyundai i20 version with the new Škoda Fabia. The narrative was a series of interjections favoring the advertised car over Fabia, e.g., „its roomy interior will be hard to digest by the competition” [její obrovský interiér konkurence neskousne] accentuating better spatial qualities of the new Hyundai version, „shapes will amaze” [křivky ohromí] downplaying the more geometric design of Škoda over the Hyundai rounder shapes, or „dogs in the manger will turn green with anger” [závistivci zlostí zezelenají] mocking the Škoda corporate color by referring to a Czech idiom expressing envy, to name a few. The video scene accentuates each of the lines, showing an open mouth with teeth at a large garage gate together with the reference to the roomy interior, or a large octopus painted in the Škoda corporate color when referring to envy. This is best illustrated along with the last interjection „when you arrive in it, your neighbor from Boleslav will be this little” [až v ní přijedete, bude váš soused z Boleslavi takhle malinký] during which the video shows the new Hyundai car arriving in front of a tiny figure, a man in a swimming outfit, standing and staring at the approaching car half under water with a lifebelt aside, his size reaching just the bottom level of the arriving car doors. He clearly contrasts with the size of the car. Hyundai, however, soon removed the

direct reference at Škoda as „the neighbor from Boleslav”, and replaced it with a less direct formulation „a small neighbor will be even smaller“ [malý soused bude ještě menší], to avoid legal troubles or penalties (MediaGuru 2017, Horáček 2015).

In addition to hints or equivoques, some of the Hyundai attacks had been daringly direct. One of the open comparisons with Škoda can be found in another Hyundai i20 campaign from 2015. A show event called „Hyundai is not afraid to be compared” [Hyundai se srovnání nebojí] went on in dozens of the Czech cities and towns. Hyundai provided the visitors with an opportunity to compare their city hatchback i20 with the new generation of the Fabia model which was displayed in their showrooms together with the advertised car. Another bold comparison attack appeared in the advertisement campaign for Hyundai i30 Combi from 2016 comparing it with the Octavia Combi Škoda model in two different slogans „you may already know Octavia, but life and a true ride start when you are thirty” [možná jste už poznali Octavii, ale život a opravdová jízda začíná ve třicítce...] and „you already know Octavia, but if you want a real Czech estate car...” [Octavii už možná znáte, ale pokud chcete opravdu velký český kombík...].

The Hyundai advertisement attacks did not pass unnoticed, yielding varied reactions from different stakeholders, like in the cases from the computer industry analyzed above. One of the stakeholders taking offense were local legal entities who watched over fair-play in advertising practices. Among others, it was the Czech Initiative of Advertising Agencies, Media and Advertisers (RPR) who stepped in a number of times while resolving various legal cases raised against Hyundai. One related to the phrase „the neighbor from Boleslav” which was in the end assessed by the committee as derogatory and confrontational (MediaGuru 2017) and had to be removed. Another case when the Hyundai confrontations were banned by the RPR committee for being unsubstantiated were the direct references comparing Hyundai i30 Combi with Škoda Octavia pointed out in the previous paragraph. While Hyundai was unable to support the content of the claims by facts, the initiative concluded for the advertisement to be unfair (MediaGuru 2017).

Another of the crucial stakeholders involved in advertising is the competition, that is, Škoda Auto in this case. And similar to the „Get a Mac” campaign, many of the Hyundai attacks also turned out to help Škoda to gain popularity or become more visible. Studies show that even some people in the Czech Republic noticed the Hyundai attacks were „free advertisement for Škoda” (Horáček 2015). And Škoda took numerous chances to use them for establishing itself on the Czech market. In reaction to the „Hyundai is not afraid to be compared” campaign, the company used media to joke about Hyundai, suggesting to their dealers to sell the Škoda cars along with their own. A similar strategy appeared in 2013 when Hyundai placed a roadside billboard at the highway exit from the Vaclav Havel International Airport stating „Welcome to the land of Hyundai” [vítejte v zemi automobilky Hyundai]. Written in English, Hyundai apparently made an attempt to establish itself as the local market leader for the international audience just landing in Prague. Škoda, however, responded with another billboard positioned a few dozen meters farther. The message, this time written in Czech, featured a cuckoo clock to joke about the Hyundai ad with a Czech idiom prompting the drivers not to let anyone cheat them [nenechte si nic nakukat]. While in this case, Hyundai evidently missed their audiences by speaking to those who were unlikely to visit the country for buying a car in larger numbers, it was rather Škoda who exploited the message for reaffirming their position within the local market.

Last but not least, the category shown to be largely affected by offense in advertisement were again the consumers. As the passive observers of the ongoing advertisement war, they, willingly or unwillingly, become the participating third-party of the exchange. The quick negative attention the slogans are to draw, may have questionable impact long-term. According to a pilot survey conducted by a student of the ŠAVŠ online, 46.25% out of 80 contingent online respondents reported to be familiar with the Hyundai slogans as compared to only 20.00% of those from Škoda. When expressing the online respondents’ attitudes to the slogans, however, a considerable number of them assessed them rather negatively. 45% saw them as tactless, unethical, untrue, too aggressive, ironic, unfair, unsubstantiated, false or illegal, while some of them pointed out that Hyundai yet was not a

Czech car (Pokorný 2018).

While conclusions from a single online probe cannot be made, as well as the degree of impact of the Hyundai charges against Škoda on the purchasing decisions of the consumers is difficult to assess with the data available, the two companies' sales and market share reports can offer a clue. According to the Car Importers Association statistical information from 2014 and 2017 (SDA-CIA 2018) covering the period of the most intensive publicly presented tensions between the two companies, the distribution of power within the Czech market remained in favor of the local player. While in 2014, Škoda sales held 27.88% of the local market, Hyundai kept 12.42%. In 2017, then, Škoda controlled 30.97% of the market, while Hyundai's share dropped to 7.88%. This means a decrease from 32.5% of the Hyundai sales against Škoda in 2014 to 25.5% in 2017. Similar patterns show when comparing the two companies' most recent data about growth in sales. According to their annual reports from 2017, although both growing in comparison to 2016, Hyundai grew slower; while Škoda reported 8% growth in customer deliveries, Hyundai registered 1% decrease in sales growth for its local plant compared to the year before (Hyundai 2018, Škoda Auto a.s. 2018). Beyond standard measures, further underlying aspects need to be considered, in order to understand this case. The first one is tradition. Škoda as a local car producer with a long history has been a well-established brand with a firm position on the market. Hyundai, on the other hand, has only one-decade history on the Czech market, possibly not long enough to be able to truly compete. Another aspect is the degree of aggressiveness embedded into the Hyundai slogans. The fact that some of the slogans were even banned by the authorities for trespassing the legal borders of unfair or confrontational advertisement may be proof that even in business, not playing fair may result in a loss of reputation and consumer favor. The last aspect that comes to mind is the socio-cultural context. Targeting the local brand from the position of a foreign newcomer may have been perceived as an attack on the consumer patriotic or cultural identity sentiments. In other words, instead of weakening the market position of Škoda in the eyes of the end audiences, Hyundai may have weakened its own while touching the local national feelings.

## 4 Conclusions and discussion

Three samples of comparative advertisements to establish themselves against competition employed among a number of business players were used to show the risks when choosing offense as a marketing communication tool. All three cases, which focused on the pragmatic functions of offense, its communication formats, related situational processes, as well as social roles and cultural contexts showed that the speech act of offense must be treated with extra care when used in marketing. When creating their advertisement messages, the marketers must bear in mind the situational dynamics, the impacts over time, as well as the structure and related contexts of their audiences. First, when structuring their messages aimed to attack their rivals, the marketers must make sure they consider the wider audience structure and its situational contexts. All the three cases above are examples when the message hit the wrong target. In „Lemmings”, the message meant to denounce the PCs represented by IBM resulted in offending a large customer segment of the PC users. Similarly, the „Get a Mac” commercial, in an intent to downplay the Microsoft software implemented in the competition PCs, again resulted in stereotyping PC users into boring and old-fashioned IT workers, frequently referred to as „nerds”. Finally, the Hyundai messages aimed at their main local rival Škoda Auto in the Czech Republic, ended up underestimating the patriotic sentiments of its inhabitants.

Second, to prevent the undesired consequences of the marketing messages aimed at competition, offense must be treated with its complete discourse pragmatics in mind. Being a part of a paired communication act, it implies apology as a preferred, and thus expected second-pair reaction. And if apology is missing, it gets compensated. Therefore, when applying offense in advertising, the marketers or company representatives must know which channels to employ to say sorry. This is

well demonstrated in all the three cases analyzed in this study. In „Lemmings”, when the force of the offense hit its unintended audiences, the apology soon arrived. The involved company representatives apologized using the media channels to assure the consumers that offending them was not their intention. In the „Get a Mac” campaign, when the apology did not arrive from the offense resource, it was skillfully delivered by the competition. Microsoft took advantage of the situation, expressed solidarity with the affected audience, and reasserted their company image, and PR. And when no apology arrived upon the repetitive Hyundai attacks at Škoda whatsoever, it was the „aggressor”’s reputation and possibly business results that apparently suffered the most. Škoda not only did not lose its market, but continues to grow, while Hyundai seems to be paying the toll; it did not gain the hearts of the local consumers by raising their popularity nor did it win over in sales. Third, this brings in the time aspect to be considered when choosing offense for advertising. This study shows that even though negative attention-seeking acts may raise more immediate interest, in the long run, if not properly redeemed, it is not a good PR strategy. Marketers must make sure that their messages of offensive nature are properly compensated, are not too aggressive, and do not prevail in their communication style. The cases analyzed in this study confirm it. Apple did not lose in the long run. Their marketing messages tend to be audacious, but when hitting the wrong target, the company needs to be able to deliver a humble apology. Above this, the failure with „Lemmings” was also well balanced with an undoubted success of their other advertisement campaigns. The campaign called „1984” run a year before can be used as an example. The plot applied a similar idea aimed at IBM, and thus, the PC users as a possible side effect. However, to prevent the potential customers to take the message personally, the authors succeeded to skillfully embed a message giving the „viewers a sense of empowerment if they opted to use the Mac” (Seibold 2011) and promising them protection from the competitor’s practices depicted as invasive and dangerous (Burnhan 1984, Cellini 2004). This is not the case of Hyundai, though, as their „war” against Škoda has been long-term, sometimes violating advertising taboos, uncompensated, and apparently touching the national feelings within the local market. In this battle, it is the rival who seems to be the long-term winner.

In conclusion, marketers must realize the importance of building long-term relationships with their customers in a globalized world. The potential customer feelings must be taken seriously. Negative messages spread quickly, but remain in the virtual world of internet, and instill firm in the human minds. For that reason, companies when aiming their messages of offensive nature at their competition, must make sure they do not hit the wrong target, misunderstand the socio-cultural context or overdo it. The consumers’ favor is fragile, their sentiments alive, and the rivals are ready to take advantage of mistakes.

## **4.1 Limitations and suggestions for future research**

This study focused on the pragmatic function of offense and its implications for marketing communication from the socio-linguistic perspective. It is therefore descriptive in nature and does not report about the live customer attitudes and feelings. To confirm the hypotheses posed, further field and market research of both quantitative as well as qualitative nature, studying the patterns of customer perceptions and behaviors would be needed. In addition, the analysis of the selected samples for this study is by far not exhaustive and further examples might bring in more aspects that need to be considered when trying to understand the dynamics of advertising messages, in order to adopt offense in comparative advertisement or engage wars among business rivals efficiently. Examples of good practice, in addition, might contribute when creating a list of functional communication strategies in marketing and PR.

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## Klíčové slová/Key Words

marketing communication, marketing strategies, comparative advertisement, public relations, speech acts

marketingová komunikace, marketingové strategie, srovnávací reklama, public relations, mluvní akty

## JEL klasifikácia/JEL Classification

M31, M37

## Résumé

### Reklamní vojny? Sledujte, koho opravdu urážíte.

Globalizace a s ní spojený rozvoj mezinárodního obchodu s sebou přináší vysoce konkurenční prostředí jak mezi průmyslovými odvětvími, tak napříč socio-kulturním spektrem. Konkurence hledá způsoby, jak získávat přízeň zákazníků na svoji stranu. K tomu je využívána škála moderních nástrojů pro rozvoj komunikačních, marketingových a reklamních strategií, které nabízí současné prostředí technologického a online světa. Zatímco nástroje marketingové komunikace a s tím související reklamní strategie získávají na důmyslnosti, na důležitosti nabývají i socio-kulturní aspekty a jazykové nuance reklamních sdělení. Stejně tak klíčové je udržování dobrých vztahů se zákazníky i širokou veřejností.

Předložený text nabízí interdisciplinární pohled na dynamiku marketingové komunikace mezi obchodními společnostmi, jejími zákazníky a širokou veřejností. Studie se nezabývá průzkumem trhu s cílem porozumět vnímání reklamy a jejího dopadu na spotřebitele, ale poskytuje socio-lingvistickou sondu do fungování verbálních útoků ve formátu „urážky“ jako komunikačního aktu cíleného na konkurenci. Studie předkládá analýzu ukázkových případů tzv. reklamních válek ve snaze rozkrýt

mechanismus pragmatických jazykových funkcí ofenzivních sdělení zaměřených na prosazení vlastní značky před konkurencí a identifikuje sociokulturní souvislosti v rámci interakce mezi společnostmi, konkurencí a zákazníky. Výsledky analýzy naznačují, že perspektivou lingvistických funkcí a následných normativních procesů se reklamní sdělení ofenzivního charakteru jeví jako problematický akt, u kterého je nanejvýš důležité pečlivě vážit cílové publikum, jeho zájmy a pocity, jakožto i důsledky, pokud sdělení cílené na konkurenci zasáhne špatný cíl.

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## **[The relationship between emotional intelligence and sales performance in a business-to-business environment; with implications for cross-cultural adaptability](#)**

## **The relationship between emotional intelligence and sales performance in a business-to-business environment; with implications for cross-cultural adaptability**

**The existing empirical findings on the connection between emotional intelligence (EI) and sales performance are inconsistent. Possible reasons are examined: The non-linearity of the relationship between EI and sales performance as well as the interaction of EI with professional skills and demographic variables. The empirical research was conducted as a census of sales representatives within the Austrian branch of an international company in the construction sector. Data was collected using three different methods to reduce effects appearing from method variance. Hierarchical regression modeling including three-way-interaction analysis was applied. Results show a direct relationship between EI and sales performance in the form of an inverted 'U' as well as moderating effects of EI on the relationship between selling (but not technical) skills and sales performance. Higher order inter-action analyses reveal compensation effects of professional experience, age and education as well as EI. Younger sales representatives, such with less experience, and**

**those with less formal training use EI more strongly to turn their selling skills into sales success. Implications for marketing and sales practices include: EI contributes to sales performance in B2B companies, also in the construction sector, often referred to as 'unemotional'. The effect is non-linear, which means that the 'the-more-the-better' paradigm is to be critically questioned when selecting sales staff. For tasks requiring a high percentage of technical competence, the effect of EI is less (it can even be negative) than in tasks that primarily require sales skills. Sales and marketing managers should consider EI in recruiting and personnel development. Particular attention should be paid not only to sales staff with weak, but also to those with very strong EI levels. As the results of this study are subject to high cross-cultural variability, thoughts on potentially different results in other than the Austrian cultural zone are provided.**

# **1 Introduction**

Personal selling contributes to success in business-to-business industries (Singh and Koshy 2010). Effective job performance arises when the person's capabilities are consistent with the job demands and the organizational environment (Boyatzis 2008). The „ideal” salesperson should exhibit both job-related skills (i.e. knowledge, technical, and professional abilities) as well as emotional intelligence (EI) related competencies and experience in order to perform their jobs efficiently. However, salespeople might vary to the extent in which they exhibit these competencies. Prior research has extensively investigated the direct effects of EI and performance, of EI and skills, and of skills and performance. However, compound effects and interactions of those variables have been rarely examined. Grounded in the work on trait emotional intelligence (TEI) (e.g. Petrides 2010b; Boyatzis 2008) model of performance, and on self-efficacy theory (Bandura 1977), this paper proposes a conceptual framework in the B2B sales context that examines direct and interaction effects of EI with skills, job experience and education, and their effect on sales performance.

## **2 Conceptual framework and hypothesis development**

Our conceptual framework proposes direct non-linear effects, two-way interactions of sales/technical skills and TEI in explaining the variance of sales performance as well as three-way higher-order interactions including sales experience and formal education. Below, we elaborate on the major components of our conceptual framework followed by our hypotheses.

### **2.1 Trait emotional intelligence**

EI plays a role in performing sustainable exchange processes (Lawler 2001). TEI theory is based on the concept of emotional self-efficacy, comprising self-perceived skills and behavioral dispositions on lower levels of personality hierarchies (Reichert 2013, p. 28). In contrast to ability measures which compare the measured levels of EI with an externally determined „maximum value”, TEI theory states that the relevance of different EI profiles can vary with contexts (Petrides 2010a). TEI theory is applicable for analyzing sales performance and its predictors because (i) it abandons the idea of measuring against a predefined „maximum” level of EI, and accepts the subjectivity of emotional perception and emotional self-efficacy, (ii) it is applicable throughout different contextual settings, and (iii) prior operationalization of TEI across disciplines provides evidence of solid psychometric properties.

## 2.2 Sales skills, technical skills and sales performance

In technical sales, sales people are required to present and explain technical products, solve customer problems, and sell complex products and services to create revenue and accomplish their planned targets, which necessitates the use of both sales presentation skills and technical skills. Selling skills are learned proficiencies at performing job activities. They are important determinants of job performance (Churchill Jr. et al. 1985). Such skills include both technical skills (i.e. technical knowledge, specialist knowledge and knowledge about the company's products/services etc.) as well as sales presentation skills (i.e. knowledge about sales procedures, handling customers and their objections, abilities to convince the customer to buy etc.). Ultimately, sales performance is what is expected of sales people (Campbell et al. 1993). Our measure of salesperson performance is derived from the company's database and ensures that salespeople are evaluated against factors which they can control (Cravens et al. 1993), while controlling somewhat for external artifacts (e.g. economic situation, competitive or customer-based volatility etc.).

## 2.3 Non-linear relationships

Influential ancient philosophers like Aristotle, Socrates, or Confucius have introduced concepts like „happy medium“ or „doctrine of the mean“ (cf. Phillips 2011 or Legge 1983). However, modern management literature and research only scarcely discusses this phenomenon. Most contributions refer to the „shortage“, only few address the „excess“ of characteristics. This is why the assumption of „the-more-the-better“ still serves as a paradigm in many models, hypotheses, and statistical procedures, meaning that maximising the input automatically leads to maximization of the output. With respect to emotional intelligence, Salovey und Mayer (1990, p. 198) warned of this ambivalence:

„On the positive side, they may enhance their own and others' moods and even manage emotions so as to motivate others charismatically toward a worthwhile end. On the negative side, those whose skills are channeled antisocially may create manipulative scenes or lead others sociopathically to nefarious end.“

Also, the overstimulation hypothesis helps to understand, why too high levels of certain professional characteristics may lead to a hyperstimulation and hence are dysfunctional for performance (Singh 1998, p. 72):

„[...] there is an overstimulation effect, so that excessive levels of job characteristics, including feedback, participation, variety, and autonomy, hinder rather than help a person's performance.“ Kopelman et al. (2006) emphasized the „strategic display of emotions“. Negotiators might consciously use emotions in difficult situations, e.g. to motivate a non-co-operative negotiating partner to cooperate. Thus, the targeted use of emotions is also a basis for negotiation strategies and tactics. On the one hand this is a crucial tool for negotiators who rely on their intuition, on the other hand negotiators can try to „fake“ their own emotions and their feelings about themselves, and act „strategically“, or sometimes dishonest in order to influencing their counterpart's behaviour. The effect of emotional intelligence on performance in this case depends on whether the manipulation is detected or whether there is at least a suspicion of manipulation and therefore uncertainty increases (Kopelman et al. 2006). Another phenomenon to be mentioned in the context of the present study concerns the expression of „played“ emotions, which is discussed in the literature as „surface acting“ (Mikeska et al. 2015). With „surface acting“, a person tries to change her behaviour in such a way that it corresponds to their expected emotional expression of the counterpart. It shows emotions that are not felt in this way. True emotions are suppressed and unimagined emotions are simulated. For example, a salesperson can be friendly in talking to an angry customer, even though he does not have that feeling in the moment (Grandey 2003).

# 3 Direct and indirect effects

Based on sales efficacy theory (Bandura 1977) and Petrides' (2010a) theory of emotional self-efficacy, a direct relationship of sales performance and emotional intelligence is assumed. Performance is related to self-efficacy, namely the trust that one's own traits, skills and knowledge help to achieve goals. This is also supported by dual process theories (cf. e.g. Chaiken and Shelly 1980; Cacioppo and Gardner 1999; Evans 2003; Kahneman and Tversky 1979) and trait activation theory (Tett and Guterman 2000). However, the theoretical, conceptual and empirical contributions on non-linear relationships shape our argument in a way that there is an optimum level of TEI, which is located at the inflection point of a curved regression line. Below and beyond this level of TEI, performance declines: H1: The relationship of TEI and sales performance is inverted U-shaped, i.e. with increasing levels of TEI, performance increases, and, at a certain inclination point, performance decreases again with increasing TEI.

## 3.1 Interaction of EI, sales skills/technical skills and sales performance

Past research tested effects of either EI and sales performance, sales skills and sales performance, each bilaterally, independently, and with inconsistent findings. Whereas some work finds a positive relationship between EI and performance (e.g. Kidwell, Hardesty, Murtha, and Sheng 2011; Lassk and Shepherd 2013), other research has reported only a weak relationship between the two constructs. The relationship between skills and sales performance also exhibit a large amount of variation. Consequently Churchill et al. (1985) suspect „that one or more variables moderate the relationship between skill level and performance” (p. 109). We, thus, argue that the inclusion of additional interaction variables might shed more light on these inconsistent relationships. Self-efficacy theory provides the background for the proposed interaction effect of EI and skills. Emotional self-efficacy is the belief of a person that he or she possesses the emotional traits and abilities to accomplish the task given to him/her successfully (Petrides 2010b). A salesperson who is aware of his/her abilities and uses emotions to deal with the customer in an appropriate way, will exhibit better performance when using his/her acquired skills (Barling and Beattie 1983). It is argued that TEI interacts with skills in explaining performance. The following hypothesis is proposed: H2: Trait EI moderates the relationship of (a) sales skills, and (b) technical skills with sales performance. Higher levels of trait EI increase the effect of sales/technical skills on sales performance.

## 3.2 Higher-order effect of sales experience

Sales experience refers to a sales person's gaining of wisdom through sales encounters, discussion, and negotiations with different clients as well as the experience of success or failure of various sales strategies which accumulate over time (Ramendra Singh and Gopal Das 2013). Distinguishing between inexperienced and experienced sales people, Bartkus, Peterson and Bellenger (1989, p.15) state that „It is possible that inexperienced salespeople perform well by working harder while experienced salespeople perform well by working smarter.”

The interaction of experience and skills can be explained through learning curve effects (Leslie and Holloway 2006) wherein, salespeople, for example, share analogies and cases that they experienced with earlier customers to substantiate their current solution offerings (Wierenga and van Bruggen 1997). As such, it can be argued that, if experience and skills accumulate, the influence of additional components might naturally decrease. Hence, the more experienced a sales person is, the less he/she is dependent on additional traits or competences and TEI and experience reciprocally

heighten each other's influence on the skills and performance relationship. We state: H3: The interaction of trait EI with (a) sales skills and (b) technical skills and sales performance varies with the level of sales experience. With higher levels of sales experience, the moderating effect of trait EI decreases.

### **3.3 Higher-order effect of formal education**

Education refers to the credentials or degrees an individual has obtained through educational facilities. Prior research has established a positive linkage between education and sales performance (Bolander, Bonney and Saturnino 2014). Education is also related to self-efficacy, i.e. the belief of a person to be equipped with the abilities that are necessary to act in a way which is beneficial for achieving his/her goals (Bandura 1977). Self-efficacy should help sales people to be convinced of their potential and should allow sales people to better exploit their capabilities, and thus strengthen the relationship of skills and performance. Trait EI has been equated to emotional self-efficacy (Petrides, Pita and Kokkinaki 2007). If formal education is high, self-efficacy is established, and the positive effects of education and TEI may cancel each other out. As such, we can postulate: H4: The interaction of trait EI with (a) sales skills and (b) technical skills and sales performance varies with the level of formal education. With higher levels of formal education, the moderating effect of trait EI decreases.

## **4 Methodology**

The study was conducted among sales people of the Austrian branch of an international company developing and marketing products and services for the construction industry. The company employs a personal selling approach, which puts the salesperson and his/her competencies, traits and skills in the center of the company's revenue generation efforts. Three data sources were used in order to avoid common method variance issues. To assess trait EI, sales people were asked to complete a paper-and-pencil questionnaire (N=85). To make the questionnaires identifiable and to be able to connect the results with the supervisors' evaluation and the company records, the respondents added their staff number.

The majority of the sample were male (92.8 percent), mean age was 35.5 years (min = 21.0, max = 61.0, SD=9.48). The average experience in sales was 10.94 years, the tenure with the current company was 8.24 years and the highest completed education was 67.0 percent primary/vocational education, 17.0 percent secondary education, and 16.0 percent tertiary education. Sales people's sales and technical skills were measured through the assessment of the supervisors. Each supervisor manages 5-7 sales people, with whom he/she is in ongoing personal contact via group and individual meetings. Supervisors get feedback from customers about the behavior and performance of their sales people, and hence should be able to assess the skills of their sales representatives. As a third source of data, the company provided performance records.

### **4.1 Measures**

Trait EI was assessed using the Trait EI Questionnaire (TEIQue), reported by Petrides and Furnham (2009). For the present study, the short version (SF) in German Language was used, which has been validated by Freudenthaler et al. (2008). Sales skills and technical skills were measured by scales developed by Rentz et al. (2002) and Johlke (2006). For objective performance, the company's data warehouse provided a ratio of planned and actual contribution margins per sales person based on past performance (min=.67, max=1.33, mean=.9598, SD=.144).

Contribution margin was used instead of turnover, as it more directly contributes to company performance and as it is more robust against outliers and large single sales. Education was provided

by the sales representatives and was coded categorically with two values, labelled „low” and „high”. Low education means completed basic education including vocational education. High education means completed high-schools with A-Levels (equiv. „Mature/Abitur” in the German speaking area) or a university degree, starting from an undergraduate („Bachelors”) degree. Sales experience in years/month and tenure with the company in years/month as sales representative was assessed through a self-report completed by sales representatives.

## 4.2 Results

Hierarchical regression analysis was performed to study the relationships. The first hypothesis intended to reveal a non-linear relationship between TEI and sales performance in the shape of an inverted U’. To analyze this relationship, a linear as well as a quadratic model was submitted to regression analysis. The results showed clearly that a quadratic model is better able to describe a significant relationship ( $\beta = -.602$ ,  $T = -6.511$ ,  $p = .000$ ;  $R^2 = .299$ ) than a linear expression ( $\beta = .056$ ,  $T = .556$ ,  $p = .579$ ;  $R^2 = .034$ ). Univariate ANOVA with three groups of EI - low, medium and high -  $F(2, 97) = 10.068$ ,  $p = .000$ ) and Tukey HSD-Post-hoc-test (low-medium =  $-0.788$ ,  $p = .002$ ), (medium-high =  $.946$ ,  $p = .000$ ), (low-high =  $.1576$ ,  $p = .763$ ) support the assumption of an inverted U-shaped regression curve. As such, H1 proposing a non-linear relationship in the form of an inverted U-shaped curve is confirmed.

In the second set of hypotheses, an interaction effect of TEI on the relationship of sales/technical performance and sales performance was proposed. As an independent variable, TEI had no significant effect on sales performance ( $\beta = 0.060$ ;  $t = .623$ ;  $p = .535$ ). Sales skills had a significant effect on sales performance ( $\beta = 0.313$ ;  $t = 2.361$ ;  $p = .02$ ). As an interaction variable on the relationship of sales skills and sales performance, the effect of TEI was significant ( $\beta = 0.430$ ;  $t = 3.360$ ;  $p = .001$ ). The effect size was increased by 0.117 through the interaction. For technical skills, no significant direct and interaction effects were found. As expected at high levels of TEI, higher sales skills lead to higher performance. However, at low levels of TEI, an increase in sales skills leads to a decrease in performance.

The third set of hypotheses introduced a higher-order moderating effect of sales experience on the interaction of TEI with the skills-sales performance relationship. To analyze this effect, the dataset was split into two groups with (a) low, (b) high sales experience. Only for the group highly experienced in sales, significant effects were found. The interaction effect of TEI and sales skills on performance was significant at ( $\beta = 0.68$ ;  $t = 3.69$ ;  $p < .01$ ). The direct effect of technical skills on sales performance was also significant ( $\beta = -0.36$ ;  $t = -2.11$ ;  $p < .01$ ). However, this effect is negative, which means that, within this group, greater levels of technical skills lead to lower performance. This is a surprising result which needs more investigation.

Hypotheses 4a and 4b referred to the higher-order effect of formal education on the interaction of TEI with the skills-sales performance relationship. To reveal interaction effects, the dataset was split into two groups, primary education and secondary/tertiary education. Only within the primary education group, significant effects were found. In this group of sales people, sales skills have a direct effect on sales performance ( $\beta = 0.33$ ;  $t = 2.14$ ;  $p = .04$ ). This effect is slightly higher compared with the whole sample ( $\beta = 0.31$ ). Also there is a significant interaction effect of TEI and sales skills with respect to sales performance ( $\beta = 0.45$ ;  $t = 2.70$ ;  $p < .01$ ). This effect is also slightly higher compared with the whole sample ( $\beta = 0.43$ ). There were no significant relationships found with respect to the group comprising secondary and tertiary education.

High scorers in EI within the group with primary education only are able to transform sales skills to performance seemingly better than low scorers in TEI. The interaction effect of EI the selling skills - performance relationship is strong for the low education group ( $\beta = 0.45$ ;  $t = 2.70$ ;  $p < .01$ ). Given the fact that within this group, a large majority has an education following the dual system of attending school and practical apprenticeship (which is very popular in the German speaking region, including Austria), this finding is interesting. It could be argued that with a lower level of formal

education the effect of TEI becomes very important and perhaps compensates the lack of higher education, which provides confirmation to our hypothesis 4a.

Not hypothesized and because of curiosity, an additional analysis was performed. Two groups were defined within the dataset, one combining low education and high TEI, the other one with high education and low TEI. If TEI outperforms education, the sales skills - performance relationship should yield better coefficients with the low education/high TEI combination rather than with the high education/low TEI set. This analysis has to be interpreted with caution due to the small sample size within the groups (low Education/high EI:  $n = 35$ ; high Education/low EI:  $n = 16$ ). Analysis revealed a significant effect of sales skills on sales performance within the low education/high TEI group ( $\beta = 0.490$ ;  $t = 3.23$ ;  $p < .01$ ). Within the high education/low TEI group, no significant effect was found.

## 5 Discussion

This research revealed some surprising and relevant relationships when analyzing direct as well as interaction and higher order effects. First, hierarchical regression showed that TEI does not have a linear positive effect on sales performance. Rather this relationship is curved and it has an inclination point that turns increasing TEI to the negative with respect to sales performance. As such, the relationship investigated follows the tradition of the „too-much-of-a-good-thing“ effect. Secondly, the effect of sales skills on performance increases with higher levels of the salesperson’s EI. Beyond that, at low levels of EI, higher sales skills can also negatively contribute to performance. As such, EI moderates the way in which a salesperson tries to convince the customer. Low levels of EI might lead to misinterpretation of situations, the sales person might (unknowingly) exert too much (or too little) pressure on the client, because the former is not able to read the latter’s emotional state and preparedness for closing a deal. Or, the sales skills exerted by the salesperson might not sound authentic to the buyer. The latter one might become mistrustful or hesitant. Thirdly, sales experience leads to a stronger effect of sales skills on sales performance, and also the moderating effect of TEI on this relationship becomes larger with higher sales experience. Sales people with high levels of experience are better able to transform their sales skills into performance, and if they have higher levels of TEI, the effect is even larger. With respect to technical skills, the data shows a significant, but negative effect of technical skills on sales performance within the group of higher experienced sales people. Perhaps, high experience together with high technical skills leads to overestimation and arrogance in dealing with the customer, which the latter one does not appreciate.

Finally, the higher-order effect of formal education was confirmed only for the primary education group. A large majority of this group has enjoyed a dual education of attending school and practical apprenticeship (which is very popular in the German speaking region, including Austria). We argue that with a lower level of formal education the effect of EI becomes very important and perhaps compensates the lack of higher education.

## 6 The cultural variable

It might be considered as a limitation that this research has been conducted in own geographic and cultural area (Austria) and within one „company culture“ only. When introducing cultural variability to this topic, two main aspects emerge. First, the relationship of culture and emotional intelligence: Which kinds of emotions are shown and how emotions are communicated differs across cultures. Emotional intelligence can be viewed as a crucial aspect for successful management. An interesting study provided by Gunkel et al. (2014) revealed a small but significant effect of cultural dimensions in explaining the variance for the four EI competencies. The second aspect comprises the

relationship of sales performance and culture. In his seminal contribution, Salacuse (2005) describes the many „[...] ways that culture can affect your negotiation”, concluding that culture has an impact on how successful negotiations will be or not. Combining these two effects (culture on EI, culture on negotiation), it would be very interesting to analyze the effect of EI on negotiation under the interaction of culture. To do so, we suggest the following model for further consideration:

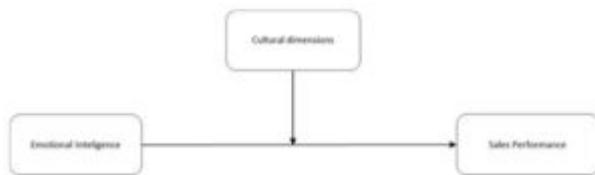


Figure 1: Conceptual model of EI and Sales Performance, cultural dimensions included.

Source: Author

## 7 Theoretical and managerial implications

The findings advance theory in marketing by providing a better understanding of the influence of trait EI on performance in a B2B selling context. Trait EI is a driver of sales performance, however, if available in excess, it might be detrimental for performance. Striving for ‘the-more-the-better’ with respect to TEI should be discussed with caution. Also, trait EI is a moderator of the skills-performance relationship, and low levels of EI not only weaken this relationship, but also turn it into the negative. Less formally educated sales people gain more from their EI than those with higher education. EI seems to be able to compensate for formal educational qualifications. For managers in the field of sales, marketing or HR, the study helps to better grasp the EI construct and its relevance for sales representatives. Considering the EI of sales representatives, measuring it, and perhaps, undertaking actions to increase the awareness for and the competences in EI, would be pertinent for recruiting and staff development practices in sales organizations. But on the other hand, an exaggeration in training of EI competencies might have negative effects as well. Avoiding extremes might be a good advice with respect to the key variable analyzed in this paper. Practitioners should take care of EI when recruiting staff members, and also when selecting them for training and promotion. They should take care of the fact that there is no „low” or „high” EI effectiveness, but just „right” or „wrong” jobs for people with specific EI traits.

## 8 Avenues for future research

As with most research, ours is not explaining „the world”. Some interesting prospects for future research are at hand. First, replicating the study with different businesses, company sizes and geographic areas would increase the variance explained and may also introduce additional interacting variables to be considered in future empirical work. Also increasing the sample size of sub groups should be considered in the future in order to improve the robustness of the findings. Additional independent variables such as cognitive abilities or customer orientation could enrich the model. Very important, the cultural variable needs empirical substantiation through additional studies. Finally, the perspective of the client should be integrated in future research. How do customers perceive their sales representatives’ EI, and how does this affect the buyer-seller-relationship beyond performance measured in this study? This is an important avenue for future research.

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## **Kľúčové slová/Key Words**

emotional intelligence, sales performance, cross-cultural adaptability, sales skills  
emocionálna inteligencia, predajný výkon, medzikultúrna adaptabilita, predajné zručnosti

# JEL klasifikácia/JEL Classification

M31

## Résumé

### **Vzťah medzi emocionálnou inteligenciou a predajným výkonom v prostredí B2B; s dopadmi na medzikultúrnu adaptabilitu**

Existujúce empirické zistenia o súvislosti medzi emocionálnou inteligenciou (EI) a výkonnosťou predaja sú nekonzistentné. Vyhodnotené boli nasledujúce príčiny: nelinearita vzťahu medzi EI a predajným výkonom ako aj interakcia EI s odbornými zručnosťami a demografickými premennými. Empirický výskum bol realizovaný medzi obchodnými zástupcami v rakúskej pobočke medzinárodnej spoločnosti v odvetví stavebníctva. Údaje sa zbierali použitím troch rôznych metód za účelom zníženia vplyvov vyskytujúcich sa v metóde rozptylu. Využitie bolo hierarchické regresné modelovanie vrátane trojcestnej interakčnej analýzy. Výsledky poukazujú na priamy vzťah medzi EI a predajným výkonom vo forme invertovaného „U“, ako aj zmierňujúcimi efektmi EI na vzťah medzi predajnými (ale nie technickými) zručnosťami a predajnými výkonmi. Interakčné analýzy vyššieho rádu odhaľujú kompenzačné účinky odbornej praxe, veku a vzdelania, ako aj EI. Mladší obchodní zástupcovia, ktorí majú menej skúseností a tí s menej formálnym vzdelávaním využívajú EI silnejšie na to, aby svoje predajné zručnosti premenili na predajný úspech. Dôsledky pre marketingové a predajné praktiky zahŕňajú tieto zistenia: EI prispieva k výkonnosti predaja v podnikoch B2B a to aj v odvetví stavebníctva, často označovanom ako „bez emócií“. Efekt je nelineárny, čo znamená, že paradigma „viac-lepšie“ sa pri výbere predajcov kriticky spochybňuje. V prípade úloh vyžadujúcich vysoké percento technickej spôsobilosti je účinok EI nižší (môže byť dokonca negatívny) v porovnaní s úlohami, ktoré si vyžadujú predovšetkým obchodné zručnosti. Manažéri predaja a marketingu by mali zvážiť EI pri nábore a personálnom rozvoji. Osobitná pozornosť by sa mala venovať nielen predajcom so slabými, ale aj veľmi silnými úrovňami EI. Keďže výsledky tejto štúdie sú vystavené vysokej medzikultúrnej variabilite, v príspevku sa uvádzajú postrehy na potenciálne odlišné výsledky v inej ako rakúskej kultúrnej zóne.

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**[Readiness, use and enablers of digital](#)**

# customer interaction tools in Austria

## Readiness, use and enablers of digital customer interaction tools in Austria

**This contribution presents a first holistic measurement of Austrian B2B companies' readiness to improve customer interaction and sales performance through the application of digital communication services. To this end, the necessary steps to craft a sustainable and comprehensive corporate strategy for this subject matter are highlighted and the status-quo of implementation in Austrian Businesses is presented by means of a novel digital customer interaction metric on a scale of 1 to 100. The discussed digital communication services entail - but are not restricted to - well-known social media outlets as well as the interaction facilitated through digital communication such as LinkedIn, Twitter, Facebook, Blogs and YouTube, which belong to the most widely used tools globally. The conducted empirical analysis, which was carried out by means of a quantitative analysis among 74 representatives from different economic sectors, assessed the effects, which directly influence the degree to which Austrian businesses have implemented structured digital communication processes in sales and customer interaction service. The thereby gathered evidence supports the hypothesis of personal and industry-specific factors exhibiting the most significant effect on the introduction of digital customer interaction tools, as do the sales experiences based on digital lead and prospect generation. However, other often cited criteria, such as the size of the company, have not been found to directly influence the level of implementation likelihood.**

## 1 Introduction

Following tremendous technological advances in the past decade, a variety of digital communication tools are available which enable suppliers and buyers to engage with one another in a more effective, tailored and customized manner. These involve a set of social media and other communication tools, which - in this paper - are summarized by the „structured digital customer interaction” terminus.

The technological advances have made vast amounts of information available to both sides, thereby improving the efficiency of communication and transactions (Mantrala and Albers 2015). They help suppliers to investigate how customers use products and to quickly react with providing adequate information (Curtis and Giamanco 2010; Agnihotri et al. 2012). The usage of digital communication platforms provides fertile ground to spread information on products, services, events, community and company related issues among customers and partners in a timely manner (Agnihotri et al. 2012; Agnihotri et al. 2014).

Orchestrating organizational resources is necessary to bundle knowledge from different parts of a company before sending it out to customers in a highly compressed manner through the digital channel of their choice (Mantrala and Albers 2013). Thus, digital communication tools provide an important opportunity to directly talk to customers and monitor any reviews, appraisal or criticism of products and services offered by the own firm or a competitor and take actions quickly to adapt and improve product as well as service attributes (Agnihotri 2012).

These tools do not only allow to react quickly but also to be more proactive in addressing the individual needs of customers. Proactively customizing solutions for customers substantially boosts

customer perceived value (Andzulis, Panagopoulos and Rapp 2012; Agnihotri et al. 2012). Because digital communication tools hold potential to improve almost all interactions between buyers and sellers, they also transform the selling process of products and services. Social media as a widely applied means of digital communication is found to assist in the gathering of timely and up-to-date information about decision makers, communication styles, buying risks and overall needs of the purchasing organization (Andzulis, Panagopoulos and Rapp 2012; Sashi 2012). Furthermore - and in contrast to many traditional communication channels - gatekeepers can be avoided because decision makers can be directly addressed on platforms like LinkedIn by starting conversations regarding latest news and developments found on social media (Minsky and Quesenberry 2016; Cuevas 2017; Greenberg 2009).

In terms of communication efficacy, research has identified the effects of increasing use of digital interaction tools in terms of trust establishment between the parties involved in the transaction (Ferrell 2010; Schaub 2014). As regards the impact on sales' processes, prospects have been found to publicly post their questions and concerns, which gives sellers the opportunity to listen, ask the right questions and analyze the prospects' underlying needs. These novel forms of communication thus enables sales organizations to inform/educate customers more efficiently and enrich the presentation process by promoting collaboration and engagement in order to arrive at win-win solutions (Andzulis, Panagopoulos and Rapp 2012).

## **1.1 Introduction of digital customer interaction methods**

The implementation of digital communication tools in the fields of sales and customer interaction consists of five steps: (i) a comprehensive strategy has to be crafted, (ii) the involved people have to be trained and (iii), a change in corporate culture that spans across all levels and departments has to be fostered. Step (iv) involves the required risk assessment throughout the whole process which includes the necessary steps to address found risks appropriately. Step (v) incorporates management's oversight from taking the first step, acting as role models and providing all necessary resources. Crafting a comprehensive strategy and stating clear goals requires a deep understanding of the value that the customer is looking for (Andzulis, Panagopoulos and Rapp 2012).

Market knowledge and research are crucial, especially in the preparatory phase. Resources have to be dedicated to assess which digital communication tools are most important in the respective industry or customer segment. Metrics and communication plans need to be defined for each of the chosen tools (Ivens and Rauschnabel 2015). In terms of organization and human resource implication, a focus on developing employees with social media skills is generally seen as a prerequisite for successful implementation (Itani, Agnihotri and Dingus 2017). An influx of new staff is found to positively influence the identification of existing staff with digital communication's development. Thus, the design and execution of trainings, the required assistance with setting up guidelines to avoid risks presented by the usage of digital communication tools and the creation of communication plans can either be dedicated to external specialists or social media savvy people in the firm (Bowen and Haas 2015).

## **1.2 Digital interaction metrics**

The efficacy of using digital communication tools can be assessed with different indicators, which are grouped into soft and hard metrics (Culnan, McHugh and Zubillaga 2015).

Soft metrics measure the effect of digital interaction with regards to changes to a company's follower base, the degree of customers' engagement with the content shared, the time followers spend on a firm's social media page and the intensity with which these contents affect associated forums and discussions. All these things can be measured with the help of features directly integrated in most digital communication tools (Culnan, McHugh and Zubillaga 2010). Hard metrics on the other hand help to measure financial indicators of success like revenue and cost reduction

and personnel related metrics focus on employee satisfaction. These metrics serve as indicator for organizational effectiveness related to degree of customer satisfaction improvement or customer retention as well as service time and product or service quality. Hard metrics also allow measuring system performance (Culnan, McHugh and Zubillaga 2010). Furthermore companies have to measure the return on investment of their social media selling activities and have to set up key performance indicators as well as benchmarks (Hughes and Reynolds 2016).

## 2 Empirical analysis

### 2.1 Methodology

In order to determine the degree to which Austrian B2B sales organizations use digital communication tools to improve sales results and raise service levels, a survey was conducted, yielding 70 individual responses from 54 different companies. To determine the exact degree of implementation a scoring model was developed. The participants could reach between 0 - 100 points. The score then allowed to classify the respondents into 4 different categories based on how intensively digital communication tools are used for conducting sales activities and providing services.

In terms of effect detection, a three pronged approach was applied. This entailed the detection of structural differences between observed company types by means of independent sample T-tests. Identification was based on the widely used ÖNACE system, which asserts the sectoral differences of industries by means of a holistic, European, classification scheme (NACE). Secondly, the investigation of sub-layer differences of accumulated implementation score was assessed over the entire sample by means of a variance analytical approach in order to detect the differences across branches.

Finally, multiple regression analysis was carried out to detect the driving forces of digital customer interaction services' implementation.

### 2.2 Results

The empirical investigation revealed the substantial differences of utilization of digital customer interaction tools as depicted in Figure 1.

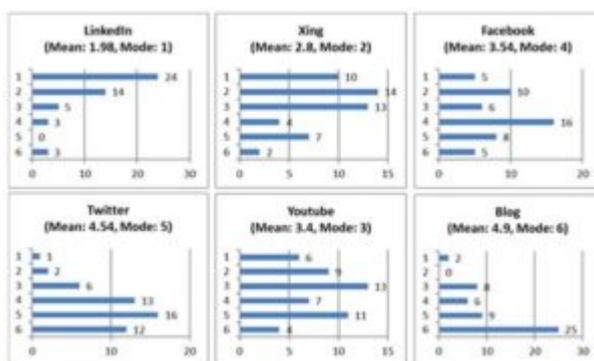


Figure 1: Social media tools and their frequency of usage by respondents (relative values, N=74)  
Source: Authors

The main motivation for the utilization in terms of the different stages of the sales process was detected within the area of customer network extension. The majority of reasons why respondents use social media on the job lies in the advanced options for prospecting and pre-approach as

depicted in Figure 2.

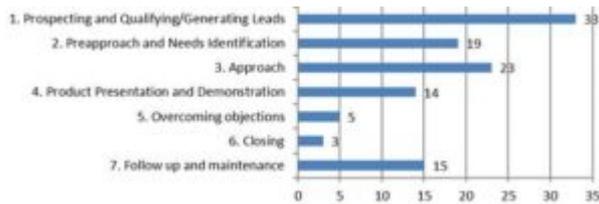


Figure 2: Distribution of Social media usage in the different stages of the sales process (absolute values, N=74).

Source: Authors

Major differences were also detected between industries, as classified by the ÖNACE classification. Manufacturing is found to show 9.8% lower implementation rates (sign. at .95), when compared to other industries.

The same holds for businesses active in information and communication (ÖNACE 10) as well as in professional, scientific and technical activities (ÖNACE 13), which score higher on social media selling adoption than firms in other sectors (sign at .95). The size of the firm is found to be insignificant by common statistical standards, whereas the age of the responsible employee is found to highly significant, thus increasing the likelihood of digital customer interaction tools' use by more than 12%.

In general, the degree of implementation among the majority of respondents is rather low. Few show a slightly advanced stage of implementing social media and even less reached a strong or full scale implementation. Austrian firms do not fully understand the role digital communication tools can play in order to overcome sales and service related problems. When looking at the degree to which social media is used in the sales process it becomes apparent that only a small fraction of respondents uses this technology throughout all stages. Respondents have profiles on professional social networks like LinkedIn but can be rather categorized as passive users. Top management does not strongly encourage using digital communication tools and little training is provided. Few companies are measuring social media success at all and only a small fraction of respondents have networks big enough to be visible in their target industries. Despite the low degree of adoption it has to be pointed out that firms are very interested in this topic because they believe that it will influence the way they sell in the future. As more and more social media savvy people from Generation Y are filling positions in sales organizations a quick change in the status quo is likely. However, it is the task of top managers to change corporate cultures and strategies in order to capitalize on the opportunities related to improving customer service through the usage of digital communication tools.

## 2.3 Discussion of empirical evidence

The investigated means of digital communication are found to assist overcoming a set of problems in traditional customer interaction and selling processes. Overcoming objections through social media can be facilitated through the creation of public forums where questions are discussed transparently and various parties are enabled to cooperate in order to reach a mutually satisfactory outcome. This is much in line with the findings of Andzulis, Panagopoulos and Rapp (2012) and affect different stages of the customer interaction and sales process.

For instance, after the completion of a transaction, customers can be provided with service instructions, news and answers to frequently asked questions by adding them to networking groups and forums. At this stage, the importance of inward facing social media grows because it helps to find solutions for service requests by faster communication between people from various departments. Again, this is much in accordance to the relevant literature (Sashi 2012). We found

that a large part of changing the corporate culture involves in-depth investigation of customers' needs and wants followed by a subsequent design process for according product and service offerings. These policy recommendations are also reflected by international research such as Culnan, McHugh and Zubillaga (2010) or Baird and Parasnis (2011).

The usage of digital customer interaction tools for sales and customer service related activities in Austrian B2B organizations is still in its infancy. The majority of companies are in an early or slightly advanced stage of adoption but with an increasing number of people that belong to Generation Y in sales positions this could quickly change in the next years. Few respondents show a high or full scale adoption of DCITs, social media in particular. Communication with customers via social media is happening rather infrequently. LinkedIn is the most popular social media platform among respondents.

When looking at the social media selling adoption scores by age group one cannot clearly state that younger people are more likely to use social media for their daily tasks than older respondents but it was found that the youngest respondents reached the highest scores more frequently. It was also found that people who are active in marketing, IT and telecommunications have a higher degree of social media selling adoption than those who work in manufacturing, wholesale or other industries. Austrian salespeople are confronted with a large variety of challenges. Respondents do not seem to be aware of the potential that social media holds to cope with a lot of these current problems. Nevertheless they acknowledge its increasing influence on the sales process, where the usage dominates in the early stages. Traditional ways to find new leads still dominate in Austria. Social media is more popular when it comes to collecting information about customer needs and decision makers as well as new trends.

The CRM systems in place in most companies do not allow their users to get a 360 degree view of customers because they do not integrate information about customers obtained through social media. Austrian B2B sales employees do not provide deep know how through social media, the usage of blogs is hardly existing when it comes to individuals and low when it comes to corporate blogging. Engagement with the content posted by customers or experts is relatively low. Alignment and interaction between the sales and the marketing department is high. This fulfills an important criterion for the usage of digital customer interaction tools for selling.

The size of the LinkedIn networks of Austrian salespeople is in most cases insufficient. This also holds true for the frequency in which individuals post content on this platform. Twitter plays only a small role compared to other social networks in Austria. Only few sellers use it. The ones who do often have a follower base that is too small and do not send out tweets frequently enough to exert sufficient influence and reach a large audience. All these facts give the impression of a rather passive attitude of Austrian sales representatives when it comes to using social media, which in turn could be the reason why their customers do not interact more intensively with them.

Only a small fraction of sellers could ever relate a closed deal to their social media activities. This is supported by the fact that most people did not see strong performance improvement due to social media usage and most are sceptical about the future influence of social media on their selling activities. Nevertheless, the majority of Austrian salespeople believe that digital customer interaction tools are an adequate to provide additional value to existing and potential customers.

## **3 Summary and managerial recommendations**

The process of implementing a social media selling strategy is not different from the implementation of a new pricing strategy. It requires the identification of the most pressing challenges, redefining and rethinking of existing processes, cooperation of several departments, strong support from top management, training by experts, putting one-self in the customer's shoes, setting up metrics and

step by step altering of the corporate culture to arrive at the desired status quo. It is also vital to understand that social media sales is not about selling a product or service on social media but that the integration of digital customer interaction tools in the sales process can lay the groundwork for future sales.

A deep integration of digital customer interaction tools in the sales and customer service activities is a continuous process that does not yield immediate results. All sales organizations have to keep a close eye on how the environment in which they operate changes. Even though it may feel strange for sellers to post whitepapers or case studies online without any reassurance that these efforts will lead to a directly relatable sale, they have to understand that this is part of a much bigger behavioral shift which is absolutely necessary to move from a transactional to a value-focused approach. Buying organizations are changing and the way in which selling organization interact and communicate with them has to adapt accordingly.

This contribution sheds light on the novel opportunities of customer interaction through social media, helps to better understand what drives the implementation of digital relationship tools and investigates the current level of incorporation with a focus on Austria for the first time. Future research ought to improve the empirical assessment of customer relationships' innovations thereby improving the scientific basis of this relevant business topic even further.

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## Klíčové slová/Key Words

digital customer interaction, sales performance, digital communication services, social media, digital communication

digitálna zákaznícka interakcia, výkonnosť predaja, digitálne komunikačné služby, sociálne médiá, digitálna komunikácia

## JEL klasifikácia/JEL Classification

M31

## Résumé

### **Pripravenosť, používanie a aktivácia digitálnych nástrojov interakcie so zákazníkmi v Rakúsku**

Tento príspevok predstavuje prvé holistické meranie pripravenosti rakúskych B2B spoločností na zlepšenie interakcie so zákazníkmi a výkonnosti predaja prostredníctvom aplikácie digitálnych komunikačných služieb. Za týmto účelom sú predstavené potrebné kroky na vytvorenie trvalo udržateľnej a komplexnej podnikovej stratégie pre túto oblasť a následne je prezentovaný súčasný stav implementácie v rakúskych podnikoch prostredníctvom novej metriky interakcie s digitálnymi zákazníkmi na stupnici od 1 do 100. Analyzované digitálne komunikačné služby zahŕňajú - ale nie sú obmedzené len na - známe sociálne médiá, ako aj interakciu uľahčenú prostredníctvom digitálnej komunikácie, ako sú LinkedIn, Twitter, Facebook, Blogy a YouTube, ktoré patria celosvetovo k najpoužívanejším nástrojom. Vykonaná empirická analýza, ktorá bola uskutočnená prostredníctvom kvantitatívnej analýzy medzi 74 zástupcami z rôznych ekonomických sektorov, zhodnotila účinky, ktoré priamo ovplyvňujú mieru, do akej rakúske podniky implementovali štruktúrované procesy digitálnej komunikácie v predaji a v službách zákazníkom. Takto získané dôkazy podporujú hypotézu osobných a odvetvovo špecifických faktorov, ktoré majú najvýznamnejší vplyv na zavádzanie nástrojov digitálnej interakcie so zákazníkmi, ako aj skúsenosti z predaja založené na digitálnom vedení a získavaní potenciálnych zákazníkov. Iné často citované kritériá, ako napríklad veľkosť spoločnosti, však neboli identifikované, že by priamo ovplyvňovali úroveň pravdepodobnej implementácie.

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## L Words

### L Words

latent demand

latentný dopyt

Latent demand is a desire or preference which a consumer is unable to satisfy due to lack of information or money.

Latentný dopyt je túžba alebo preferencia, ktorú spotrebiteľ nie je schopný uspokojiť z dôvodu nedostatku informácií alebo peňazí.

lateral

laterálny, bočný, krídelný

Designers added more storage space, with lateral expansion of the rear compartment.

Dizajnéri pridali viac úložného priestoru s bočným rozšírením zadného oddelenia.

latest

najnovší

His latest film is presented as a 'romantic comedy'.

Jeho najnovší film je prezentovaný ako „romantická komédia“.

launch

uviesť, spustiť

The car has enjoyed little success since its launch.

Auto má od svojho uvedenia na trh malý úspech

launching

uviedenie, spustenie

Often, it makes sense to work for a big company before launching your own business.

Často je zmysluplné najskôr pracovať pre veľkú spoločnosť pred spustením vlastného podnikania.

launching costs

náklady na uvedenie, spustenie

Launching costs of their new product are enormous.

Náklady na uvedenie nového výrobku na trh sú obrovské.

launching date

dátum uvedenia, spustenia

The launching date of their new product is quickly approaching.

Dátum uvedenia ich nového produktu na trh sa rýchlo blíži.

law

zákon, právo

What does the law say about having alcohol in the blood while driving?

Čo hovorí zákon o alkohole v krvi počas jazdy?

law of supply and demand

zákon dopytu a ponuky

Law of supply and demand defines the generally observed relationship between demand, supply, and prices.

Zákon ponuky a dopytu definuje všeobecne pozorovaný vzťah medzi dopytom, ponukou a cenami.

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