

Waldemar Rydzak, Assoc. Prof., PhD
Poznań University of Economics and Business

<https://doi.org/10.26366/PTE.ZG.2017.115>

**The European Communication Monitor – the direction of change in company
communication with stakeholders**

The European Communication Monitor is the largest international research project focused on strategic communication. The main subjects of the 10th-anniversary edition of the study were, among others, issues related to social media, „big data” and the automation of the process of communication with stakeholders. More than 72% of respondents are convinced that „big data” will have a significant impact on their activities. At the same time, only 21% of them use this type of information in current business operations. A similar phenomenon is evident when evaluating the increasing level of the automation of communication with stakeholders, as well as adjusting the content of the information to the needs of today's consumers. Almost 75% of experts consider such activities to be necessary, but only 29% of them put them into practice.

Key words: reputation, trust, leadership, strategic communication.

JEL CODE: D83, L14.

**European Communication Monitor – kierunek zmian komunikowania się firm
z otoczeniem**

Abstrakt

Zmiana podejścia biznesu i naukowców do zagadnień związanych z rolą informacji oraz komunikowaniem się na gruncie nauk ekonomicznych skutkuje rozwojem koncepcji naukowych, w których funkcja strategicznego komunikowania ujmowana jest coraz częściej jako elementem zarządzania przedsiębiorstwem. Dialog firmy z otoczeniem przyczynia się do tworzenia ich niematerialnego kapitału – reputacji i zaufania a w konsekwencji wzrostu ich wartości rynkowej. W artykule podjęta została próba weryfikacji wybranych koncepcji teoretycznych wskazujących, że mobilna komunikacja, media społecznościowe, automatyzacja procesu komunikowania i analizy typu „big data”, to obszary komunikowania się firmy z interesariuszami zewnętrznymi o największym potencjale rozwoju w najbliższych latach. Obecnie ponad 72% przedstawicieli spółek giełdowych, organizacji rządowych i pozarządowych profesjonalnie zajmujących się komunikowaniem jest przekonana, że „big data” będzie miało znaczący wpływ na ich działania. Jednocześnie tylko 21% z nich

wykorzystuje tego typu informacje w bieżącej działalności. Podobne zjawisko występuje w ocenie zwiększenia stopnia automatyzacji komunikowania się z interesariuszami oraz dopasowania zawartości treści do potrzeb współczesnych konsumentów. Co prawda 75% ekspertów działania takie uznaje za potrzebne, ale tylko 29 % z nich realizuje tego typu aktywności w praktyce.

Słowa kluczowe: strategiczne komunikowanie, analizy typu „big data”, mobilna komunikacja, automatyzacja procesu komunikowania.

Introduction

The change in the way the social and economic system works when influenced by the development of information technologies and the Internet encourages researchers to look for new paradigms, which in the context of the growing role of information will enable precise research and analysis of the mechanisms of the new economic reality.

One of the first effects of the changing approach in economics is the increasing interest in intangible assets - reputation and trust (Rydzak 2011). In contrast to material assets, the increase in the use of an intangible asset results in an increase in the marginal benefits from their use instead of a decrease (Grudzewski et al. 2010). Thus, the reputation of enterprises or national economies ceases to be perceived by economists only in the category of a potential entry barrier or a catalyst for transactions concluded on the market¹. In a turbulent, changing environment, reputation and trust can be an important element of competitive advantage, and information and communication is one of the most important methods of building the businesses' reputation and legitimacy. The aim of the article is to indicate trends in the communication strategies of enterprises with their stakeholders in 2007-2016 and to verify the speed and scope at which the enterprises use the latest channels and areas of communication to communicate with their business environment. The basis for deliberations in this field is the scientific research, mainly of an exploratory nature, co-authored as part of the European

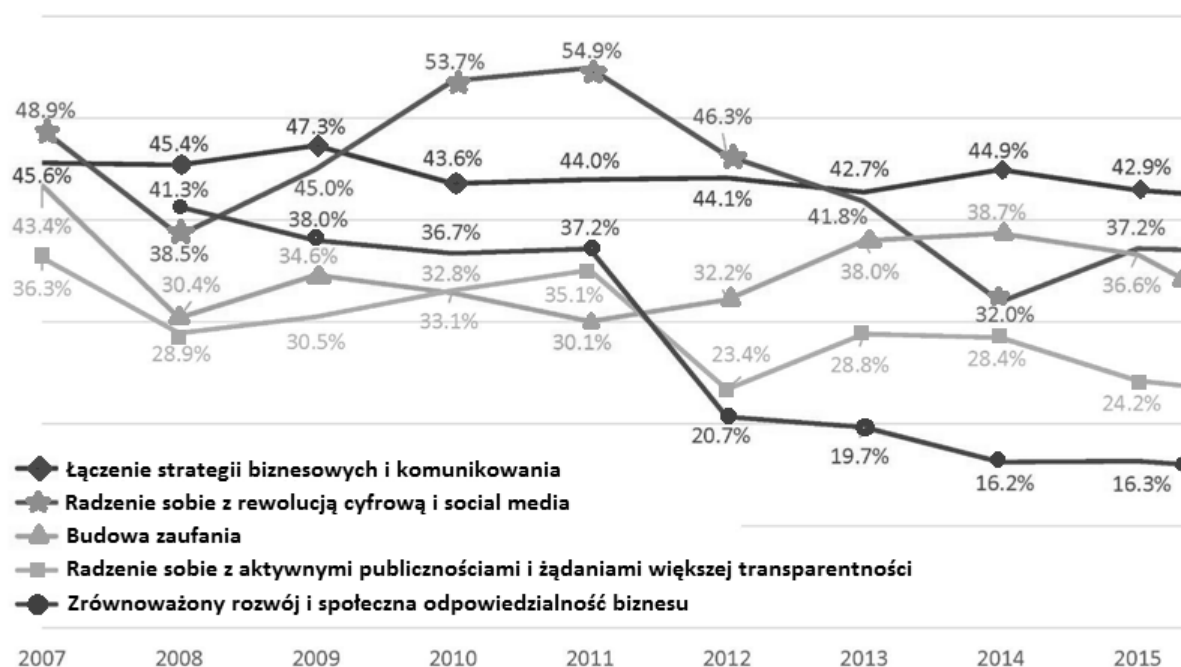
¹ Deliberations on the place of reputation in economics have been conducted since the early 1980s and it considered a part of game theory. Reputation was treated as a kind of information - opinion about one of the parties to the transaction. The New Comparative Economics (NCE) assumes that the greatest efficiency of the economic system is achieved at the point where the social costs of the free market are offset by the social costs of state regulation. The equilibrium point depends on the specificity of the market, repeatability of transactions and information asymmetry. Confidence and positive reputation can make transactions possible or reduce its costs. The same effect, in the case of distrust and a lack of positive reputation, can be achieved by means of state intervention on the market (through legal regulations and the involvement of state assets) (Płóciennik 2007).

Communication Monitor (ECM2) by the author of this article. In the context of research results from previous years, it was initially assumed that respondents in the prediction of future phenomena tend to overestimate the significance of some areas.

Business dialogue with external stakeholders

As a result of the revolution in access to information, changes in the way of communicating and the perception of the role of trust and reputation in the modern economy, communication strategies are increasingly becoming an element of business strategies. Although the changes are relatively fast, they are evolutionary rather than revolutionary. According to the research conducted by the European Communication Monitor (ECM), in the opinion of communication experts over the last ten years (from 2007 to 2015), combining business strategy with a communication strategy was one of the two most important challenges that enterprises faced. Concurrently, of note is the fact that the subject of sustainable development and corporate social responsibility, strongly present in recent years in debates and conceptions of economists, seems to be becoming less pronounced according to the experts in the study year by year (down from 41.3% in 2008 to 15.4% in 2016) (ECM 2016).

² ECM is a research project carried out by 23 universities in 43 countries (including the following: University of Leipzig, Leeds Metropolitan University, University of Amsterdam, University of Ljubljana, University Rey Juan Carlos, IULM University, University of Bordeaux 3, University of Lugano, Aarhus University, University of Oslo, University of Economics in Poznań) under the patronage of the European Public Relations Education and Research Association (EUPRERA). The questionnaire ECM 2016 was prepared, as in previous years, exclusively in English. It was not translated in any of the countries in which the research was carried out. It was up to the research organizers to create the same conditions (including certain restrictions) in order to avoid possible translation mistakes resulting from semantic differences. The questionnaire contained 32 questions divided into 14 sections. All questions related to the hypotheses and instruments used in previous years. The pre-test was carried out on a group of 40 people from 15 European countries and the relevant research was carried out over a period of 5 weeks in March 2016 in the form of an online survey. The invitation was sent via email to over 40,000 expert practitioners who deal with the problems of information strategies, strategic communication, public relations or spokespersonship. 6902 of them joined the survey and 3287 completed the questionnaire in their entirety. 2710 correctly completed questionnaire forms were used for the final analysis. The acquired data was processed using the SPSS package. Depending on the variables, Pearson's chi-square test (χ^2), Spearman's (rho) correlation, Kendall's tau, V Cramer's were used to confirm statistical significance and detect dependence.

Figure 1. The most important challenges in the area of enterprises' communication with stakeholders

Source: ECM 2016, p. 56.

The decline in the importance of CSR in building reputation and trust in enterprises is a lasting phenomenon, starting from the moment of commencing the measurement of this variable in 2008, at the time of the financial and banking sector crisis. The biggest breakdown in assessing the importance of this area in the information activities of enterprises occurred at the turn of 2011 - 37.2% and 2012 - 20.7%, i.e. in the period in which the first recovery after the 2008 crisis appeared (ECM 2015, 2014, 2013, 2012, 2011, 2010, 2009, 2008, 2007).

The observation of this trend based on declarations of people dealing in communication with enterprises may encourage separate explanatory research on this problem. The phenomenon of a drop in interest in the subject of CSR in enterprises (in the context of communication), in the context of the growing popularity of sustainable development issues, and in it also corporate social responsibility in scientific debates, should be considered intriguing. This can lead to two alternative conclusions. Enterprises are still implementing CSR activities, but they do not recognize them as distinctive factors in terms of competition, so they do not communicate them to their external stakeholders. Alternatively, a hypothesis about the slow withdrawal of enterprises from CSR practices could be formulated. The reason for it may be a decline in the utility of such activities, with rising costs for enterprises. The technological change that has taken place over the last few years, the ease of access to information and expressing opinions, concurrent with increasing consumer activity on the

market (the emergence of prosumers actively acquiring information about enterprises), mean that companies when communicating with their stakeholders need to use the modern channels of communication that the stakeholders themselves use more often. A constant, ongoing contact with stakeholders, will be provided by mobile communication channels in the near future according to some theoreticians (Avidaret al. 2013, McCorkindale, Morgoch 2013). With the entrance of subsequent generations into the market, the companies, looking after the relations with current and potential stakeholders must be active in social media (Freberg et al. 2011). The evolution of consumer expectations, who increasingly expect not only a finished product, but individual pre- and post-sales care is a challenge for many enterprises, both logistical and financial. One of the solutions that reduces the costs of companies is the automation of the communication process (Phillips 2015). The quality of content created by bots is currently low, but the progress of work on neural networks and artificial intelligence will certainly change this situation quickly.

As a result of the revolution in the scope of access to information and changes in the means of communication, the stakeholders much more often have problems with the excess of information. An excess of the supply of information and the lack of time to process it leads to difficulties in selecting business-relevant content and their correct understanding and interpretation. Contemporary company dialogue with its business environment should not be limited only to providing information to said environment, but should also include the initial selection of information, matching it to individual groups of the environment and explaining their meaning to the recipients. The development of the digital society is a revolution in access to data, which may be useful not only in the development of business strategies of enterprises, but also in the area of company communication with stakeholders. In this area, as a potential source of building competitive advantage of enterprises and shaping desired projects with the environment of "big data" analyses are indicated - aggregate information from many dispersed sources presented in an accessible way (Gandomi, Haider, 2015).

Big data in strategic communication

The development of computer technologies, digitalization and ever stronger integration with the Internet (e.g. the Internet of Things) are on one hand an improvement of the comfort of life for users / consumers, and on the other a big challenge for enterprises. Along with the computerization of products and services, consumers and producers, consciously or not, pass on a large amount of information, which may be a valuable resource used for further

development or improvement of the market position. Data are the "cornerstone" of the information economy (Mayer-Schoenberger, Cukier 2013), but more and more often the simple analysis of data from direct sources is built upon with predictions based on data from other areas. The digitization of information and computerization that has taken place over the last two decades allows us to simultaneously process and combine information on a scale that would previously be unimaginable. An example of new type of companies that have noticed strength in the big data analyses are Facebook or Google, which create algorithms profiling the network users and then use the knowledge in this area to sell services and goods, either their own or a third party's. ECM's 2016 research indicates that the revolution on the scale of Facebook or Google in the field of mass use of data made available by consumers in electronic channels is still ahead of us. While 72.3% of experts believe that the phenomenon of "big data" is significant and will change the way businesses operate, only 59.3% monitor information related to it on an ongoing basis. One of the problems faced by experts is the difficulty in defining the types of information that can be classified as belonging to the concept of "big data". As a result, the declared level of using the data stream from various economic areas for the purposes of own business activity is relatively low - 21.2%, although a further 16.8% of respondents declared that they intend to implement by the end of 2017 the appropriate solutions in their enterprises. Analyzing this issue, broken down by type of entities, it can be noticed that the companies listed on the stock exchange (23.4%) and consulting firms (22.3%) are the leaders in using the stream of data flowing from the market, while government organizations are relatively weak in this regard (18.3%), as are non-governmental organizations (16.3%). Predictions for 2017 indicate that enterprises with private capital (21.1%) plan to carry out the most projects with the use of "big data" in comparison to other enterprises or non-profit organizations (16%). The latter are at the same time the dominant group among entities that are not generally interested in using such data for their own activity (54.9%).

In the majority of cases, the "big data" analysis is used in planning general business strategies or in the development of market forecasts (55.3%, frequency of use 3.52 in a 5-degree scale, where 1 meant "never" and 5 - "always"). Secondly, big data are used to assess own activities, including the measurement of results and efficiency (45.9%, frequency of use 3.27). For operational and tactical activities, e.g. matching the contents of content to particular auditoriums / stakeholder groups, the use of "big data" analyses is declared by 36.5% of experts (2.99 frequency of use).

Automatizing the content and adapting it to the needs of stakeholders

As is the case when noticing big data in the business activity and the low level of implementation of own activities in this area, a similar phenomenon also occurs when automating the communication of enterprises with stakeholders and matching the contents of content to the needs of consumers. While 75% of experts consider such actions necessary, only 29% of them carry out such activities in practice. In case of adaptation of content prepared by enterprises to algorithms of text indexing by internet search engines or social media platforms, the difference between the declared meaning and the level of implementation is 45.8%. 75% of respondents consider such activities to be of importance but only 29.2% realize these activities in practice. A similar difference can be noted in the case of using tools that, based on programmed algorithms in full or semi-automatic mode, would match the type of information distributed to particular stakeholder groups. The difference in the assessment of the significance and level of application is in this case 43.2%, with 66.9% of respondents noting the importance of automating the matching of the content sent, but only 23.6% using this type of tools in practice. When dealing with more complex actions in the field of companies' communication with the environment, such as automatic or semi-automatic modification of existing content or creating new content for individual stakeholders, the differences are not so big (39.2% for modifications and 33.6% for creating new content). This may be due to the lower importance that experts attribute to a very detailed modification of content (46.3% declared high importance with a 7% level of implementation of content modification, and 46% declared high importance with a 12.2% level of implementation regarding creating new, profiled information). The above research data indicate that in the case of content, experts prefer to prepare materials from scratch rather than modify existing content. There may be several reasons for such preferences. The results of previous years' research indicate that a perception of overwork is growing among the experts. New technologies result in new obligations that require additional work time. A paradox rises within which the digitization of content, computerization and the Internet instead of shortening / facilitating work with information and stakeholders prolong it, at the same time evoking the feeling among experts that they need to be on-line 24 hours a day. In this context, it is not surprising that legal provisions introduced in January 2017 in France protect employees against the employers penalizing them in the event of a lack of response to e-mail correspondence sent outside of business hours.

Trends in the use of mobile technologies

Despite the technological changes, the importance and effectiveness of "face to face" communication remains in the opinion of experts at a very high level - 77.6%. At the same time, e-commerce and easy access to stakeholders on the Internet force an introduction of additional channels of communication between enterprises and the environment. According to 72.2% of experts, online communication via social media will be one of the most important areas and ways for enterprises to communicate with stakeholders. In the next three years, the importance of this area will increase to 88.9% (+ 12.7% by 2019). To a lesser extent, according to experts, the importance of online communication via websites, intranet and e-mail will increase from 76.9% to 82.9% according to their prediction until 2019. The sharpest growth will be in the communication of enterprises with stakeholders using mobile applications for smartphones and tablets - from 63.7% currently to 91.2% in 2019 (+ 27.5%). Applications implemented by banks that not only provide the ability to perform a banking operation, but are used for two-way communication with clients can serve as an example of integrated business and communication solutions. It is probable that the speed of changes in communication with the use of mobile technologies is not only due to the fear of additional workload, but also the technological knowledge barrier. It should be noted that the reluctance to use new technologies increases with the age of the employees. ECM's 2016 research has shown that there is a strong statistical relationship between the age of the respondent and assigning meaning to mobile technologies in communication (scale from 1 to 5, where 5 means "very important" and 1 "unimportant" - 3.71 ** for people over 60 year of life, 3.87 ** for people between 50 and 59 years old, 4.00 ** for people between 40 and 49 years old, 4.16 ** for people aged between 30 and 39 and 4.35 ** for people aged 29 or younger, for $p \leq 0.01$).

Conclusions

The integration of communication strategies with business strategies and the use of new technologies in conducting effective dialogue with the stakeholders are activities that have been at the forefront of the challenges faced by communication experts. The assumptions that mobile communication, social media, automation of the communication process and big data analysis, areas of communication between the company and external stakeholders perceived by communication experts as very important for the effectiveness of communication between the company and the market have been verified positively. At the same time, the data analysis

indicated that the level of implementation of new technologies is still very low. It is worth noting that this remark also applies to enterprises operating in highly developed countries. The reasons for this state of affairs are different, but certainly high implementation costs, lack of technical and technological knowledge or shortages of personnel and time can be included among them. Based on the results of ECM's research from previous years, it can also be noted that the implementation of new solutions in the field of enterprises' communication with stakeholders takes place on the basis of evolution rather than revolution, as suggested by the authors of theoretical studies. Already in ECM's data for 2013, there was a clear difference between the responses of respondents regarding the importance of mobile media in communicating and the real level of use of this channel. In 2016, the estimates regarding the importance of communication based on mobile technologies were also very optimistic. However, one may risk to assume that, as in the case of "big data" or content automation, although most enterprises are aware of the necessity to introduce changes in the ways of communicating and creating content, they intend to implement them successively. The main challenge that experts face and have faced is the integration of old and new channels of communication between the company and stakeholders, and the presentation of information in such a way that, despite the limitations related to the size of screens of mobile devices, would make possible the inclusion of the matters most important for companies (Rydzak, Verhoeven 2016). In the responses given by experts, there is now more caution in estimating the share of new technologies in communicating companies and organizations. While earlier the trend towards new technologies' displacement of traditional forms of dialogue was indicated, the coexistence and mutual complementation of online and traditional channels can now be observed. The challenge for companies in the next few years will be to implement such a dialogue that, despite multichannel communication and various groups of the environment, ensure consistency of messages addressed to stakeholders.

The results presented constitute a small part of ECM research. The data have a high application value, as they allow comparison of own solutions for enterprises to the European average. An additional benefit may be the use of the presented results in discussions with company management about the need to introduce changes and allocate additional funds for investments related to information and information technologies. Some observations from ECM research, such as those concerning CSR, constitute good justification for undertaking explanatory research seeking explanations of the observed downward trend.

References

Avidar R., Ariel Y., Malka V., Levy E.C. (2013), *Smartphones and young publics: A new challenge for public relations practice and relationship building*, „Public Relations Review”, no. 39(5), p. 603-605.

Freberg K., Graham K., McGaughey K., Freberg L.A. (2011), *Who are the social media influencers? A study of public perceptions of personality*, „Public Relations Review”, no. 37(1), p. 90-92.

Gandomi A., Haider M. (2015), *Beyond the hype: Big data concepts, methods, and analytics*, „International Journal of Information Management”, no. 35(2), p. 137-144.

Grudzewski W.M., Hejduk I.K., Sankowska A., Wańtuchowicz M. (2010), *Sustainability w biznesie czyli przedsiębiorstwo przyszłości. Zmiany paradygmatów i koncepcji zarządzania*, Poltext, Warszawa.

Mayer Schönberger V., Cukier K. (2013), *Big Data: A revolution that will transform how we live, work and think*, Boston, MA, New York, NY: Houghton Mifflin Harcourt.

McCorkindale T., Morgoch M. (2013), *An Analysis of the Mobile Readiness and Dialogic Principles on Fortune 500 Mobile Websites*, „Public Relations Review”, no. 39(3), p. 193-197.

Phillips D. (2015), *The automation of public relations: A perspective on the development of automation affecting public relations*, Woodbridge, UK: BLURB.

Płóciennik S. (2007), *Problemy niemieckiego rynku pracy w perspektywie nowej ekonomii porównawczej*, Centrum Studiów Niemieckich i Europejskich im. Willy Brandta, Uniwersytet Wrocławski, <http://mikro.univ.szczecin.pl/bp/pdf/76/22.pdf>, (dostęp: 22.12.2010).

Rydzak W. (2011), *Reputacja a działania informacyjne organizacji w sytuacjach kryzysowych i determinany ich wyboru*, Wydawnictwo Uniwersytetu Ekonomicznego w Poznaniu, Poznań.

Rydzak W., Verhoeven P. (2016), *European Communication Monitor 2014 - nowe trendy w komunikowaniu*, w: Adamus-Matuszyńska A., *Public Relations w perspektywie naukowej*, Wydawnictwo Uniwersytetu Ekonomicznego w Katowicach, Katowice, s. 91-99.

Zerfass A., Ruler B.V., Rogojinaru A., Verčič D., Hamrefors S. (2007), *European Communication Monitor 2007, Trends in Communication Management and Public Relations – Results and Implications*, University of Leipzig - EUPRERA, Lipsk.

Zerfass A., Moreno A., Tench R., Verčič D., Verhoeven P. (2008), *European Communication Monitor 2008. Trends in Communication Management and Public Relations – Results and Implications*, EUPRERA, University of Leipzig, Bruksela-Lipsk.

Zerfass A., Moreno A., Tench R., Verčič D., Verhoeven P. (2013), *European Communication Monitor 2013. A Changing Landscape – Managing Crises, Digital Communication and CEO Positioning in Europe. Results of a Survey in 43 Countries*, EACD/EUPRERA, Helios Media, Bruksela.

Zerfass A., Moreno A., Tench R., Verčič D., Verhoeven P. (2014), *European Communication Monitor 2014. Excellence in Strategic Communication – Key Issues, Leadership, Gender and Mobile Media. Results of a Survey in 42 Countries*, EACD/EUPRERA, Helios Media, Bruksela.

Zerfass A., Moreno A., Tench R., Verčič D., Verhoeven P. (2016), *European Communication Monitor 2016. Exploring trends in big data, stakeholder engagement and strategic communication. Results of a Survey in 43 Countries*, EACD/EUPRERA, Quadriga Media, Berlin.