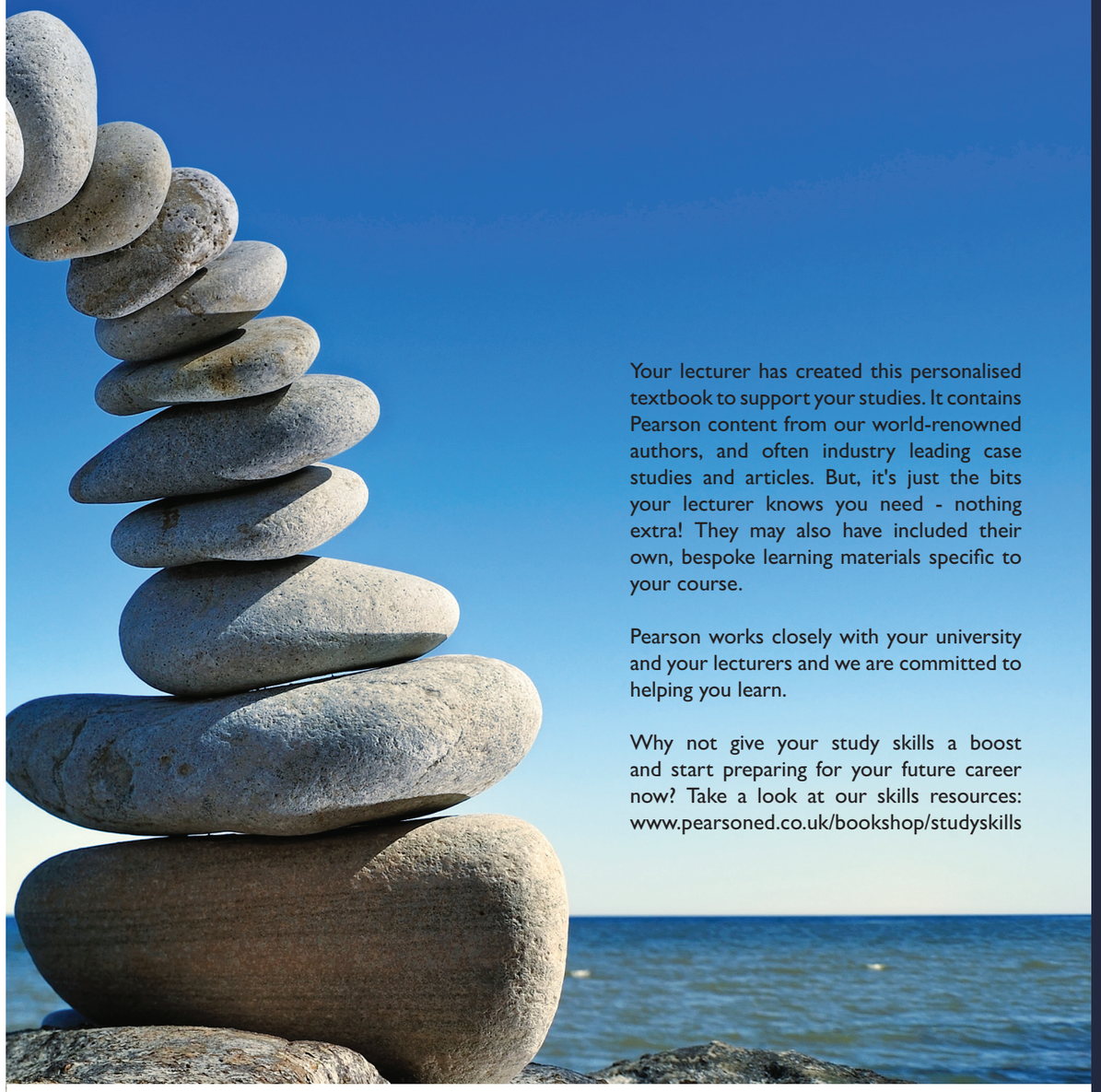

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Entrepreneurial and Communicative Mind in Action

Edited by:
Pedja Ašanin Gole
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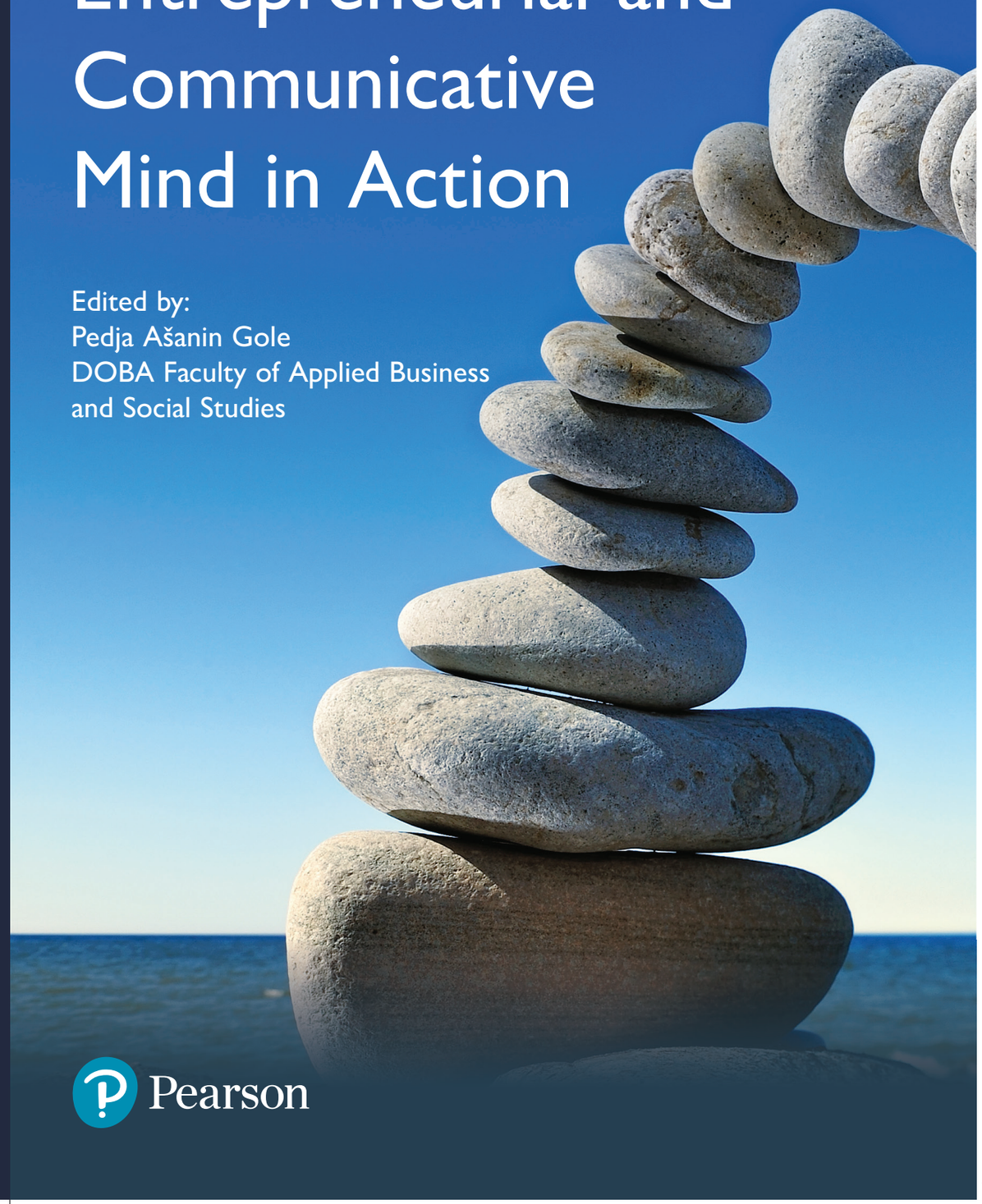

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Entrepreneurial and Communicative Mind in Action

Pedja Ašanin Gole
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ISBN 978-1-800-06427-0

Printed and bound in Great Britain by Ashford Colour Press, Gosport, Hampshire.

Entrepreneurial and Communicative Mind in Action

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Diving Deep in Entrepreneurship Ecosystem, (Digital) Communication and Marketing

Pedja Ašanin Gole

> Knowledge is a mix of framed experience, values, contextual information, expert insight and grounded intuition that provides an environment and framework for evaluating and incorporating new experiences and information. It originates and is applied in the minds of knowers. In organizations, it often becomes embedded not only in documents or repositories but also in organisational routines, processes, practices and norms (Tiwana, 2000).

The present monograph of twenty-eight authors from four countries was created as a part of very constructive three-year collaboration on the EU Erasmus+ project *Internationalization at Home through Online Micro Masters and Virtual Mobility* (2018-2021). The project was led by the University of Istanbul (Turkey) in cooperation with the Institute of Communication Studies (Skopje, North Macedonia), DOBA Faculty of Applied Business and Social Studies (Maribor, Slovenia), and Vytautas Magnus University (Kaunas, Lithuania). The project was designed for young graduates to develop their entrepreneurial, communication and marketing skills and to facilitate their adaptation to the labour market and to help develop their careers.

Over the three-year period, more than thirty lecturers from all four higher education institutions have developed and prepared numerous teaching e-materials, OER, e-quizzes, gamifications, conference papers and professional and scientific articles in the field of entrepreneurship, (digital) communication, and marketing. Two Micro Master programs have been developed, namely:

(1) Entrepreneurship and innovative strategies, and
(2) Digital communication and marketing.

Each Micro Master program lasted six months in four learning modules (three courses and capstone project). The programs took place in a virtual campus with an online learning management system, teaching and learning e-materials. Each Micro Master program was completed by the participants with the preparation of a capstone project. Both programs were attended by 20 lecturers from the four mentioned higher education institutions and 358 students from 9 countries (Bosnia and Herzegovina, China, Croatia, Lithuania, Nigeria, North Macedonia, Slovenia, Serbia, and Turkey).

The present monograph represents the symbolic conclusion of the three-year work of the contributors and their collaborators on this project. The content presented in this monograph means for both the authors and especially participants of both Micro Master projects diving deep in entrepreneurship ecosystem, (digital) communication and marketing. We believe that this content will be used to advantage by both students

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and young entrepreneurs who are just embarking on an entrepreneurial path, as well as more experienced entrepreneurs, communicators and marketers.

The content of the monograph is organized into eighteen chapters that follow this introductory chapter.

In *the Chapter One,* the authors present the structural changes in the political market and in the entrepreneurial ecosystem caused by the digital society that has brought new markets, new opportunities, challenges, and threats. The once unrepresentative part of the political market has grown in the digital society and has begun to have a very active influence on election results using digital networks and social media through which it spreads fake news, alternative facts, and post-truth results. The authors analyse the consequences of some such political instabilities in the modern environment, especially marked by the COVID-19 crisis for the business ecosystem and point out the importance of recognizing the gaps and threats of the digital society.

The Chapter Two focuses on useful strategies for start-up entrepreneurs to be able to develop and maintain effective communication with their public and presents a mini guide for them. The authors list communication strategies and define the content of key terms such as resource acquisition, internal and external communication, company brand, and owner focus. The following explains in detail the use of social media in communication strategies tailored to start-ups.

The last two decades have seen the growth of the social economy all over the world. The authors of *the Chapter Three* present in detail the meaning and content of the social economy and focus on the specifics of the social economy in relation to the public and private sectors and point out the dual purpose of social economy organizations, which is not only entrepreneurial but also social and ultimately societal. Within the theoretical discourse, they establish that generic principles of strategic communication are also suitable for communication in social economics, however, contextual principles of strategic communication practice must also be considered when implementing strategic communication in social economy organizations.

Family businesses represent a significant share of the global economy both in terms of their number and the number of employees. The authors of *the Chapter Four* analyses the entrepreneurial social responsibility of family businesses in relation to non-family businesses in relation to employees and the local community. The research finds that family businesses are at the forefront of corporate social responsibility.

The author of *the Chapter Five* analyses the interconnectedness of cyber-attacks on devices, infrastructure and information, and fake news and other types of misinformation and their contribution to the growth of the threat to reputation. Both, cyber-attacks, and the spread of fake news in front of social networks, are considered by the author as part of a continuum, with the introductory definition of cognitive attack as a deliberate attack on the audience's attitude towards the organization, dealing with the relationship between cognitive and cyber-attacks.

The content of *the Chapter Six*, which is a logical continuation of the previous one, are the threats in the cyberspace and ensuring greater security in the international of cyberspace, the global implications of the emergence of this virtual domain, the dynamics of its governance as well as threats entrenched in its design. It is concluded with the call for coordinated efforts to address these matters on a global scale, as it offers the most effective way to deal with the various insecurities within the cyberspace.

Chapter Seven deals with digital business as a result of a complex digitization process. The fundamental aspects of digital transformation for learning organizations are presented by establishing an effective and rather practical relationship among the concepts of digitalization so that organizations can become better at digitalization as long as they are learning. Explains in detail the three major concepts that learning organizations are to consider throughout digital transformation - digital culture, digital engagement, and digital leadership. The authors emphasize the importance of organizational learning, to create organizational knowledge in a new digital environment and the role of digital leadership.

Chapter Eight introduces the importance of trademarks for entrepreneurs and especially for start-ups. The main features of trademarks as a tool to communicate with the consumers or customers and may be a powerful tool conveying a message or differentiating one from the competition are presented at the beginning. Chapter highlight why the legal framework concerning trademarks may be of importance when considering business strategy.

The "post-truth" era, as a new phase of the digital age, has created new challenges for the marketing industry by allowing brands to be shaped alongside the consumers in an interactive manner. Brands are in search of forming strong connections with the target audience through stories that consumers already have a connection with stories that mean something to consumers. This connection is provided by myths, which narrate and describe more than explain and reveal how the brand should be perceived. Consumers recreate the myth by accommodating brands' mystic stories in their own stories, which adds to their potency, allowing consumers and companies to co-produce a product and its branding in ways which meet both their objectives. In *the Chapter Nine*, the authors clearly show the use of myths in the processes of (marketing) communication in the time of post-truth and social networks, and the potential usability of myths.

The next four chapters address individual segments of digital marketing, the impact of influencers on consumer trust, retargeting online customer behaviour, the role of Internet communication speed during a pandemic, and the effects of consumer choice factors on digital marketing communication.

The authors of the *Chapter Ten* study the negative effects of influencer marketing on consumer trust, which can also lead to a loss of connection between a business and its consumers. Namely, building a strong brand that consumers trust is the responsibility of every company that wants to achieve long-term success. The authors investigate and

explain how influencer marketing affects consumer trust as well as the impact of influencers on consumer purchase decisions.

The practice of mobile marketing and retargeting as one of marketing strategies in digital society, have great influence on customer`s buying behaviour. Authors of *the Chapter Eleven* attempt to answers to the questions: does mobile marketing has impact on changing the customer online buying behaviour? Is retargeting helping customers to find and buy the best product they search online? Whether that companies benefit from mobile marketing and retargeting in terms of sales and turnover increase?

The authors of *Chapter Twelve* explore the effects of Covid-19 and, in particular, the measures that followed the growing uncertainty and management of the economic situation on the use of digital services. The pandemic has increased the time people spend in front of screens, as most of the work from formal organizations has been relocated to home homes. The authors investigate the importance of the volume of mobile data in relation to the speed of the stationary Internet and the price sensitivity of communication service packages for young Slovenian people between 18 and 34 years of age. It turned out that the speed of fixed internet is more important than the volume of mobile data and that price is the most important factor in choosing a package of communication services.

With the new reality after the pandemic, consumer behaviour is expected to change more frequently due to the development of society and new technologies, and businesses should follow these changes and actually listen to their customers. The effects of consumer choice factors on marketing and digital communication strategies are the content of the study of *the Chapter Thirteen*. The authors analyse the factors of consumer choice in the Macedonian telecommunications industry, which is dominated by new technologies that are very attractive to customers. The chapter provides valuable insight into consumer behaviour and the factors of their choice in the telecommunications market.

The authors of *Chapter Fourteen* analyse how the digital skills gaps of vulnerable groups of employees relate to their motivation to learn and train. They stem from the idea that on-the-job training among vulnerable groups of employees can help bridge the digital skills gap, so that these employees can also meet the demands of the labor market and their working position. A survey was conducted among 118 managers of Slovenian companies with at least one segment of vulnerable groups among their subordinates (young employees, low-skilled employees, older employees). They concluded that the level of motivation for learning and training is not directly related to the size of the discrepancy between required and current digital skills among the vulnerable groups of employees in Slovenian companies and enterprises.

The last three chapters of this monograph deal with the evaluation of various aspects of the EU Erasmus + project *Internationalization at Home through Online Micro Masters and Virtual Mobility*.

The first of these, *Chapter Fifteen*, assesses the reflexivity-based of teaching leadership and innovation based on the evidence from Micro Masters online learning programs. Reflexivity refers to questioning what we might be taking for granted and examining underlying assumptions, decisions, actions, interactions etc. Study adopts a reflexivity-based approach that assesses teaching the leadership and innovation by using authors' own experiences based on the data collected from an online micro master program.

In *Chapter Sixteen* the effectiveness of digital learning systems with respect to teacher-student interaction and educational process through value-based communication perspective is examined. The study includes students' feedback and comments, which were provided after completing three courses and capstone project within first Micro Master training program.

Chapter Seventeen evaluates internationalization at home in both six-month Micro Master programs as a means of bridging the "mobility gap" in countries outside the core of Europe. The authors note that Micro Masters programs have helped to address the "imperative of mobility" in non-core countries by effectively implementing internalisation at home through a virtual campus and, consequently, virtual mobility. According to their findings, the implemented Micro Master programs are good examples of ways in which online education can be used as a tool to bridge the gap in inequality in providing a more evenly distributed internationalized higher education across Europe.

The last, *Chapter Eighteen*, uses an updated New World Kirkpatrick Model to learning evaluation of both implemented Micro Master programs.

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Chapter 1

Structural Changes on the Political Market and the Enterprise Ecosystem

Nuša Lazar* | Rasto Ovin** | Pedja Ašanin Gole***

Abstract: According to authors' research in the field of applied theory of markets quite serious instabilities endangering stability of enterprise ecosystem can occur in the case when new markets appear and there are no methods, policies, and instruments for its regulation available. The digital society has brought new markets, new opportunities, challenges, and threats that mean structural changes in both the business ecosystem and political markets. Decades of relative political stability, safety and economic growth also established disparities in income decision and relevance in industrial societies. In this way once unrepresentative part of political market has grown and is beginning to influence the elections outcome – mostly bringing in rightist and unconventional governments. With their messages they are not only shaking the society but also very much the entire ecosystem. In this paper basing on recent developments as presented in literature and consistent media the authors analyse the consequences of domestic and international political instabilities in contemporary environment – especially marked with the COVID–19 crisis. When trying to give answers regarding possible policy measures the authors point out the importance for recognition of gaps and mistakes overseen by established policy based on liberal democracy as well as to the role of the voting body activity.

Keywords: applied theory of markets; digital society; emerging of new markets; economic policy; fake news; hate speech.

1 Political stability and enterprises ecosystem

Political environment is a part of the business environment and its stability influences businesses' decisions. As recent examples of the USA show, even in countries perceived as politically stable, political change can have a significant impact on business. From the position of business analysis, the political environment is a component of the PEST analysis. It not only means typical market analysis (for

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instance: Vukasović and Jalen, 2018) but encompasses all possible strategic risks (political, economic, social, and technological environment – Sammut-Bonnici and Galea, 2015) with the help of which the managers assess environmental factors of a business. Further on in the literature as exogenous drivers of change considered also are globalization, regional disparities, demographic shifts, and political instability (Guy, 2011, 3).

So, it is expectable what Cervantes and Villaseñor (2015, 98) conclude in their study on a relationship between political stability and economic growth (using a sample of 61 developed and developing countries for the 1996-2009 period) - that the relationship between political stability and economic growth is positive and significant. This is especially evident when changes in per capita income and the political stability and non-violence levels are observed. Apart from that Zureiqat (2005, 22) with the help of empirical models[1] proves significant relationship between stable democracy and economic growth. However, he could not conclude, that political instability and economic growth are endogenous and jointly determined.

Economists usually stress that an unstable political system may slow down investment, and in consequence reduce economic growth. Theoretically, when we do not define political instability precisely, a reversed relationship is also possible. The economic troubles of a country may constitute a major factor in social tensions and furthermore political instability, which in turn may cause the fall of a government.

So according to Hussain (2014) political stability can also be seen as an environment for weakness since it prevents any form of change and innovation and can therefore demoralize the public. People seek change in all sectors of life to have a brighter future through better opportunities. Political stability in this respect can take the form of contentment and stagnation that does not allow competition, which can be applied in practically all areas – political systems, education, business, innovation, arts. Political stability in this case refers to the lack of real competition for the governing elite and can consequently enforce stringent barriers to personal freedoms.

Next example of turning tables is the study by Bellettini, Ceroni and Prarolo (2009, 1-3). Using data on a panel of 56 democratic countries in the period from 1975 to 2004, they found evidence of a negative association between political stability and economic growth, which was stronger and empirically more robust in countries with high bureaucratic costs. They state the example of Italy, where the existence of long-lived political and economic elites is often blamed for the low rate of technological innovation, economic growth, and social mobility. Politicians and major economic actors are perceived as an inaccessible and self-sufficient core. They rule the country using long-lasting personal relations, contacts, and acquaintances, which is preventing access to power by more dynamic individuals. A relationship-based system is therefore

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[1] *For the study, Zureiqat (2005, 1) used data from 1985 to 2002 for 25 countries in five different regions: Africa, Central, and Eastern Europe, Latin America, the Middle East, and Southeast Asia.*

created where economic outcomes tend to be driven by knowing the right person in the right place more than by the market itself.

From the point of this chapter and following the facts presented below, we would however stress that the reverse results of relation between stable democracy and economic growth should be limited to the area of political change. On the other hand, there is no proof that social disintegration, wilful destroying of democratic institutions or repression against groups of population (chosen by doctrine differences to the ruler) could by any means help economic growth. It is rather bringing stress and additional cost to the ones being on the wrong side of the stick – introduced as a ruling instrument by the dictator.

2 Hate speech by top politicians

We encounter the phenomenon of hate speech, rhetoric that targets, vilifies, or is intended to intimidate minorities and other groups in society, more and more often, notably due to extensive use of social media platforms. We witness the use of hate speech also more and more often in politics: by state agents, public figures, and other influential persons. Occupying a position of privilege and protection politicians and people in authority use their position and privilege to deepen existing divides when they use provocative language, such as hate speech.

When examining the prevalence of hate speech at certain instances of the public sphere, it can be concluded that hate speech is seldom more prevalent in the in the mainstream media but rather in social media and regretful in political sphere (Bayer and Bárd, 2020, 114). The speaker's position or status may largely define how the message is received and what impact it exercises. Regrettably, racist, xenophobic, or otherwise hateful political statements are increasingly expressed by political figures of the highest standing. That makes these statements very powerful in societies and induces negative social processes. Concurrently, these political figures can be the least controlled or influenced by national laws, self-regulation, or moral norms, due to their high status (ibidem, 57).

Examining the political stability index[2] for the USA from 1996 to 2019, the average value for the USA during that period was 0.47 points with a minimum of -0.23 points in 2004 and a maximum of 1.08 points in 2000. In the four years of Donald Trump's presidency, a drop in the index is evident: from 0.68 points in 2015, to is 0.30 points in 2019 (Countries, 2021). This can be explained by Donald Trump publicly denigrating people based on their racial, ethnic, or religious backgrounds, which created tensions at the

[2] *The index of political stability (and absence of terrorism) measures perceptions of the likelihood that the government will be destabilized or overthrown by unconstitutional or violent means, including politically motivated violence and terrorism. The index value varies from -2.5 (weak political stability) to +2.5 (strong political stability). The index is an average of several other indexes from the Economist Intelligence Unit, the World Economic Forum, and the Political Risk Services (Countries, 2021).*

public resulted also in unconstitutional, violent means, including politically motivated violence (following his invitation Trump supporters storm the Capitol in January 2021).

Hate speech targeting different ethnic, religious, immigrants, and other groups and minorities is a widespread phenomenon also within Europe and other western democracies, including in political discourse. It is increasingly found not only in the political discourse of far-right parties (like in the 2019 Polish election, where incumbent president Andrzej Duda made demonization of the LGBTIQ+ community as well as foreigners) but spreads also into the rhetoric of mainstream parties (like the former president of United States of America, Republican politician Donald Trump, who publicly denigrating people based on their racial, ethnic, or religious backgrounds). A serious concern is the growing success of populist parties that widely use hate speech. Furthermore, hate speech can be instrumental in increasing the voter base (Tulkens, 2013, 4; Piazza, 2020).

Hate speech has also figured in the recent rhetoric of political leaders in a variety of countries including Russia, Colombia, Israel, Egypt, Ukraine, Hungary, Slovenia, the Philippines, El Salvador, Italy, Greece, Sri Lanka, and Iraq. For example, in the 2019 parliamentary campaign in India, politicians from the ruling Bharatiya Janata Party targeted Muslims as part of a widespread electoral strategy to galvanize Hindu nationalism. What public figures say can bring people together or divide them. How politicians talk influences how people behave – and the amount of violence their nation experiences: when politicians use hate speech, domestic terrorism increases (Piazza, 2020). An example of that is the USA, where hate crimes have surged nearly 20 percent during the administration of President Donald Trump. FBI report on hate crime statistics shows that hate-motivated murders, largely committed by white supremacists, spiked to their highest number in 28 years. The statistics show that hate crimes have increased from 6,121 incidents in 2016 to 7,314 in 2019, a 19.49 percent increase (Villarreal, 2020). In Germany, a correlation was found between anti-refugee Facebook posts by the far-right political party Alternative for Germany (AfD - Alternative für Deutschland) and attacks on refugees. In Myanmar, military leaders and Buddhist nationalists used social media to stigmatize and demonize the Muslim minority (Rohingya) ahead of and during a campaign of ethnic cleansing (Laub, 2019).

There is a question if hate speech and all kinds of hateful rhetoric in politics also influences the economy, and consequently the businesses. Does a negative attitude towards foreigners affect foreign direct investments in the country? Whether negative attitudes towards migrant workers affect higher employment rates of the domestic population and consequently lower unemployment rates? Evidence points to the impact of trade and automation on advanced economies' labour markets, which in turn gives rise to dissatisfaction with the status quo and the increased support for populists.

While Donald Trump was the President of the USA, he broke from decades of Republican support for free trade. Particularly, his brand of economic nationalism encourages US citizens to consume fewer imports and, instead, to buy American products. As survey by Kucik and Pelc (2017, 1) evidence suggests, consumers' attitudes are not always

aligned with their behaviour. Individuals may support Trump but be unwilling - or unable - to pay more for costlier domestic goods. Further research shows that Trump's low popularity abroad and the weakening of U.S. leadership dampened U.S. exports (Guriev and Papaioannou, 2020, 77). Another example is Hungary, where in the past years, the Hungarian government has increased the pressure on those that do not conform to its worldview. When Victor Orban took over the power in 2010, nearly three-quarters of the population were not satisfied with the current economic status and thought they were better under communism. Orban promised stability. With his rhetoric and political decisions Victor Orban's FIDESZ party is creating enemies and vilifying opponents (foreigners, migrants, international NGOs). From 2010 to 2018, Hungary's GDP per capita, in constant purchasing-power-parity-adjusted dollars, grew 2.8 % per year. The (unweighted) average and median growth of other Central European and Baltic countries were moderately higher, both at 3.3 % per year. EBRD carried out a synthetic-control analysis for its member countries. This analysis showed that despite receiving about 3 % of GDP from the EU funds every year, Hungary has underperformed compared to its doppelganger since 2010 (ibidem, 79).

The facts presented above sure call for criticism of top political leaders, especially as they ignore the damage, they are causing to economy by negatively influencing enterprise ecosystem. We would go further and would criticize their economic advisors. They are surely presenting them with macroeconomic and especially trade options with their government. But (obviously scared of losing their position) do not dare to tell them the consequence of hate speech for their country's trademark (Ovin, 2021). Surely there is a difference if such acting comes from a leader of a big nation on one hand and the leader of a small economy with practical no economic or political impact available. So, they could use some advice.

3 Fake news

Fake news is nothing new: people have been spreading it and complaining about it for centuries and did not start with the elections for 45th US President or the 2016 Brexit referendum campaign. Let us remember, for example, the false scientific assertions about the usefulness of spinach due to the high degree of iron, or the denial of scientific facts about smoking, evolution, vaccines, or climate change mean a widespread denial of fact. But today, the growth of online news has prompted a set of concerns. With the Internet and social media, controlling media content (through propaganda, manipulation, spinning, etc.) has become much easier as individual responsibility is deficient while we are using mainstream media, tweeting, posting pictures, commenting, or creating yet another website for spreading messages in public. Content on social media platforms can be spread among users with no significant fact-checking or editorial judgment. Social media, which increase the speed and breadth of spreading information, have become extraordinarily powerful in a very short time, and have a dramatically different structure than the previous media technologies (Ašanin Gole and Sruk, 2021). Twitter, founded in 2006, has more than 340 million active users worldwide

(Tankovska 2021b), and Facebook, founded in 2004, has more than 2.85 billion (Tankovska 2021a). Those platforms have become a primary source of news for many people. The spread of falsity online is a serious concern for the democratic process and making social, societal, political and enterprise ecosystem unsecure.

Misinformation can occur as a consequence of erroneous information or/and unintentional mistakes. When however, misinformation is created to mislead the targeted public (cf. Ašanin Gole and Sruk, 2021; Wilczek, 2020), we will consider it as fake news. In the era of widespread social networks such news are simply, what we must accept but become a problem, when they enter relevant or official media. They often bring contributions of established opinion leaders and almost as a rule often serve as basis for some business decisions. In this way unrecognized fake news can lead to direct economic damage to the businesses. Since fake information or bringing "alternative facts"[3] can come from high profile politician it is extremely dangerous for the businesses (Lemieux, 2003). Apart from wrong business decisions they may trigger perhaps even more risky and costly is when fake information flow influences transaction specific investment[4].

Usually, unstable enterprise ecosystem is ascribed to rather unstable economies with unstable business environment. As political stability defines also business environment stability and with politicians' fake news production is harming it, we should widen the palette of countries prone to such instability also to leading world economies. As expected, and as can be seen in Gelfert (2018) the cases of Trump's tweeting activity and Brexit campaign early became subject to such analysis.

We live in times, where the internet is frequently the main source of information, news audiences are at higher risk than ever of facing and sharing fake news. Consumers all over the world read, watch, or listen to the news for updates on everything, also on their preferred political candidate. Unfortunately, they often take for granted that what they find is truthful and reliable. Fake news, misinformation, as well as hate speech, is sneaking through all social media platforms. More and more people are relying on social media as a source for news, where fake news content could influence audiences unable to distinguish truth from fact or news from propaganda or surreptitious advertising. Identifying fake news from the real news is made harder. This is actually rapidly becoming an industry of its own, with individuals paid to write sensationalist stories or to create clickbait content to increase site traffic. Misinformation, fiction masking as fact, and intentional lies can be made to look legitimate and can easily spread among thousands of users in a matter of minutes. The 2016 election for US President caused a raised awareness of fake news online, when teens from North Macedonia were duping Donald Trump supporters with fake news.

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[3] *"Alternative facts" are a euphemism hiding the insinuation, falsification of objective facts and truthfulness (Ašanin Gole, and Sruk, 2021, 70).*

[4] *For detailed information see Heide and John, 1990.*

Fake news is impacting businesses and jobs across different industries. We are seeing businesses fall victim to fake news, and even more often to fake reviews[5]. If fake news spreads about a business, or if a business is subject to fake damning reviews, it can negatively impact consumer confidence. If fewer people feel certain about a product or service, then fewer people are likely to spend money on it. Lower customers' confidence and consequently lower demand result in directs costs of fake news. One should not also forget the indirect costs which include the effects of constant alertness, energy, and resources to defend against misinformation and repair damages caused by it (CHEQ, 2021, 14). Some businesses may be able to turn the situation around with just a statement. However, more often we witness the case where an aggressive and costly marketing campaign is needed.

Fake news arises mostly on social media websites, so they are struggling with the problem of fake news from a different point of view. They generate most of their revenue from advertising, where viral content is reaching higher user engagement, which in turn leads to more advertising revenue. Even more, the new measure of the value of information has become virality, the number of clicks and likes on not necessarily accurate and true, let alone quality information, not only political but also economic, entrepreneurial, and these features of social media in the fight for clicks are increasingly inspiring also classical media. Namely, by making online social media the primary means of accessing news and current information's in a digital society, traditional media revenue falls, and if they want more advertising revenue, they need more clicks on their content. It is important that content is attractive (and not necessarily true since the attractiveness and non-truthfulness are bringing clicks, cheering, commenting, and sharing news). The Internet as a main useful acquisition of digital society is less controlled and regulated than the rest of the media space. The massive and brisk spreading of online disinformation, through social media, targeting vulnerable parts of population, political, economic, or entrepreneurial competitors and (technical) difficulties in recognising their fake nature poses an ever-increasing threat to democracy and fundamental human rights in our digital society, mainly during election periods. The problem arises since the content-management algorithms designed to maximize user engagement may unwittingly promote questionable content, like fake news. So social media platforms must work towards maximizing user engagement while minimizing the amount of misinformation shared and reshared.

The spread of online fake news costs the global economy annually 78 billion USD (a study by Cybersecurity company CHEQ with the University of Baltimore). The report also analyses the direct economic cost from false news, and it estimates that fake news has contributed a loss in the stock market value of about 39 billion USD a year (CHEQ, 2021, 6). An example of this is when in December 2017 ABC falsely reported that National

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[5] *In the UK, online reviews were found to influence 26 billion USD a year of consumer spending each year. Due to fake reviews, the trust in peer reviews has dropped. Trip Advisor claims 0.6 % of its 66 million annual reviews are fake. In 2018, 34,643 businesses out of the 8+ million locations listed on TripAdvisor received at least one "ranking penalty" for encouraging or even paying for the posting of fake reviews (CHEQ, n.d., 14).*

Security Adviser Lieutenant General Michael Flynn, would testify that Donald Trump had instructed him to contact Russian government officials during the 2016 election campaign. This kind of testimony would create the possibility of impeachment, and a crisis of government in the world's largest economy. Following the story, the S&P 500 (the weighted index of the 500 largest U.S. publicly traded companies) dropped by 38 points (ibidem, 6).

Another example of fake news's effects and impact on the economy is on India's economy, where claimed that eating chicken caused COVID-19. The impact on the poultry industry in India led to stunning losses with prices falling from 200 rupees per kg of chicken to just 70-60 rupees. Drastic action by the farmers saw day-old chicks buried alive to avoid having to continue feeding them. This also hugely impacted India's maize and soya industries as the poultry industry was the biggest buyer of these crops (Fake News and its Impact on the Economy, 2020).

Synthesizing the facts presented on hate speech and fake news takes the decision how the group applying it to the relations within the nation should be treated. By attracting political businessmen and merchants they gain the status of real power as they represent a considerable share of political market. From the point of enterprise environment which is influenced by political stability and its decisions in this way the border between social discourse which due to its vocabulary is considered irrelevant and platform acknowledged for everyday and business communication is crossed. We do not believe that measures restricting such communication would really work – obviously, they do not – otherwise this art of discourse would not come out in such dimension. The only measure is to make such discourse relevant. Such policy has supply and demand side and is presented below.

4 Conclusion and suggestion for action

As already stated, political decisions have an impact on businesses. Kaushik (2019) discusses impacts in form of taxation, regulation and compliance, political climate as well as domestic vs international implication of politics on business. The most obvious impact is in the form of changes in laws and regulations. Governments have the power to change laws linked to different aspects of businesses, such as labour laws, environmental sustainability, social responsibility, and taxation. Taxes can have a massive effect on overhead and profit margins.

As long as hate speech, fake news and "alternative facts" stay on social media we can do nothing that tolerate it, regret it but it should not be accepted because it disintegrates economy, to say it most direct way. So, it should stay in small circles. As soon, however these circles grow, they take representative size of the political market. As stressed above, the traditional liberal democracy massively overlooked two facts. The first one is that groups deprived with income distribution and with their political power can grow if the establishment miss them out with their policy. The second one is the multiplicative effect these groups get through new information technologies which enable their

constituency in respect of unifying them and in respect of action they are ready to take to draw attention nationwide.

So, a part of political market becomes relevant that no one expected and is using the energy that has accumulated for a long time – depends on the extent they were ignored and deprived of the fruit of renaissance and enlightenment. From their perspective these two basic elements in human progress in last centuries represent the reason for their situation and are first to break with them. This being the climate on considerable part of political market and respectively reaching relevant size draw the attention of political businessmen and merchants, who have no reservation to take advantage even with positions that seemingly have been abandoned in a civilized society long ago.

The question is what could be done to stabilize the enterprise ecosystem shaked by politicians' action making enterprise ecosystem unsecure as described above. What has clearly economic consequences could nevertheless be only fought by democratic instruments and measures as like presented above, stable democracy ensures stable economic growth. The first one would be that liberal democracy recognizes the problem of reshaping of the political market as the consequence of their ignorance and arrogance toward certain groups. They should base their politics on inclusive policies of all groups in a society. That means also dethroning and redirecting of their representatives from proponents of urban-only values concern and acknowledgement. The second instrument and measure lie with the voters. From the protesters against outcomes of elections or referendum (Brexit) we are used to hear their regret not to participate with elections. This claim is not logical but at the same time represents the best measure to have the democracy that corresponds to the qualified majority.

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Chapter 2

Entrepreneurial and Communicative Mind in Action: How Start-Ups Do and Should Communicate with Their Publics Effectively

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Abstract: This chapter focuses on the useful strategies entrepreneurs are supposed to adapt to be able to develop and sustain effective communication with their publics. In the entrepreneurial ecosystem, communication with the key stakeholders may be paid insufficient attention due to the fact that entrepreneurs set up small startups where basically everybody knows each other and supposedly there is no need to plan and implement strategic communication. However, the main goal many startups aim to achieve is to go through the death valley and become as successful as possible to be able to have investment and succeed as a big business. An effective, solution-based, and two-way symmetrical communication process is one of the key terms for entrepreneurs to achieve every startup's dream and this chapter aims to explain and analyze how it is possible to establish and sustain a productive communication process for newly-established businesses. First, the communication strategies to consider are listed and then key terms to focus on, such as resource procurement, internal and external communication, corporate branding, and owner centricity, are mentioned. The use of social media is clarified next within the scope of communication strategies start-ups should adapt.

Keywords: start-ups and social media; start-up communication strategies; stakeholders for start-ups.

1 Introduction

Start-ups are small-to medium-sized enterprises in an early stage of development that focus on providing high-tech innovative products and services (Men, Ji, and Chen, 2017, 92). According to a more detailed definition from the European Start-up Monitor (ESM), start-ups are entities defined by three characteristics:

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(a) they are younger than 10 years,
(b) they feature highly innovative technologies and/or business models,
(c) they have (strive for) significant employee and / or sales growth.

So, when a venture meets the first of the three characteristics above, together with one or both of the other ones, it qualifies to be included in the ESM as a "start-up". This definition obviously differentiates start-ups from conventional businesses and small to medium-sized enterprises that do not promote innovative products / services or business models that exist to secure the livelihood of the founders without any substantial perspective of growth (e. g. a hairdressing business) (Kollmann, Stoeckmann, Hensellek, and Kensbock, 2016, 15).

Compared to established large corporations, start-ups are more likely to be in the phase in which they are yet to establish their corporate reputation, identity, and internal processes (Rode and Vallaster, 2005; Petkova, Rindova, and Gupta, 2008). Start-ups also face some challenges as their human and financial resources are limited, and they usually suffer from the lack of knowledge and support from their previous market experiences (Rode and Vallaster, 2005), and the lack of track record, as well as liability of newness (Ulvenblad, 2008).

Men, Ji, and Chen (2020, 37-38) provide three key differences between start-ups and large corporations' public relations (PR) functions in terms of prioritization, specific activities and the scope of such functions:

- For start-ups "survival" is the major purpose of PR activities, while this is maintaining and enhancing corporate and brand image that primarily matter for large corporations.
- PR functions in start-ups require more innovative, cost-friendly activities than large corporations. Due to financial constraints, they usually do not have large budgets for event planning and advertising. They tend to focus on organic word-of-mouth communication and creative messages and collaboration with well-known companies to boost their image and receive positive feedback from stakeholders.
- Start-ups generally have a few people specialized in PR and marketing compared to large corporations. Therefore, PR in start-ups requires direct input and entrepreneurs and their top leaders to involve directly. This involvement makes PR activities "inherent" in the daily business operations of start-ups.

Also, research conducted with a particular focus on strategic communication and PR for start-ups is scarce compared to those on large corporations' communication. Some of theme that touch upon start-up branding suggest that start-ups should not feel obliged to compare with large corporations (i. e. multinationals) and have to design more innovative and creative communication activities that put the emphasis on their unique features (Boyle, 2003; Ojasalo, Natti, and Olkkonen, 2008). Previous research gives a look into how start-ups use reputation building, branding, and internal communication. Just a few studies focus on strategic stakeholders / publics for start-ups, how they build relationships with their strategic stakeholders/publics and how they communicate effectively with them.

2 Strategic publics for start-ups and strategies they use to build good relationships

In a recent research by Wiesenberg et al. (2020) external funders stated that valid stakeholder groups to which every start-up has to pay attention are "employees", "customers", "investors" and "media". The research found that "customers" and "investors" should be primarily focused on to generate growth, internal communication should begin on the first day of the enterprise, stakeholder communication should make every stakeholder be updated and feel appreciated. Start-ups should be capable to communicate with their stakeholders at eye level and adapt to changing conditions. Communication must establish and enhance trust between start-ups and their stakeholders (p. 58).

Besides "employees", "customers", "investors" and "media", Men, Ji, and Chen (2017) add "the government" as another strategic public of Chinese start-ups in their research in which "employees" and "customers" were found to be the ones on which start-ups heavily focus more than on any other publics. "Employees" are the production force for the start-ups and ambassadors of external relations, their skills are the major competitive advantage for the product innovation, R&D, technological development of start-ups, while "customers" can contribute directly to the company's sales, revenue, and survival. The reason that the government is in the list is that it provides start-ups with a considerable amount of funding and policy support in China (pp. 105-106).

Although start-ups have limited resources and unique strategic communication needs, the strategies they use to build relationship with their publics / stakeholders are similar to strategies used by large corporations. These are as follows (Men, Ji, and Chen, 2020, 42-47):

- *Openness/Access:* This strategy is intended to guide organizations and their publics / stakeholders to show the wistfulness to involve in direct communication. In this regard, both should create access to each other to involve in open dialogue. Start-ups tend to use this strategy for managing employee relations.
- *Positivity:* This is intended to build a positive and enjoyable relationship in which all parties need to be polite and avoid criticism of the other party to create and maintain positive relationships internally and externally.
- *Sharing of tasks:* This is about the fact that organizations collaborate with their stakeholders/publics to solve problems related to either or both of parties' interests.
- *Saying win-win or no deal:* Most stakeholder / publics relationships in the early stage are still committed or mutual beneficial. So, common interests help bound start-ups and their stakeholders together. If start-ups and stakeholders / publics cannot find a solution that benefits both sides, they should agree not to engage and then to decide, given the outcome of which is not beneficial for either party in the long run.
- *Listening:* This is about not only being attentive but also being responsive. Start-ups use this strategy for managing internal and external relationships (especially with customers). Social media-based monitoring is a useful tool for this strategy.

- *Networking:* This is networking related to government, investors, and customers relations (i. e. attending industry activities and events, and gatherings) (Men, Ji, and Chen, 2017, 101).
- *Personal relationships:* This strategy is particularly useful when building relationships with customers, investors, and government officers especially in occasions of face-to-face gatherings.
- *Vision/value communication:* This is about presenting the values and vision the start-up has to ensure public confidence, demonstrate contributions of the start-up in a comprehensive cultural, social, political, or economic context, and to encourage stakeholders/publics to endeavour for a common goal.
- *Authentic communication:* This strategy is about being honest and authentic in communication.
- *Empowerment:* Empowering stakeholders (especially employees and customers) through collaborations, conversations, and in the decision-making process is another strong strategy used to build and maintain relationships with stakeholders/publics.
- *Proactive reporting:* This strategy is about communicating with the investors (and other stakeholders such as customers) periodically and proactively to keep them informed and updated.

3 Start-ups and strategic communication: key terms

As mentioned earlier, research that focus on start-ups' communication activities are limited. A thematic look into the existing literature reveals some areas in which start-ups use a sort of strategic communication and PR: Resource procurement, internal communication, corporate branding, external communication, and owner centricity.

3.1 Resource procurement

Here, resource procurement is used as a category as it refers to the fact that start-ups benefit from communication to obtain financial and human resources. Because they suffer the lack of financial resources, start-ups are usually dependent on external investors and supporters in the early phases of development. These supporters also cover angel investors, venture capitalists, incubators, and accelerators (Wiesenberg et al., 2020, 51). "Employer branding" and "investor relations" are two of the ways of obtaining external resources in which start-ups use communication.

Besides the procurement of financial resources, start-ups should draw on employer branding to meet manpower requirements in the process of growth. So, attracting appropriate and skilled staff is one of the biggest necessities for start-ups. Tumasjan, Strobel, and Welpe (2011) identified unique job attributes distinguishing start-ups from large firms, which are team climate, responsibility/empowerment (highest importance), flexibility of working schedule, leadership functions, learning curve, hierarchy (these are at third rank), and entrepreneurial knowledge building company shares, task variety

(insignificant). The authors demonstrated that the early assignment of responsibilities and a communal team climate are the most attractive job attributes of a start-up for future applicants and showed that some of the start-ups' unique features are preferred by a large number of potential qualified job seekers (e. g. communal team climate), while other attributes are likely to be less influential on job seekers' choices (e. g. option to receive company shares as payment).

Individual contact to a very small and well-known group of investors (e. g. venture capitalists) is substantial for start-ups' survival. Venture capitalists are the formative influence on the start-ups' communication strategy. And their relationship is considerably influenced by two-way communication and information exchange between start-ups and venture capital investors, which prove that communication with existing and potential investors can (or should) be deemed vital for start-ups (Kollmann and Kuckertz, 2006, 58).

3.2 Internal communication

Internal communication in start-ups is defined as the process during which the founders show the way of coordinating organizational activities and responding organizational change (Ivancevich and Matteson, 1999, 467), and the founders support their employees to reach individual and organizational goals (Rode and Vallaster, 2005, 123).

Internal communication in start-ups is also unstructured and face-to-face most of the time, having few regulations as well. It is also a considerable part of everyday life of start-ups. For example, a start-up's entrepreneur spends 64% of his/her working time on communication activities, of which 29% is spent communicating with individuals inside the start-up. These percentages grow even bigger as such start-up moves from its first stage to the second stage of growth (Mueller, Volery, and von Siemens, 2012).

By looking into how pre-IPO start-ups build effective internal communication, Saini and Plowman (2007) provided an integrated model that includes organizational structure, employee communication and culture, PR and communication models, decision-making approaches, leadership styles, employee motivation, and human resources. The authors stated that even with limited resources, entrepreneurs should appoint specific staff to create solutions for internal communication when founding the start-up and should utilize technology to establish a communication system ensuring "multidirectional smooth flow of information" to ensure effective communication with their employees and cultivate a corporate culture (p. 225).

Based on previous research, Harmainen (2014, 26) defined internal communication for start-ups as follows:

Internal communication in start-ups is usually unstructured, face-to-face, and informal, following hardly any hierarchical rules or regulations. It takes up a significant percentage of the working time of entrepreneurs and evolves as the company grows. The biggest challenge for internal communication in start-ups is to ensure the ability of the start-up team to process the vast amount of vital internal information.

3.3 External communication

The area of external communication in which start-ups use communication covers mainly generating attention, reducing uncertainty, and building reputation (also by using narratives). The findings confirm that arguments and narratives are able to support communication with external stakeholders and the creation of reputation, legitimacy and trust. This is because to build a relation with stakeholders is vitally influenced with such stakeholders.

In general, there are three distinct ways for building reputation: "reputation-borrowing" (through affiliations with established well-known players of industry, "reputation-building" (through entrepreneurial communications and actions, and "reputation by endowment" (based on the personal reputational capital of the start-ups founders and top management team). Petkova (2012) mapped these perspectives on the stages in the development of reputation for start-ups. She identified three stages: the "generating attention" stage in which start-ups should overcome the lack of public awareness of their existence and activities, the "uncertainty-reduction" stage in which they have to handle the lack of understanding and the scepticism of stakeholders, the "evaluation" stage in which start-ups should create perception about themselves (p. 384).

Some findings of notable academic papers showed that the use of narratives, and metaphors in language and gestures can serve to substantiate the existence of a company in order to acquire resources and as a framework for action and can be used as a basis for communication with external stakeholders (O'Connor, 2002; Cornelissen, Clarke, and Cienki, 2012; Roundy, 2014).

Petkova, Rindova, and Gupta (2008) identified several types of activities that can help start-ups build their initial reputations. They found that start-ups may accumulate one of two types of reputation: "generalized reputation" with large groups of distant stakeholders or "local reputation" with a small group of local stakeholders. They suggested that using symbolic activities, as well as investments in human capital and social capital may help a start-up accumulate "generalized reputation", while investments in product quality along with building close relationships with customers may support a start-up to build "local reputation" (p. 320).

3.4 Corporate branding

Another area in which start-ups use communication is corporate branding. Because most start-ups overlook the importance of branding due to their particular focus on financial and production issues (Bresciani and Eppler, 2010), the development of the corporate brand is required and essential at an early stage of start-up establishment. Well-balanced and timely corporate branding activities are important for start-ups. In this regard, the brand strategy should be developed in close coordination with stakeholders and defines central values and transfers these values to all elements of the corporate identity. A start-up's internal branding activities are as important as communication measures directly targeted at external audiences such as customers and investors (Witt and Rode, 2005, 273).

Start-ups provide a specific context to research corporate branding in its evolvement phases, as internal processes do not exist. The role of the founder during the initial phases of development of corporate brand is crucial (Rode and Vallaster, 2005, 121). Rode and Vallester (2005) provide the following guidelines for managerial implications: "Reach agreement on business concept, values and philosophy (in particular between founders)", "Create a sustainable corporate design", "Keep the flow of information running", and "Select new employees carefully" (pp. 132-133).

3.5 Owner centricity

A vast amount of communication-based research found that the owner (founder or entrepreneur) of a start-up is always at the center of all what such start-up performs. Founders engage, in person, in direct interaction with key stakeholders for local reputation building or targeting more distant stakeholders for a more generalized reputation (Petkova, Rindova, and Gupta, 2008). The reputation of the entrepreneur is closely linked to the reputation of the start-up (Hormiga, Batista-Canino, and Sánchez-Medina, 2011; Juntunen, 2012). Moreover, the management style and character of start-up founders directly shape the culture of the organization (Men, Chen, and Ji, 2018, 35).

Also, the corporate brand of a start-up is closely related to the founder, his/her worldview, and his/her former experiences (Rode and Vallaster, 2005). The founder heavily affects the internal communication within a start-up, as he/she takes central stage and makes decisions informally and quickly (Mueller et al., 2012, 999). In addition, a recent study revealed that leadership communication serves several internal and external purposes at the motivational, informational, and behavioural levels. Symmetrical, transparent, authentic, and visionary communications are found to be effective leadership communication strategies in start-ups (Men, Chen, Ji, 2018, 35).

4 Start-ups and social media communication

Academic literature has some notable empirical evidence on how start-ups do and should use digital communication channels to disseminate strategic information and grow effectively.

Fischer and Reuber (2014) analysed the communication of start-ups on Twitter. The authors found that Twitter could help to reduce the uncertainty about a start-up at the beginning of its development. However, this requires constant publication of tweets, and that the start-up's own values and qualities should be addressed in them. Chen et al. (2017) examined the stakeholder communication of Chinese start-ups on social network sites, by conducting in-depth interviews with 28 entrepreneurs, and performing a content analysis with 419 corporate posts on Weibo and WeChat. They found that new social media engagement strategies for start-ups are thought leadership building, influencer endorsement and co-branding (p. 244).

Two recent research reveal notable findings and practical implications for start-ups' usage of social media. One of them, a research on Facebook by Pakura and Rudeloff

(2020) that uses a sample of 453 German start-ups, indicate that social media PR contributes positively to communication outcomes in terms of building up brand and reputation. Long-term planning, perceived relevance, and understanding-oriented PR were relevant for communication success, meaning that founders / entrepreneurs benefit from social media, when they initiate dialogue(s) with stakeholders, conduct environmental scanning, and build up skills of PR planning (Pakura and Rudeloff, 2020, 1). They also found that the start-ups, which perceived PR in social media as more relevant and showed more PR activity, had a higher reach (external output), and evaluated their reputation and positioning as a brand on Facebook significantly more positive (indirect outcome). As for the communication approach of an understanding-oriented PR model, the study points towards a significant positive relationship with communication outcome on Facebook for those start-ups that choose an understanding-oriented PR approach (Pakura and Rudeloff, 2020, 19-21).

The other research, which focus on Facebook, Twitter, and LinkedIn, found that start-ups should absolutely avoid relying solely on one-way communication measures such as "distributing facts and figures" or simply "uploading information material" in social media networks created for other non-digital communication channels. The authors found that two-way communication is essential to create engagement, while information strategy alone cannot lead to social media success, and they recommend a mix of posts (using content that alternates between information, response, and involvement) (Rudeloff, Pakura, Eggers, and Niemand, 2021, 22).

5 Start-ups and public relations: the areas to focus on

Men, Ji, and Chen (2020) proposed a model that encompasses functions of PR in start-ups as follows. They noted that the prioritization of the following PR functions may vary depending on the business models and dynamics for different start-ups, as those start-ups have unique needs of public relations functions (pp. 34-38):

- *Branding and marketing communication:* At the beginning stage of business, start-ups need to establish their brands and generate awareness among stakeholders. For start-ups, branding and marketing communication works are usually integrated in business operations directly tied to the business bottom line. Typical activities of this function are word-of-mouth generation, promotion / publicity, social media communication, events (e. g. product launch)
- *Establishing corporate identity, reputation, and image*: A start-up has no established reputation at the stage of its creation. For start-ups, this function focuses on initiating and establishing a reputable identity than building and enhancing reputation. PR plays a vital role in aligning an organization's interests and its stakeholders'. For start-ups, the needs and interests from stakeholders are often yet to be identified.
- *Issue management*: As human and financial resources of start-ups are limited; a readily available issue management action plan is even more critical for them. Issues management is particularly a process that requires direct collaboration from

top leaders with staff who undertake various functions within an organization, including technology business operations, customer service, and so on. Thus, start-ups will be able to develop a streamlined process.

– *Relationship building and cultivation*: Relationship is at the core of PR practice. Identifying and prioritizing key stakeholders is the first step in relationship building and cultivation. Then, start-ups should incorporate appropriate strategies to build, cultivate, and enhance the relationships with these stakeholders. What follows is a brief description of what relationship cultivation with each key stakeholder may require. This function includes employee relations, customer relations, government relations, investor relations, and media relations.

6 Conclusion

The paper aims to draw a roadmap of the recent literature on start-ups and communication to be able to explain start-ups' unique and typical strategic communication purposes, needs and scope of practice, as well as main factors and concepts that influence the success of start-ups' communication management. In this context, considering the most important strategic publics for start-ups, the paper indicates to the concepts that start-ups face strategic communication challenges, strategies used to build good relationships with strategic publics, and ways of building a sound and effective internal and external communication management, as well as how start-ups do and should use conventional and digital communication channels to disseminate strategic information and grow effectively.

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Chapter 3

Strategic Communication of Coexistence of Social and Entrepreneurial Purposes in Social Economy Organizations

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Abstract: This chapter delivers theoretical insights by demonstrating how strategic communication can contribute to the specific purposes of social economy organisations. Using the descriptive and comparative method in this chapter, we point out the specifics of social economy organizations and differences in relation to other organizations, emphasizing the coexistence of social, societal, and entrepreneurial purposes in such organizations. We defined the content of strategic communication and presented the generic and specific, contextual principles of strategic communication practice, which derive from the Theory of Excellence. We find that generic principles of public relations can also be implemented in social economy organizations, taking into account the specifics of social economy organizations.

Keywords: entrepreneurship; excellence theory; generic principles; public relations; social enterprise; specific application of public relations; third sector economy.

1 Introduction

Even though there is a lack of comparable statistics and that academic research on social economy is only present for a few decades, qualitative and comparison studies do give us sufficient background to clearly differentiate social economy organizations from other (conventional) companies, as we will show in bellow. But, on the other hand, strategic communication (internal and external communication as such) in social economy organizations has not been researched well. And, consequently, recommendations for implementation of strategic communication for social economy have not been sufficiently presented.

In the introduction, therefore, we present the social economy (SE) in more detail and define strategic communication. SE organizations appear to be important social and economic agents in contemporary societies, but there are plenty of misunderstandings

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about the nature and mission of social economies. Most of these misunderstandings revolve around the question of relation between social and business/entrepreneurial purposes of SE organizations. The questions as: Can social and business purposes exist parallelly in an organization or are such purposes contradictory *per se*? Do social goals turn out to be obstacles for reaching business goals? Or are social and entrepreneurial purposes in SE so strongly interconnected that we have to see their coexistence as inseparable and mutually supportive? And in addition to these questions of defining SE, there are also questions of communication of these SE characteristics: how to set up internal communication in SE organizations that will create proper organizational culture regarding the complex relation of social and business purposes? How to set up external communication of SE organizations, since it is vital for them to be correctly understood in their mission? Therefore, how to strategically communicate the coexistence of social and business/entrepreneurial purposes of SE organizations? To answer these questions we have to, firstly, define the difference between SE organizations and conventional companies or businesses. And then to show how strategic communication can embrace these specifics of SE, and how strategic communication can contribute to proper understanding of social economies and inherently support the functioning of SE organizations.

Social economy has been relatively well researched in past decades. Since the 1990s there were many academic overview studies of SE as relatively new concept that derived from reactions to hard neoliberal policies in the 1970s. Important universities, institutes and publishing houses covered the topic (Davis, 2013; Amin, Cameron and Hudson, 2002; Amin, 2009; Utting, 2015). Note that we must not mix up the research of social economies with the very strongly presented research of "social economics", covering such issues as culture, gender, ethics and philanthropic behaviour in relation to economic matters (International Journal of Social Economics, 2021). Of course, research in social economics is connected to and important for understanding of SE. Furthermore, specialistic journals on SE were established in last decades to cover specialistic topics, like cooperatives, general interest services, non-for-profits etc. (Journal of Co-Operative Organization and Management, 2021; CIRIEC, 2021; Canadian Journal of Nonprofit and Social Economy Research, 2021).

Furthermore, not only academic research, but also policy analysis of SE is important for our study, since SE has been implemented into many national and international public policies in the last few decades. Good example of such a study is an analysis ordered by European Economic and Social Committee *Recent Evolutions of the Social Economy in the European Union* (CIRIEC, 2016). The study covers the general concept of social economy and different theoretical approaches in research of this topic (ibid, ch. 2) and new emerging concepts of social entrepreneurship and social innovation as related concepts (ibid, ch. 3).

There is also differentiation in the matter of extent of the research field. On one hand, there is a wider field of research, i.e. "social and solidarity economies", that also includes informal and communal practices like local currencies, time banks etc., with strong emphasis on transformation of societies. Representative of such approach

would be the *Intercontinental network for the promotion of social solidarity economy - Ripess* (RIPESS, 2021). And, on the other hand, research that narrows the topic to "social entrepreneurship" only, like recent European Commission studies and declarations (European Commission, 2011; Borzaga et al., 2020), but also here we run into a wider aspect like in updating Strasbourg declaration in 2019 (*Strasbourg Declaration 2019*, 2019). The first, wider field, is too wide for this study, since we are focusing on the question of communication in SE *organizations*, i.e. legal entities. The narrow view of "social entrepreneurship" is too n arrow for us, since we see social enterprises as one type of SE organizations, besides cooperatives, mutuals, associations, foundations etc. Very important for our study is also the research of cooperatives as part of SE with the longest and the most constant and persistent tradition that offers the sociological and philosophical background of SE as a structural and ontological special type of organizations of people and a special kind of human social and economic activity (Michie, Blasi and Borzaga, 2017; Sanchez Bajo and Roelants, 2011).

1.1 Strategic communication of purposes of organizations

The emergence of communication is the fundamental basis of organizing (Schoeneborn, Kuhn, and Kärreman, 2018) as deliberate process initiated in and by organizations. Strategic communication is defined as "*the purposeful use of communication by an organization to fulfil its mission*" (Hallahan, Holtzhausen, van Ruler, Verčič, and Sriramesh, 2007, 3), and communication mode always depends on the goal and the strategy (Holtzhausen, 2010, 75). Purposeful influence is the fundamental goal of communications by any organizations and it will be difficult to find an organization of any type that does not claim to communicate intentionally with its publics (Sandhu, 2009, 74). There are two keywords in the term strategic communication: (1) activities are strategic (not random, or unintentional communications) and (2) communication is the two-way process of meaning creation and influencing for producing mutual understanding between an organization and its publics.

"Communication does not happen without meaning, and people create and use meaning in interpreting events" (Littlejohn, 1992, 378, qtd. in Hallahan et al., 2007, 23). Communication is therefore understood as an interactive and participatory a two-way ongoing process at all levels. The emphasis is on communication as a process in which meanings are created and exchanged, or even shared, by the parties involved. It is therefore a dialogue, two-way conversation, the free flow of words and its interpretations.

Mutual influence involves the use of purposeful communication to encourage the acceptance of ideas, to persuade, and that is the essence of strategic communication. The value of such an approach is readily apparent if communication is defined as the constitutive activity of organizational management (Hallahan et al., 2007, 27).

Strategic communication has traditionally been viewed and used as an organizational support function (Verčič and Grunig, 2000), but due to the increased focus on intangible

resources communications has become more relevant for organizational management and governance. It is focusing targeted and formal communication processes planned and activated as means for organizations to reach overall goals (Falkheimer, 2014; Falkheimer and Heide, 2014; Holtzhausen and Zerfass, 2015). An "organization" in this context refers to private companies, public companies, public authorities, organizations in public sector, formal networks, associations, non-for-profits, interest groups, causes, social movements, charities, cooperatives, etc., and therefore also to social economy entities. Organizations use strategic communication as a professional practice of managing communication activities and establishing, maintaining, and building mutually beneficial relationships between organizations and their stakeholders to gain legitimacy and to fulfil its mission (cf. van Ruler and Verčič, 2005; Wiesenberg, 2019). Or, as the authors of the revised definition of strategic communication say (Zerfass, Verčič, Nothhaft, Werder, and Kelly, 2018, 475):

strategic communication encompasses all communication that is substantial for the survival and sustained success of an entity. Specifically, strategic communication is the purposeful use of communication by an entity to engage in conversations of strategic significance to its goals. Entity includes all kind of organizations (e.g., corporations, governments, or nonprofits), as well as social movements and known individuals in the public sphere.

In this sense, in this chapter we use "public relations" and "strategic communication" as synonyms (cf. J.E. Grunig and L.A. Grunig, 2008; Hallahan et al., 2007; Zerfass et al., 2018). Various types of organizations operate under different conditions with various consequences for how, when, where, and why they can or are expected to communicate. But it is important to know what system of governance an organization is embedded in (Fredriksson and Pallas, 2016, 149).

Communication is not reduced to a tool for the transmission of messages from senders to receivers, but the transformative aspect of communication is emphasized. This means that strategic communications activities occur throughout the organization, not only in the communications department, because we regard strategic communication as a practice as something that involve many organizational actors – managers, leaders and co-workers – which all act and communicate strategically and thereby produce and reproduce an organization (cf. Falkheimer et al., 2017). This communicative organization approach represents a post-industrial approach to organizations and society, where communication is a core for all forms of organizing, strategizing, and managing.

2 Method and research elaborations

Communication is a constituent element of any organization; even more: communication constitutes organization (Blaschke and Schoeneborn, 2017). SE organizations represent a significant sector of organizations, beside the first (public) sector and second (private) sector. To understand whether SE organizations need

special treatment regarding the question of strategic communication, we need to show non redundant differences between SE and private sector organizations, and also partly the difference from public sector, though the latter is more self-evident. To unfold this research problem, we need to set some subsequent research questions, partly mentioned in the introduction: What defines SE organizations and how do these defining attributes distinguish SE organizations from conventional (private) companies? How do these differences manifest in the difference between social purposes and entrepreneurial purposes in SE organizations? What is strategic communication regarding communication of purposes of (any) organization? And what would appear to be special questions regarding strategic communication in SE organizations according to defining attributes of SE organizations?

Our thesis would be that frequent phenomena of conflict between social and entrepreneurial purposes in SE organizations is a consequence of a lack of strategic communication in SE organizations.

The method of this study is descriptive and comparative:

- Description of three basic elements of SE organizations (social, entrepreneurial, democratic).
- Conceptual comparison of substance of conventional companies and SE organizations.
- Display of strategic communication of purposes in organizations in general.
- Conceptual comparison of strategic communication of purposes in conventional companies and in SE organizations.
- Application of findings of comparison to a question of coexistence of social and entrepreneurial purposes in SE organizations (parallel/independent coexistence or inherent/interdependent coexistence).

3 Finding

3.1 Social economy: coexistence of social and entrepreneurial purposes

Social Economy Europe, an umbrella organization of social economy actors in Europe, is defining SE sectors` presence in Europe as (Social Economy Europe, 2021):

The social economy is a major socio-economic player of the European social market economy. There are 2.8 million social economy enterprises and organisations, ranging from SMEs to large EU groups. The social economy is present across all sectors and employs 13.6 million people and accounts for 8% of the EU's GDP.

These numbers tell us that SE deserves and needs some special attention in research, education, public policy making and also general public attention.

Social economy is a wide concept covering the sector of different types of organizations that have all of the three main SE characteristics:

- First, they follow a social objective and/or hold a social content and they have some social impact.
- Second, they create value through market activity, i.e. they have business or entrepreneurial objectives.
- Third, they are organizations of people (associations, cooperatives, and other membership organizations mostly) and not organizations of capital (Ltd., Plc., etc.) and they have democratic and participatory governance models, they create common assets/property and submit to limited profit-sharing rules.

Main principles of SE are defined as (Social Economy Europe, 2016, 2):

- Primacy of the individual and the social objective over capital.
- Voluntary and open membership.
- Democratic governance.
- The combination of the interests of members/users and/or the general interest.
- The defence and application of the principle of solidarity and responsibility.
- Autonomous management and independence from public authorities.
- Reinvestment of most of benefits/surpluses to carry out sustainable development objectives, services of interest to members or of general interest.

Types of organizations in SE sector are different in different countries according to their special legislations, but mostly take the form of cooperatives, associations, foundations, social enterprises[6], non-for-profits, companies for employment of people with disabilities and employment centres, NGOs, mutuals, worker-owned companies[7] and similar forms.

3.2 How do social economy organizations differ from conventional companies?

There are at least two quite opposite interpretations of main SE characterise, the first emphasising the entrepreneurial goals of SE, meaning that SE organizations are like conventional companies, only with stronger social aspects. And second, that the element of democratic control, common property and profit-sharing limitations are the main characteristics that differentiate SE from other types of economic activity and also gives SE special justifications in regard to its general interest contributions. We strongly support this second interpretation, because the democratic principle in SE is the main driver of all other aspects in SE activities. In SE organizations, as associations of people and not associations of capital, the democratic relations between people who

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6 *In Slovenian legislation social enterprises are different legal entities with a status of social enterprise (Social Entrepreneurship Act, 2018).*

7 *Worker shareholder ownership is well developed around the world, mostly in forms of public shareholding companies where the employees/workers are majority owners of their company and are democratically controlling the company. In the USA these are for instance Employee Stock Ownership Programs - ESOP of which David Ellerman speaks (Ellerman, 2021). In Spain such are "workers shareholders societies" (in Spanish Sociedades anónimas laborales - SAL) (Lowitzsch et al., 2017).*

constitute SE organization is a structural, or even ontological, characteristic of SE organizations.

3.2.1 Social goals in a broader sense

The first element of SE does not include only social objectives in a narrow sense, but also environmental, communal, artistic, intergenerational objectives etc. Very important is the principle of *concern for community*. In the Social Economy Charter it is stated that SE organizations are "principally characterized by their aims and their distinctive model" (Social Economy Europe, 2016, 1), where achievement must not be "solely measured in terms of economic and financial performance, which is nonetheless necessary to the achievement of their goals, but must above all be gauged by their contribution in terms of social cohesion, good quality employment creation, citizenship participation in the economy, solidarity and territorial ties" (ibid).

Therefore, we must not interpret the first element of social objective to be a nice social side effect of some entrepreneurial action, but as an objective that is the prime driver and main purpose of SE organizations.

3.2.2 Business or entrepreneurial objectives

The second element of SE is a business or entrepreneurial objective. This is the point where SE organizations overlap with conventional businesses, meaning the activity of creation of value through offering products. It is interesting how Novkovic (2008), a cooperative researcher, is defining social entrepreneurship through extension of Schumpeter's definition of entrepreneurship as creation of value through innovation, so in her interpretation social entrepreneurship is creation of *social* value through *social* innovation (Novkovic, 2008). Creation of social value through *social innovation* as the special way of doing business in SE organizations shows us interconnection of both purposes, the social and the entrepreneurial. We must emphasise that social innovation is not only about inventing new products (goods, services, models etc.) that have strong social impact, but also brings new connections among people and creates empowered communities (Murray, Caulier-Grice and Mulgan, 2010, 107-114). Meaning that conventional model of selling products to users is not the model of SE, but it is about empowering communities. And this directly leads us to the third element of SE.

3.2.3 Democratic and participatory governance

The third, democratic element of SE is hardest to achieve. Participatory governance is defined as "the regular and guaranteed presence when making binding decisions of representatives of those collectivities that will be affected by the policy adopted" (Gbikpi and Grote, 2002, 23). It demands of SE organizations to practice democratic control (one member one vote governance model and participatory management). Members and other stakeholders in SE are not investors, but they are users (employees, producers, buyers, users) and this difference affects the governance model. Governance and management in SE are principle-based, unlike out-puts focused management in conventional companies.

SE organizations develop or reach different grades of stakeholder's participation. If we use classical Arnstein's ladder with eight steps, we can say that most of the SE organizations are between steps 4 and 7 (4 - consulting, 5 - placation, 6 - partnership, 7 - delegation). But some, mostly cooperatives with fully implemented democratic governance models, reach step 8 (8 - control) (Arnstein, 1969). This third element is also about the matters of property and profits. SE organizations often create at least part of their property as common property or *commons* (Guttmann, 2021; Ostrom, 1990; International Co-operative Alliance, 1995), which is not private nor public, but communal. Profit-sharing limitations mean that the profits are not divided according to ownership/capital shares but according to SE adjusted rules.

The third, democratic element is actually holding the first two elements inseparable together.

3.3 Strategic communication of interdependent coexistence of purposes

The framework of SE above includes the purposes inside and beyond the SE organizations with an emphasis on the coexistence of social, societal, and entrepreneurial purposes (following economic and business rationalities) and the third element of SE - democratic and participatory governance. In doing so, it is worth clarifying that governance is a mechanism for dealing with a broad range of issues in which actors arrive at mutually satisfactory and binding decisions by negotiating with each other and cooperating in the implementation of these decisions. Its core rests on horizontal forms of interaction between actors who may have conflicting objectives, but who are sufficiently independent of each other so that neither can impose a solution on the other and yet sufficiently interdependent so that both would lose if no solution were found. It is the embeddedness of SE organizations into something approximating a civil society that is crucial for the successful legitimation of governance arrangements. The word "governance" in the context of "corporate governance" capture concerns about the ethical norms that govern private sector businesses, especially concerns about how to make businesses properly accountable to their shareholders. Proponents of more pluralist and participatory styles of democratic governance argue that greater pluralism and participation will promote inclusion, empowerment, social justice, liberty, and equality (Bevir, 2006, 116). It tries to make sure that all those who will be affected by the policies at stake in the governance arrangements will be associated to the policy process in question. Thus, roughly defined, participatory governance is definitely less a matter of democracy in the sense of institutionalizing a set of procedures for electing those in charge of the policy-making, than it is a kind of second best solution for approaching the question of effective participation of the persons likely to be affected by the policies designed (Gbikpi and Grote, 2002, 23). Given the purposes of SE organizations, this concept of democratic and participatory governance seems compelling.

Viewed from the standpoint of neo-institutionalism, strategic communication not only supports the organization but also seeks to institutionalize new patterns and institutions and therefore trying to balance the economic and the social sphere (cf.

Wiesenberg, 2019). A theoretical perspective that might cover this phenomenon is also the concept of social agency (J.W. Meyer and Jepperson, 2000). Actors can take agency for themselves, for other actors, for non-actors like animals or the environment as well as abstract principles like human rights or even religious (transcendent) ideas (R.E. Meyer, 2009).

The IABC Excellence Study (J.E. Grunig, 1992) as a prerequisites for effective public relations included an organizational worldview that values two-way communication and treats publics with respect; placement of the public relations manager within the "inner circle" to be able to influence decisions; and a respect for diversity within the public relations department and other employee ranks. Excellence study proposed nine normative generic principles[8] and five variables (political ideology, economic system, degree of activism, culture, and media system).

Through several studies conducted around the world, the Excellence theory has been expanded into a global theory that includes generic principles and specific applications. Generic principles of the Excellence theory means that in an abstract sense, the principles of public relations are the same worldwide. Specific applications means that these principles must be applied differently in different settings. The characteristics identified in the Excellence study are generic principles, and public relations professionals must take six contextual conditions into account when they apply these principles (J.E. Grunig, 2011, 9):

(1) Culture, including language.
(2) The political system.
(3) The economic system
(4) The media system.
(5) The level of economic development.
(6) The extent and nature of activism.

Verčič, L.A. Grunig and J.E. Grunig (1996) outlined a several generic principles based on the Excellence theory which seem to help define public relations excellence (excellence in strategic communication practice) anywhere in the world. First, two-way symmetric practice, perhaps combined with other modes, generally works best in the long run, when and where people are able to implement it. Second, well trained and educated practitioners must be represented on, and informed fully by, management teams if they are to be truly effective. And third, such representation requires that some practitioners serving any organization gain sufficient stature to act as true managers, that they become part of the formal and informal policy-setting group called the "dominant coalition".

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[8] *Normative generic principles of public relations: (1) involvement of public relations in strategic management; (2) empowerment of public relations in the dominant coalition; (3) integrated public relations function; (4) public relations as a separate management function; (5) role of the public relations practitioner; (6) two-way symmetrical model of public relations; (7) symmetrical system of internal communication; (8) professionals trained in modern public relations; and (9), diverse organizational role structure.*

However, a nation's political system and culture shape its practice of public relations. SE organizations are embedded in society and characterized by specific interests, structures, processes, cultures, and modes of decision-making. Generic principles of public relations therefore also apply to SE organizations, but it is true that the implementation of communication programs (whether internal communication or communication with external stakeholders and the public) must be placed in the specific context of a specific SE organization. Of course, the nature of SE organizations, the interests, and views of its members, the social and societal as well as the entrepreneurial purpose must be taken into account.

4 Discussion and conclusion

Using the descriptive and comparative method, in this chapter we have pointed out the specifics of social economy organizations and differences in relation to other, especially for-profit organizations. We defined the content of strategic communication as an alternative synonym for public relations and presented the generic principles of strategic communication practice, which derive from the Excellence theory. This theory dictates the consideration of generic principles as well as the specifics of the state, culture and organization. These generic and specific principles of public relations, as derived from the Excellence theory, can also be implemented in social economy organizations.

For further research, it would be useful to find answers to at least the following questions:

- Can strategic communication turn some principles and values of SE organizations that often seem to constrain their business/entrepreneurial development into an enabling factor for SE organizations?
- Can strategic communication overcome the persistent understanding of social and entrepreneurial purposes as two parallel independent purposes that often conflict each other?
- Can the third, the democratic dimension of SE be interpreted as the element in which social and entrepreneurial purposes overlap and show their interdependence and structural coexistence in SE organizations? How can strategic communication in SE support this interpretation?

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Chapter 4

Entrepreneurial Corporate Social Responsibility towards Employees and the Local Community

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Abstract: This chapter presents a research into the differences in the integration of social responsibility into small family businesses compared to small nonfamily businesses. The theoretical findings were upgraded with a qualitative survey using semi-structured telephone interviews on a sample of 15 small family businesses and 15 small nonfamily businesses from different Slovenian statistical regions. We studied whether there were differences between the companies in their relationships with the different stakeholders in their environment, with an emphasis on their relationships with the employees and the relationships with the local community. The study confirmed that social responsibility is well integrated into the relationships with both the employees and the local community. It confirmed our assumption that family businesses behave differently than nonfamily businesses.

Keywords: family businesses; longevity; nonfamily businesses; smaller businesses.

1 Introduction with literature review

Organizations are tools and associations of people. People work together to achieve more together and in collaboration than they could achieve if they acted alone; for this purpose, they also come together and organize. When people come together, there is a division of labour, and with it also connections, relationships, and interdependencies, which are dictated by the goal of coming together. Organizational behaviour is created, which always has public consequences, not only within the organizational one, as the operation of organizations affects stakeholders also outside organizational boundaries. Organizations serve and influence individuals, the public, and other organizations in society. Therefore, organizations cannot be said to be effective if they are not socially responsible, and public relations as a strategic communication adds value to society by contributing to the ethical behaviour and social responsibility of

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organizations. Each company also has an impact on different stakeholders: the owners/shareholders, managers, employees, customers, the local population, and so on. Therefore, the existence of companies typically depends on almost the same wide range of stakeholders: employees, owners, suppliers, creditors, customers, local people, governments, and natural resources. Namely, companies are embedded in complex networks of natural and social relations. Therefore, company decisions and entrepreneurial activities have implications for all these participants, for all these stakeholders, not just owners/shareholders.

1.1 The concept of social responsibility and corporate social responsibility

Neither in theoretical terms nor in practice is there a consensus on what corporate social responsibility (CSR) is and what contributes to the organizational success and quality of society. This, of course, causes dilemmas as well as conflicts between stakeholder interests, which can pose specific challenges for the strategic communication of CSR (cf. Nielsen and Andersen 2018). What many definitions of the concept of social responsibility have in common is that they connect the social and economic aspects of a company's operations through its relationships with other participants on a voluntary basis. It ranges from complying with legislation, investing in human capacity, the environment, and the relationship with participants, to further efforts by companies to meet societal expectations. It is closely related to the "Triple Bottom Line" approach (cf. Elkington 2018; Savitz 2014), according to which a sustainable organization is economically and financially sound, minimizes (or at least ideally reduces) its negative impacts on the environment and operates in accordance with societal expectations. It is therefore a contribution of companies to sustainable development or to a sustainable society. It also relates to environmental and moral or ethical responsibility.

The concept of CSR has its origins in the early second half of the last century as an act of giving back to the community and society. In doing so, the work of Howard R. Bowen (1953) *Social Responsibilities of the Businessman* made an important contribution to the development of the concept of corporate social responsibility. Today, the concept of CSR is most often expressed as the voluntary acceptance of obligations that go beyond the pure economic or legal responsibilities of companies (cf. Boatright, 1993, 386). Thus, for some, it is social responsibility to set goals and evaluate a company's results not only based on profitability and benefits, but also on the basis of ethical standards. The company is obliged to evaluate the effects of its own decisions on the entire company as part of its decision-making processes.

CSR is the process by which companies manage their relationships with various stakeholders that can actually influence their social license to operate. Therefore, CSR should be seen as an investment and not a cost, as an investment that reduces the risks associated with uncertainty.

CSR is both a set of social expectations and a set of business practices. Every individual and every organization should be responsible; the negative effects of our own actions

should be reduced and contribute to social well-being, while acting ethically, responsibly, and sustainably.

Social responsibility means the responsibility of everyone for influences on society, i.e. on people and nature (ISO 2010, 2017), both direct and indirect, short-term and long-term impacts. It is often defined as the organizational ability to adapt to the social and societal environment by recognizing and responding effectively to the responsibilities associated with the relationships between organizations and their stakeholders. These are instrumental concepts, interpretations, and understandings of CSR, with CSR seen as a strategic tool for gaining legitimacy by stakeholders (cf. Freeman, Wicks, and Parmar, 2004) and competitive advantage (Jensen, 2002).

Although the term "corporate social responsibility" has different interpretations in the literature, the authors agree that the lowest common denominator is certainly the most frequently cited Carroll definition (Carroll, 1991; Carroll & Buchholtz, 2009; Hill Sineriz, 2018), based on four levels that a company must consider in its operation: economic, legal, ethical, and philanthropic level. While economic and social responsibility in the broadest sense has been present throughout the industrial revolution, the environmental component began to develop much later and, in addition to the issue of responsibility to workers, crisis, prevailing.

Understood somewhat more broadly, the essence of social responsibility is related to social and stakeholder expectations about the "appropriate" behaviour of companies or. business world. Social responsibility is mostly based on two approaches or. theories: stakeholder and theories of legitimacy, with Jensen (2002) justifying this with social norms and values that are "socially constructed and institutionalized through stakeholder networks". In other words, stakeholders together create norms for the operation of companies and evaluate them by comparing their actual performance with the created norms. The company must strive to reduce the gap between expectations (norms) and its own behaviour, otherwise it risks losing legitimacy.

The social construction of the "acceptance" of companies and their actions is not static and is related to the expectations of society and individuals. These represent one of the key concepts within the discourse of social responsibility. We are talking about "a revolution of rising expectations", where expectations are also rising due to a higher quality of life; there is a gap between expectations and actual practices of companies. The expectations of the company are those that represent the minimum level of social responsibility or define social responsibility.

From the communication point of view, caution is needed, especially at the communication level - social responsibility must not become just a tool that a company uses to influence a better reputation in the eyes of various stakeholders. If the general public or consumers or which of the other stakeholder groups becomes sceptical of the real motive behind socially responsible actions, these actions will be ineffective or they will even have the opposite effect (Yoon 2005).

The concept of social responsibility simply means that organizations act like good citizens. For Sineriz (2018), social responsibility, equating it with corporate citizenship, is a self-regulatory business model that helps a company realize what impact it has on all aspects of society.

The European Commission (n.d.) has defined corporate social responsibility as "the responsibility of enterprises for their impact on society and, therefore, it should be". Social responsibility is the responsibility of a company, which is manifested through decisions and activities that must be in accordance with ethics, as they have an impact on society and the environment. The European Commission has defined corporate social responsibility as "the concept by which companies integrate social and environmental issues into their business and stakeholder relationships on a voluntary basis" (European Commission, 2001), emphasizing four basic areas of corporate social responsibility to which companies should pay special attention: relationship with employees, care for the environment, relationship with customers and suppliers, attitude towards the local community. According to the European Commission, corporate social responsibility provides significant benefits to companies in terms of risk management, cost savings, access to capital, customer relations, human resource management, business sustainability, ability to innovate and eventually profit. However, for society as a whole, such an approach offers values that are the foundation for the transition to sustainable economic development and on which a more connected society is built.

Corporate social responsibility begins with employees, who are a key resource of any company. Job satisfaction, lifelong learning and work-life balance are the factors that will ensure the team's implementation of innovative ideas and solutions. Benefits for companies brought by social responsibility towards employees: improving reputation, as a good reputation also attracts more potential job seekers and improves the general opinion of the company; better opportunities to gain customers, partners and capital, greater competitiveness; more opportunities to reach out to policy and other stakeholders; higher employee productivity and consequently better product quality and innovation; increase sales; improving the work of employees, because by caring for employees, we increase their loyalty and belonging to the company. Relationships with employees can be further improved by taking care of the satisfaction of our employees at work; their health and safety at work; employee development and development of their potential; there is no difference in treatment between employees; a healthy work-life balance.

Investing profits in the local community (renovation of buildings, financing of events) means socially responsible behaviour, which through employees and the community also brings a positive effect on business and the good name of the company. In order for the relationship with the local community to be most effective and visible, the company must, before starting its socially responsible operation, study the needs of the environment in which it operates and then strengthen its reputation in the community through its actions. A positive relationship with the local community brings the following benefits: a good name of the company and a greater reputation, strengthening

cooperative relations with the community, greater motivation, and productivity of employees. The impact on the local community can be increased by donating funds, mentoring, providing professional internships, voluntary work of employees in non-profit organizations, by choosing key partnerships, etc.

1.2 Family and nonfamily businesses

Family business is by far the most prevalent form of business in the world (Alderson 2011, 1). The family business is a business governed and/or managed with the intention to shape and pursue the vision of the business held by a dominant coalition controlled by members of the same family or a small number of families in a manner that is potentially sustainable across generations of the family or families (Chua, Chrisman, and Sharma 1999).

The majority of companies in Slovenia, as many as 83%, are family-run, family owned and, above all, small, with less than 50 employees but, they are employing 26% of the active workforce. These companies individually typically generate annual revenues of up to 4 million EUR, have been in operation for more than twenty years and are run by the first or second generation of owners (Antončič, Auer Antončič, and Juričič, 2015, 4). SMEs are recognized as potentially the most dynamic part of the economy, as they are often more flexible in their operations than large companies. The share of SMEs in Slovenian GDP is 65.2 %, and their share in employment is as high as 99.83 % (Maček and Ašanin Gole 2020, 278).

By far, the greatest difference between a family firm and a nonfamily firm is the addition of the family unit. The involvement of family is both an advantage and a disadvantage. It can lead to a tremendous competitive advantage but also can be the cause for serious dysfunction and complications. The nonfamily firm does not have to deal with many of the complex issues that family firms face, such as the upheaval of divorce, interpersonal conflict, inheritance, and tax issues, and nonemployee family members with decision authority.

Family businesses differ from nonfamily businesses in that they combine rational business and an emotional family business system. The combination of both offers family businesses an advantage over other businesses, but at the same time it also has its drawbacks. The main advantages are dedication to business and family, values, reliability, pride, knowledge is passed from generation to generation, the company is flexible in time, work, and money. The company has long-term plans, and a stable culture. Employees within the company are strongly connected to each other and help each other a lot at work. In difficult situations, they come together and offer selfless help, with the common goal of fulfilling a customer's order. In such companies, there is no fuss about the payment of transportation costs, overtime, or if the payment of wages may be a day or two late (Vadnjal, 2018). The disadvantages that plague family businesses, however, are that emotional connections can have too much of an impact on business. Companies face rigidity, they have outdated methods of management and raising capital, there are also management problems in companies when it is not clear

who the leader is, and the companies cite succession as the biggest problem. Statistics show a high vulnerability of companies in the succession segment, as only 1/3 of companies survive the transition from the first to the second generation, and only 1/7 of companies from the second to the third generation. The reasons for this may be unregulated transitions between generations, conflicts between heirs, or there is no one at all to inherit the business. The disadvantage of a family business is also the distribution of finances, as family members often pay too high salaries, so there is a lack of money for the company's operations (Vadnjal, 2018).

2 Method and research elaborations

2.1 Methodological approach

The research employed the qualitative strategic approach. It was conducted using pre-prepared questions for semi-structured interviews, which were used as a guideline for semi-structured interviews with representatives of the selected companies. The questions were divided into two sets – on corporate social responsibility towards the employees (workplace policies) and on relations with the local community (community policies). The interviews were carried out by phone, after an appointment had been agreed in advance.

The sample was selected theoretically, and subjectivity could not be avoided. In theoretical sampling, the objective of the research and the development of theory or explanation is the one guiding the sampling and data collection. The authors decided who will be invited to participate in the interviews. This does not affect the individuals' views in the study and consequently does not have an effect on the analysis and research results (Poplas Susič, n. d.). The sample included 30 small Slovenian enterprises (micro, small and medium-sized enterprises according to the criteria of the number of employees, i.e. from 1 to 249); of those 15 family businesses and 15 nonfamily businesses, allowing for comparisons to be made. The sample is a non-probability purposive sample.

The research question was: "What are the differences in the integration of social responsibility into small family businesses compared to small nonfamily businesses?" It was assumed that family businesses behave differently than nonfamily businesses. Family businesses integrate social responsibility into their business as a result of a moral obligation, directing it towards external relations – customer relations and the natural and other wider environment of the company. Nonfamily businesses, on the other hand, focus on the internal dimensions of social responsibility, such as activities aimed at the employees and social responsibility of company management.

The collected data were analysed using coding, asking whether a company has set up an individual component of social responsibility towards the employees and towards the local community. An answer of "yes" was assigned the value of "1", an answer of "no" the value of "-1", and if no clear answer was given, the value of "0" was assigned. Such coding allowed us to quickly establish whether there are differences in the

presence of individual components of social responsibility towards the employees and towards the local community between small family businesses and small nonfamily businesses. The collected data were then analysed from the viewpoint of content and differences and similarities were established and compared.

2.2 Demographic data

Tables 1 and 2 show demographic data in the sample of companies included. There are 26.7 % (4) micro, 53.3 % (8) small and 20 % (3) medium-sized family businesses and 20 % (3) micro, 46.7 % (7) small and 33.3 % (5) of medium-sized nonfamily businesses. The average value of generated revenues in family businesses in 2020 is 4,227,534 EUR (from a min. of 24,000 EUR to a max. of 27,496,814 EUR) and in nonfamily businesses 8,935,151 EUR (range from a minimum of 100,000 EUR to a max. of 42,000,000 EUR). Geographically, family companies from all seven Slovenian statistical regions are represented in the sample, in proportion to the size of individual regions.

Table 1. Demographics of family businesses ("F")

Family bussines ("F")	Number of employees	Annual revenues in 2020 (in EUR)	Industry / activity
F1	36	2.600.000	Production of wooden packaging for emergency transport
F2	20	2.500.000	Manufacture of wire products
F3	22	1.530.000	Hospitality
F4	45	3.600.000	Shop: lifting and transport equipment
F5	5	220.000	Manufacture of office and shop furniture
F6	30	2.200.000	Manufacture of other plastic products
F7	38	4.165.200	Construction
F8	6	2.800.000	Transport, sales, and car wash activity
F9	79	7.900.000	Manufacture of machine tools
F10	52	6.000.000	Transport and logistics
F11	228	27.496.814	Manufacture of other plastic products
F12	16	1.020.000	Warehouses and cold stores
F13	6	550.000	Maintenance and repair of motor vehicles
F14	2	24.000	Transport and brokerage
F15	10	807.000	Technological and process production

Table 2. Demographics of nonfamily businesses ("NF")

Nonfamily bussines ("NF")	Number of employees	Annual revenues in 2020 (in EUR)	Industry / activity
NF1	30	3.200.000	Mechanical engineering
NF2	25	3.800.000	Manufacture of non-metallic mineral products
NF3	7	4.500.000	Electronics
NF4	104	6.000.000	Development, management and marketing of services
NF5	6	100.000	Manufacture of furniture for business and retail premises
NF6	7	800.000	Sales and representation of textile products
NF7	27	7.000.000	Retail stores - wholesale and retail
NF8	111	28.000.000	Industrial activity - gas industry
NF9	26	4.500.000	Trade / services
NF10	106	11.900.000	Trade
NF11	15	n. d.	Hospitality
NF12	104	8.427.272	wood industry
NF13	22	42.000.000	Retail sale of tobacco products in specialized stores
NF14	16	1.800.000	Road freight transport
NF15	150	12.000.000	Manufacture of metal forming and processing machines

Source for both Tables: own research.

3 Findings

The comparison with the help of the coding of the answers, which were provided by small family businesses and small nonfamily businesses (see Table 3 and Table 4), has shown that in terms of social responsibility towards the employees, family businesses, compared to nonfamily businesses, more frequently encourage their employees to develop their skills and long-term careers. More frequently than nonfamily businesses, family businesses also have procedures in place to ensure appropriate measures against discrimination in the workplace and at the time of recruitment, and family businesses also more frequently consult their employees on important issues. As regards the social responsibility components relating to adequate health, safety and well-being arrangements that provide adequate protection to the employees, these are more prevalent in nonfamily businesses. Nonfamily businesses are also more likely to offer their employees an active work-life balance.

In family businesses, the most common forms of encouraging their employees to develop their skills are in-house training and all types of work-related training (including technically complex training). Nonfamily businesses also employ in-house training and diverse external training programmes, including examples of co-financing of studies. As regards the ensuring of appropriate measures against all forms of discrimination, both in the workplace and at the time of recruitment, some family businesses have adopted rules prohibiting sexual and other forms of harassment or they have procedures in place in case of discrimination or mobbing. Nonfamily businesses mention the collective agreement and the code of conduct. In family businesses, employees are most often consulted about the purchase of new machinery, applying for tenders, projects, or the drawing up of tenders. In nonfamily businesses, weekly meetings are held as well as consultations with specific groups of employees. Family and nonfamily businesses alike ensure that their employees are regularly referred to medical examinations. They have concluded external contracts and ensure that employees have adequate protective equipment and that they work in a safe working environment. In terms of working from home and the adaptability of working time, family businesses are usually less flexible than nonfamily businesses.

In the field of social responsibility towards the local community, there were no differences established between family and nonfamily businesses only in the sense of compliance with legal requirements. In all other components of social responsibility (offering training opportunities to people from the local community, conducting an open dialogue with the local community on negative, controversial or sensitive issues affecting the company, facilitating local shopping, encouraging employees to participate in local community activities, and providing financial support to local community activities and projects), there were differences in favour of family businesses, which place greater importance on this form of cooperation with the local environment.

Table 3. Analysis of the presence of components of social responsibility in relation to employees and the local community in smaller family businesses

Social responsibility component: workplace policies	*F1*	*F2*	*F3*	*F4*	*F5*	*F6*	*F7*	*F8*	*F9*	*F10*	*F11*	*F12*	*F13*	*F14*	*F15*
Do you encourage your employees to develop their skills and their long-term careers (e. g. performance assessment, training plan, possibility of part-time studies)?	1	1	1	1	1	1	1	-1	1	1	1	1	1	1	1
Are there procedures in place which ensure adequate measures against all forms of discrimination, both in the workplace and at the time of recruitment (e. g. against women, ethnic groups, people with disabilities)?	0	1	-1	1	-1	1	1	-1	1	1	1	1	0	-1	0
Do you consult your employees on important issues?	1	0	0	1	1	1	1	1	1	1	1	1	1	1	1
Does your company have adequate health, safety and well-being arrangements that provide adequate protection to the employees (e. g. carrying out regular medical examinations of employees, use of equipment which ensures a safe and healthy working environment)?	1	1	0	1	1	1	1	1	1	1	1	1	1	1	1
Does your company offer employees an active work-life balance? E. g. by taking into account flexible working hours or allowing employees to work from home or possibly part-time?	0	0	-1	1	1	1	1	1	1	1	1	1	-1	1	1
Social responsibility component: relationships with the local community															
Does your company offer training opportunities to people from the local community (e. g. education or work experience for young people or disadvantaged groups)?	1	1	-1	1	-1	1	1	-1	1	1	1	-1	1	-1	1
Do you have an open dialogue with the local community on negative, controversial, or sensitive issues affecting your company (e. g. accumulation of waste outside your premises, vehicles obstructing roads or footpaths)?	1	1	-1	0	1	1	1	1	1	1	1	1	1	1	-1
Does your company facilitate local shopping?	1	1	1	1	1	1	1	1	1	0	1	1	1	1	1
Do you encourage your employees to participate in local community activities (e. g. providing time and expertise or other practical assistance)?	1	1	-1	0	-1	-1	-1	-1	1	1	1	1	1	1	1
Does your company provide regular financial support to local community activities and projects (e. g. charitable donations or sponsorships)?	1	1	1	1	0	1	1	1	1	1	1	1	1	-1	1
Does your company comply with legal requirements (payment of taxes, compliance with laws, standards, etc.)?	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1

Source: own research.

Table 4. Analysis of the presence of components of social responsibility in relation to employees and the local community in small non-family businesses

Social responsibility component: workplace policies	*NF1*	*NF2*	*NF3*	*NF4*	*NF5*	*NF6*	*NF7*	*NF8*	*NF9*	*NF 10*	*NF 11*	*NF 12*	*NF 13*	*NF 14*	*NF 15*
Do you encourage your employees to develop their skills and their long-term careers (e. g. performance assessment, training plan, possibility of part-time studies)?	-1	1	1	1	1	-1	-1	1	1	-1	1	1	1	1	1
Are there procedures in place which ensure adequate measures against all forms of discrimination, both in the workplace and at the time of recruitment (e. g. against women, ethnic groups, people with disabilities)?	-1	1	-1	1	-1	0	1	1	-1	1	-1	-1	1	-1	1
Do you consult your employees on important issues?	1	1	0	1	1	1	1	1	-1	1	1	1	0	1	1
Does your company have adequate health, safety and well-being arrangements that provide adequate protection to the employees (e.g. carrying out regular medical examinations of employees, use of equipment which ensures a safe and healthy working environment)?	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1
Does your company offer employees an active work-life balance? E. g. by taking into account flexible working hours or allowing employees to work from home or possibly part-time?	1	-1	1	1	1	1	1	1	1	1	1	1	1	1	-1
Social responsibility component: relationships with the local community															
Does your company offer training opportunities to people from the local community (e. g. education or work experience for young people or disadvantaged groups)?	1	1	-1	1	-1	1	-1	1	1	-1	1	1	-1	1	-1
Do you have an open dialogue with the local community on negative, controversial, or sensitive issues affecting your company (e. g. accumulation of waste outside your premises, vehicles obstructing roads or footpaths)?	1	1	-1	0	-1	-1	-1	1	1	1	1	-1	1	1	-1
Does your company facilitate local shopping?	-1	-1	1	0	-1	1	1	1	1	-1	1	-1	1	1	1
Do you encourage your employees to participate in local community activities (e. g. providing time and expertise or other practical assistance)?	-1	1	1	1	-1	-1	-1	1	-1	-1	1	-1	-1	1	1
Does your company provide financial support to local community activities and projects on a regular basis (e. g. charitable donations or sponsorships)?	1	1	1	1	1	1	-1	1	1	-1	-1	0	-1	1	1
Does your company comply with legal requirements (payment of taxes, compliance with laws, standards, etc.)?	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1

Source: own research.

The most common forms of training opportunities offered by family businesses to people from the local community are, for example, work placements and student work, while they also employ the vulnerable and the hard-to-employ through the Employment Service of Slovenia. In nonfamily businesses, scholarships are awarded to secondary-school and university students, and they offer student work and internships. Family businesses respond to potential conflicts with the local community through an open dialogue, most of them answering that they do not have any major problems in this area. In nonfamily businesses, for example, they organise open-door-days, where sensitive issues can be raised for discussion. There are no differences between family and nonfamily businesses – provided that they are not linked to supplies from foreign suppliers or to raw material prices, they are both directed towards supplies from Slovenian suppliers or local suppliers and encourage their employees to do the same. Furthermore, both types of companies do not place a special emphasis on encouraging employees to participate in local community activities. Both types of companies regularly financially support local community activities and projects, e. g. in the form of donations and/or sponsorships of various sports associations and local events and competitions. All companies comply with the legislation in force in the Republic of Slovenia as regards the compliance with legal requirements.

4 Discussion

A socially responsible relationship towards the employees is at a high level in the analysed family and nonfamily businesses. Our research has shown that family businesses have an advantage in the segment of social responsibility towards the employees. Both types of companies show that they are aware of their greatest capital, their employees; however, family businesses invest more in the employees' development, education, and training and reward them. No type of discrimination is allowed in either type; however, this is even more pronounced in family businesses. In this respect, both types of companies operate in accordance with the applicable legislation, i.e. under the Employment Relationships Act. Both also engage in reciprocal, two-way communication with employees, consult and talk with them, reach agreements, and actively involve them in shaping the company's business strategy. However, nonfamily businesses place more emphasis on the management, who adopt the decisions and are accountable for them. In the majority of the companies included in the sample, communication takes place in a hierarchical, top-down manner. Occupational safety and health are provided for in both family and nonfamily businesses. They enable their employees to undergo regular medical examinations and various training courses and they ensure appropriate working conditions. A slight difference between family and nonfamily businesses is again evident in the segment of work-life balance, where nonfamily businesses have an advantage in our case.

The analysed family and nonfamily businesses are well aware of their responsibilities towards the local community. Our findings show that family businesses have an advantage in this segment, possibly because they are more dependent on the

environment in which they operate. In five of the six fields – offering training opportunities to people from the local community, open dialogue with the local community, encouraging employees to participate in local community activities, regular financial support in the form of sponsorship and donations, as well as facilitating local shopping – family businesses have a clear advantage over nonfamily businesses. It is particularly important for family businesses to build partnerships in their local community, thus supporting other family businesses while at the same time acting as a partner and a neighbour aiming at a quality co-existence. The same results were obtained only in terms of legislative compliance, as all companies comply with legal requirements.

5 Conclusions

Social responsibility is well integrated into the relationships with employees and the relationships with the local community and the research has confirmed our assumption that family businesses behave differently than nonfamily businesses. Family businesses integrate social responsibility into their business as a result of a moral obligation, directing it towards external relations – e. g. towards the local environment/community, but, as evident from the research, also towards internal dimensions of social responsibility such as activities for employees. Family businesses cooperate with employees in the decision-making process on important matters within the company. Nonfamily businesses focus on relationships with their employee less than on relationships with the local community. Family businesses prefer to invest in projects involving their employees (football clubs, charity, etc.). Nonfamily businesses on the other hand invest in projects where they improve their reputation, regardless of who is the organiser of the project in the local community.

The involvement of companies in the local environment is important for the development of jobs and for other beneficial effects on the environment. Family businesses work with the local community because they are expected to do so and because they want to do something good for their community. It can be said that their social responsibility stems from moral obligations but also from philanthropy. Nonfamily businesses on the other hand often see profits and economic responsibility in their cooperation with the local community. There are studies that have yielded exactly the opposite results that have shown that there were family businesses with a negative impact on social responsibility in community policy (Hirigoyen and Poulain-Rehm, 2014, 255).

Effective relationships with the local community in which the companies operate are essential for achieving long-term success. Understanding the impact and aspects of an organisation on the local social environment is key to achieving corporate social responsibility.

One of the key components of corporate social responsibility is the quality of the relationships between employees and the company management. It would be

contradictory if the management were to act socially responsible towards the community but would not respect the employees' basic rights or other statutory provisions governing relationships between the company and its employees. Unfortunately, this is also happening, but is hidden and far away from the watchful eyes of the public. A business can externally only be seen as genuinely responsible if it is primarily internally responsible (Golob and Podnar, 2006).

We live in an era of advanced technologies and exceptional access to information. All this brings numerous benefits but also creates a highly competitive, unyielding, and transparent environment and society in which organisations find it increasingly difficult to create a competitive advantage and show their diversity or uniqueness. Social responsibility is a lever for organisations to demonstrate their individuality and interest in the greater good that goes beyond purely profit-making. However, it is sometimes difficult to identify whether the interest in the interests of the public is merely a fiction for even greater profits or whether organisations are indeed socially responsible.

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Chapter 5

The Digital Security Continuum: Reputational Aspects of Online Threats

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Abstract: Thus far, there is a tendency to analyse cyber-attacks against devices, infrastructure, and information as separate from reputational threats, such as fake news or other types of disinformation (or the release of truthful but negatively impactful information). Nevertheless, as argued in this chapter, such a distinction is not sustainable: both are, instead, best seen as part of the continuum. In order to better elucidate the connections, the chapter first establishes the definition of a cognitive attack – a deliberate attack on audience attitudes towards an organisation – and subsequently deals with the relationship between cognitive and cyber-attacks in the sourcing, manufacturing, and delivery of reputationally harmful content. Ultimately, it is concluded that such interrelationship is going to contribute to the growth of the reputational threat.

Keywords: cognitive attack; cyber-attack; data; information.

1 Establishing definitions and distinctions

Today, perhaps more than ever before, organisations are facing reputational threats aimed at undermining their reputations in the minds if strategic audiences. Since such attacks aim at altering the cognitive processes pertaining to the target organization, they are best conceptualised as cognitive attacks. A cognitive attack is to be defined here as an effort to either 1) affect attitudes, perceptions, and other mental processes to make an adversary make specific decisions in accordance with the attacker's strategic aims or 2) negatively affect the perception of the victim in the eyes of key audiences (customers, business partners etc.). This effort includes sourcing, production, and supply of information. While the 'information' component is a feature that distinguishes cognitive attacks from other types of online threats (e.g. cybercrime) a tripartite distinction has to be made between three different facets of such information: the first element is data (usually, big data, as discussed below), which has

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to be made sense of through special analysis techniques (i.e. it still has to be turned into meaningful information); the second element is raw information as something already meaningful in itself (e.g. the content of a particular conversation or email exchange, documents, etc.) but not yet refined for targeted information campaigns; and, finally, information proper, i.e. the already crafted messages supplied to target audiences as the content of a cognitive attack (Kalpokas, 2017).

It is crucial to emphasise the importance of raw information and data in the production and delivery of cognitive attacks as well as the methods used for acquiring and processing the raw materials. Since such acquisition often happens through either theft (cyber-attack) or collection (not necessarily lawful) of large volumes of data, there are important reasons for connecting cognitive attacks with cybercrime (Mazarr, Bauer, Casey, Heintz, and Matthews, 2019). Hence, it is suggested that a particular cyber-attack that involves information/data theft or placement of tampered information should be seen as part of a cognitive attack, instead of a simple instance of isolated cyber-criminal activity, especially to the extent that there is no destruction of hardware and/or information or such destruction is not the primary aim of the campaign. Nevertheless, attacks on information that are primarily for financial gain, such as ransomware attacks, should not be automatically excluded: if revealing sensitive information, rather than destroying it or making it useless, is part of the threat, then a clear cognitive element persists as well.

Notably, the aims of both cyber and cognitive are somewhat similar: affecting either the hardware and software that enables an organisation's strategic assets (cyber-attacks) or the mental 'wiring' of strategic audiences (cognitive attacks). Within the domain of international conflict, Libicki (2017) has already emphasised the convergence between cyber and informational elements in modern conflict. Likewise, as stressed by Porche (2013), any attempt at separating the 'apples' of content and the 'apple carts' of delivery systems is futile: one cannot have one without the other, since the apples (content or the building blocks for a cognitive attacks) have to be sourced and then delivered to the end consumer (i. e. the target audience of the attack) by cyber means. Just like a business entity cannot be understood solely in terms of its production processes, without due regard to how it sources its raw materials and supplies its end-product to the market, cognitive attacks cannot be analysed without looking into all the necessary steps as well. Hence, a cognitive attack comprises of three major stages: sourcing of raw materials, production, and supply of the end-product. All three must be taken into account when analysing a cognitive attack because they carry equal weight.

2 The sourcing stage

There are two ways in which the sourcing stage of cognitive attacks corresponds with cyber-attacks or cybercrime. The first one is the acquisition of data, particularly in the current era characterised by ubiquitous connectivity and device interoperability, whence a broad range of devices, from phones to home appliances, industrial control systems, or data centres are permanently connected while constantly accumulating, transmitting,

and exchanging data (Ball, 2020). Such connectivity raises at least two major problems: first, it creates enormous amounts of data that attract potential threat actors; and second, since the level of protection is uneven across this spectrum, the overall level of data security is as low as that of its weakest link (Pogrebna and Skilton, 2019). Moreover, the complexity of the technology supply chain, from software manufacturers to service providers, creates numerous opportunities for intelligence agencies and hacker collectives alike to infiltrate it and/or tamper with the product in order to have backdoor access, allowing for extensive data collection and retention (cf. Chantzos and Alam, 2016).

Meanwhile, data itself allows building of increasingly accurate profiles of large sections of a particular population. It should, then, come as no surprise that whereas information operations of some form have a long history, the characteristic feature of today's cognitive attacks (or, in an international domain, information warfare) is that they are 'cheap, fast, data rich, and difficult to attribute' (Hwang and Rosen, 2017, 1). As a result, cognitive can now be targeted at particular audiences with great precision; moreover, the very content of such attacks can now be moulded in such a way as to have the greatest possible persuasive effect on a chosen audience, which manifests particular already-known attributes and attitudes (Hwang and Rosen, 2017). Such richness of data might be achieved by a) monitoring online activities of individuals, b) stealing such data through major hacking operations, or c) buying such data from their legal or illegal possessors (usually, though, it is a combination of all of the above). Consequently, the struggle for the mastery of data is one of the most pertinent issues of both organisational and national security (cf. Powers and Jablonski, 2015).

At the heart of the matter lies big data, i.e. enormous sets of unstructured data that cannot be managed by standard database software but instead necessitate sophisticated analysis (Chen, Mao, and Liu, 2014). Big data are defined by their huge volume, velocity (created in real or near-real time), exhaustive scope (when potentially n = all, i.e. all possible data about everything), relationality (ease with which one dataset can be connected with another), and flexibility (new fields can be added or existing ones expanded) (cf. Mayer-Schönberger and Cukier, 2017). Mostly, it is data created by users themselves: messaging records, social media posts, browsing and search history, etc. as well as that generated by various connected smart devices and appliances that collect and transmit data by default (Kalpokas 2019). In fact, collection, packaging, and sale of data is at the heart of the business models of many internet-based companies today, particularly those providing a nominally free service to the average user, often without the latter being aware of the end-use of the data that they generate (cf. Srnicek, 2017; Zuboff, 2019). On the top of that, big data are also increasingly collected and used by national and even local authorities to better tailor their services (cf. Goodman, 2020), creating an additional access point for those wishing to syphon off their raw materials. Hence, the sources of big data abound – one only needs to obtain some form of access to it.

While it is necessary to collect and combine data from many sources across extended periods of time, relating to large populations (Chen, Mao, and Liu, 2014), it is even more

important that 'when correlated and analysed, […] can provide an extremely detailed picture of a person's life' (Global Commission on Internet Governance 2016, 31), thereby informing decision-making processes. Even if not necessarily building an intimate and detailed picture of every particular individual (that would be too resource-intensive and, for legitimate actors, raise privacy challenges), data mining techniques are usually intended to discover patterns and trends within specific groups or ascribe individuals to groups in accordance with particular traits (Ammerman, 2019) in order to then inform content creation and delivery. An illustrative fact is that in current surveillance programmes metadata is at least just as important as content has a clear explanation – once one is capable to analyse and cross-reference such connections, behaviour and communication patterns can reveal a detailed picture of the relevant group (Bernal, 2016, 246). Moreover, results of big data analysis can be not only descriptive but also predictive, particularly when correlated across different sets (Ammerman, 2019; Zuboff, 2019), and therefore be used to model how a target population would react to certain messages and how particular content would most likely spread within that population.

The second aspect in common between cognitive attacks and cyber-attacks is collection of raw information to be used in IW operations. After all, information theft is one of the most common goals of compromising a system (Libicki, 2017). Even when the hack seems completely random, as Libicki (2017, 51) notes, 'the purpose of stealing all the haystacks is to find the few needles of particular interest'. This raw information necessary to produce cognitive attack content can be either stolen directly by the perpetrator of the operation or acquired from other cybercrime actors which can involve purchasing information that had already been stolen, commissioning the theft of information, or both (Broadhead, 2018).

3 The production stage

Crucially, a cognitive attack is based manufactured narratives, i.e. explanatory and convincing stories that can provide structure to otherwise disparate pieces of experience, stimuli, or information (cf. Pomerantsev, 2019). Such stories are carefully sourced, produced, and supplied in order to achieve a particular goal, such as diminishing the credibility of the subject in the narrative (Hellman and Wagnsson, 2017; Ritesh, 2020; Seargeant, 2020). In terms of structure, there usually is 'an initial order or status quo, a problem that disrupts that order, and a resolution that re-establishes order' (Miskimmon, O'Loughlin, and Roselle 2013, 81). A cognitive attack does not necessarily have to counter already-existing information. In fact, one does not even necessarily need to make others fully believe the manipulative content – even creating contradiction and sowing confusion over the best course of action or scepticism towards the very possibility of truth might be sufficient (Jankowicz, 2020).

For the cognitive attack content to spread and proliferate, it is crucial to manufacture it so that the target audience finds it convincing. Usually, that includes playing with memories, taken-for-granted notions, and affective relationships with the environment (Kalpokas, 2018). The main ingredient that one needs here is data – information about

what strings is to be pulled to both convince a target population and to make that population engage with cognitive attack content, thereby facilitating its spread (Kalpokas, 2018). This is where the data acquired in the sourcing stage comes in handy. However, the use of data never ceases. A good example of that is Sentiment Analysis: by using Natural Language Processing tools, one is increasingly able to gather the opinions and attitudes of a target population towards a particular issue, political actor, or even a piece of information, including that deliberately released as part of an IW operation, in real time (Serrano-Guerrero, Olivas, Romero, Herrera-Viedma, 2015). Such awareness of the public sentiment can then allow real-time management of the cognitive attack strategy, refining certain elements and adding or removing others to make the operation more effective.

Still, even well-tailored information would not necessarily convince a critical mass of individuals without bearing any relation with reality. And this is where not only data, but also raw information comes in handy, allowing cognitive attack perpetrators to fuse invented stories with stolen genuine information in order to achieve high levels of verisimilitude (Libicki, 2017, 52; Woolley, 2020). In fact, at least according to some intelligence analysts, such situation could be seen as the 'new normal' as the as the availability of raw information and data, as well as the opportunities for targeting and spreading such messages, increase (Pomerantsev, 2019). Moreover, although production of cognitive attack content still involves skills and resources, advances in automation can minimise the effort necessary to conduct a campaign (Schick, 2020; Woolley, 2020). Just like automation transforms most production processes, deployment of real people in the production and, especially, dissemination of content is also not always necessary – bots (or 'politically motivated software agents') can easily be deployed to both create and disseminate cognitive attack content (Woolley and Howard, 2016). Moreover, with the development of cognitive technology, it is increasingly possible to integrate real-time data analytics and automated decision-making (Davenport, 2017). That will, soon enough, include automated production and placement of tailor-made information, based on the raw materials available. Once fully operational, such technology will effectively become a true machine gun of cognitive attacks, but with the bonus of precision targeting (Schick, 2020; Woolley, 2020). Even more disturbingly, with new Artificial Intelligence (AI) capacities of generating fake audio and video content already under development, production of the IW content could soon exceed even the most egregious present instances of so-called 'fake news' – with so-called deepfakes standing out (Schick, 2020). After all, although audiences are becoming increasingly aware of the ease with which written information can be tampered with, audio and, particularly, video recordings still bear a significantly greater level of perceived trustworthiness. In contrast, we will soon find ourselves in a situation where autonomous software agents, powered by advanced AI capacities, automatically analyse (and perhaps source) data and raw information, produce precision targeted cognitive attack content in whatever format necessary, supply it to target audiences, collect and analyse feedback, and readjust the content, accordingly, thus turning the public sphere into a battle of the bots (Mazarr, Bauer, Casey, Heintz, and Matthews, 2019).

There is also an even deeper cultural shift involved as any discussion of cognitive attacks should be supplemented by an emphasis on an even newer phenomenon – the Experience Age (Wadhera, 2016; Kalpokas, 2018). The Experience Age is primarily the product of the increasing ease of access, amount, and diversity of information (such as never-ending social media feeds), and the resulting lack of time, attention, and patience to carefully consider everything that competes for attention. The speed at which today's online media environment operates leaves little or no time for verification; in such a way, even a single bogus message can quickly morph into a seemingly legitimate story; as it gets repeated across multiple news outlets and social media profiles, the sheer volume of repetition creates a clout of perceived credibility (Silverman, 2015; Kalpokas, 2018). Moreover, as a result of the changes in the news media environment, brought about by the rise of social media as a news source, professional journalists have become fewer and farther between, weakening the gatekeeping function once enjoyed by mainstream outlets and thereby paving the path for various sorts of 'fake news' (Muirhead and Rosenblum, 2019).

Crucially, however, the audiences themselves appear to be less willing to be challenged and proven wrong – if one becomes convinced of something, it is unlikely that corrections or exposure to alternative information would change anything as previous opinions will still linger as 'belief echoes' (Thorson, 2016). Thus, in an age of 'Twitter-sized attention spans' (Lapowsky, 2016), connecting with people emotionally is now a must, with data pinpointing access points for such pre-cognitive connection. If feelings or an emotional attachment to some narrative validates the veracity of the message, a factual debunking of a claim is not going to achieve anything or, perhaps, it is going to even strengthen the us-versus-them mindset (Kalpokas, 2018). Consequently, facts have now become rhetorical weapons, failing to produce any reality that opposing sides would agree upon (Pomerantsev, 2019). In this sense, cognitive attacks are exploiting society's overreliance on information technologies and further exposing their dual use as enablers of not only emancipation but also manipulation through information (Kalpokas, 2018).

4 The supply stage

Social media offer a very convenient environment for precision targeting specific populations. Firstly, it is due to them increasingly becoming the main tools for news acquisition, turning these platforms into powerful cognitive weapons (Biały and Svetoka, 2016). Secondly, the inner workings and business models of social media (such as targeted advertising, exposure to the activities of one's contacts, content suggestions, and content ranking algorithms) allow targeted delivery of and maximum exposure to cognitive attack content (Kalpokas, 2019; Mazarr, Bauer, Casey, Heintz, and Matthews, 2019). That is particularly so due to the ability to set precise parameters of the target audience to which your content is to be displayed, either through commercial targeting features or simply though infiltrating the relevant groups and circles, as well as the ability to then 'outsource' further spreading of attack material to the users

themselves (Wanless and Berk, 2020). The latter is crucial: once there is a critical mass of users who find the cognitive attack content noteworthy or at least interesting enough to be shared with their own social circles (which does not require any great effort), such 'sofa warriors' become indispensable for the proliferation of the IW campaign (Wanless and Berk, 2020). Hence, if a cognitive attack attracts enough attention and engagement (from human users or from bots), it then spreads by itself. Moreover, since the algorithms that control which content is seen by social media users are, for obvious business reasons, engagement-centric (the more engagement a post creates, the more likely it is to be seen by other users), fake and otherwise deliberately manufactured stories can easily proliferate and outperform their legitimate counterparts, particularly because they are specifically produced with a particular target population's soft spots in mind (Pomerantsev, 2019). This trend is further exacerbated by default exposure to algorithmic selection of content and friend posts, likes, and recommendations instead of curated content (Singer and Brooking, 2019).

Also, cyber operations can help to spread the content of a cognitive attack by hacking content management systems of news organisations or government institutions and using them as platforms to spread fake or deliberately manufactured content (Yar and Steinmetz, 2019). Such efforts may have several main aims. First, they ensure a much wider reach, guaranteeing the attention of their already-existent follower base. Second, information, spread through such channels, carries an added clout of legitimacy, emanating from their pre-existing reputation. Even if the hack is quickly discovered and a denial issued, some individuals may still fixate themselves on that piece of information, particularly if it confirms pre-existing biases. Screenshots of the communication can then be circulated among target groups along with conspiracy theories. Finally, tampering with legitimate news sources can simply act as a means of further sowing distrust and cynicism towards any publicly available information, promoting the subjective selection criterion, such as adherence to one's own biases, already pertinent to the Experience Age (cf. (Mazarr, Bauer, Casey, Heintz, and Matthews, 2019).

5 Conclusion

This chapter has explored the main structural elements of cognitive attacks and the challenges posed by weaponised information. When properly understood, a cognitive attack involves:

(1) acquisition of raw information and data (typically with the capacity to portray the organisation in a dubious and/or embarrassing light,
(2) manufacturing of content (information proper) in such a way as to provide maximum appeal to a specific audience and maximum reputational damage to the target, and then
(3) spreading such information in a coordinated manner with an intention to manipulate the target into making specific decisions.

In doing so, cognitive attacks are clearly not separate from but closely intertwined with cyber-attacks, particularly with regards to sourcing raw information and data and supplying the end-product to the audience.

Notably, cognitive attacks make use of the information delivery technologies and consumption patterns that characterise today's public sphere and audience interaction with it. It is the refinement and precision targeting of content using big data analytics and, increasingly, automation that really marks the coming of age of cognitive attacks. Because it is now easier than ever to access the data that define target populations and pinpoint the exact weak spots, past experiences, and emotional connections that should be addressed in order to achieve the strongest effect possible, and also because advances in data analytics make interpretation and prediction-making relatively straightforward, the security threat caused by cognitive attacks is only going to increase. That is particularly so in the context where societies themselves appear increasingly susceptible to doctored or simply manufactured information. Hence, there is a pressing need to develop strategies for countering cognitive attacks.

Of course, with regards to cognitive attacks, 'fake news', or any other related term, there is also a danger of sticking the label on almost anything (for example, all sources that one does not like), which would only dilute the specificity of threats and preclude effective response. However, when properly delimiting the scope and application of cognitive attacks, a meaningful engagement of the subject is possible.

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Chapter 6

The International Nature of Cyberspace and Ownership of Its Security

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Abstract: Cybersecurity has become a buzzword and various actors are developing strategies to minimize the threats in the cyberspace. However, this chapter claims that there are limits on what separate actions can do in ensuring greater security in this virtual domain, whether it is individuals, business units or governments. It is argued that the effective regulation of cyberspace demands more holistic approach and engagement of various stakeholders globally. The chapter aims to demonstrate the international nature of cyberspace, the global implications of the emergence of this virtual domain, dynamics of its governance as well as threats entrenched in its design. The chapter based on scientific literature analysis of the experts in the cyber-related matters. It is concluded with the call for coordinated efforts to address these matters on a global scale, as it offers the most effective way to deal with the various insecurities within the cyberspace.

Keywords: cybersecurity; international cooperation; multistakeholder governance.

1 Introduction: in the search of cybersecurity

The emergence of a digital space, commonly known as cyberspace, has brought far-reaching changes in the way people communicate and dictated new rules for businesses, politicians as well as other subjects. Nowadays it encompasses a great deal of day-to-day operations, starting from financial transactions and ending with the role of cyberspace in the functioning of energy sector. However, practice proved that virtual space can be used not only for good and desirable ends, as there are plenty of ways to exploit it for malicious purposes. The wide spectrum of threats arising from cyber realm leaves its participants occupied with the task of boosting cybersecurity by minimizing the adverse consequences of criminal activities in the cyberspace.

While numerous strategies to address the new challenges related to cyberspace are created, taking care of cyber issues is beyond the capabilities of any single actor. Despite the massive investments and expertise in the industry, cyberspace is shared

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across the borders and therefore the policies can also be fully effective only in case of joint efforts, uniform norms and coordinated approaches are in place. However, the international cooperation on cybersecurity is very limited and there is still a lack of wider global regulations in place. The existing research in the field is also mostly concentrated on the individual cases and efforts, and although there is no doubt that the important lessons can be drawn from the practices up to date, there is still a great need to address the bigger picture besides the pieces of the complex puzzle of cybersecurity.

This chapter overtakes the aim to demonstrate the complexity of cyber-related matters stemming from its international character. It does so by addressing the international elements related with cyberspace from several angles. Firstly, the borderless nature of cyberspace and its dynamics are discussed. Then, the potential of cyberspace on a global scale is presented, followed by an overview of its governance. Lastly, the security related issues are addressed with regards to its global dynamics. These sections aim to demonstrate that it is hardly possible to discuss and solve cybersecurity issues outside of the global realm. As a result, the chapter ends with emphasizing the need for more coordinated international solutions on the journey to greater cybersecurity. All of the above is based on the works of scholars specializing in cyber-related matters, such as Nazli Chourci, Melissa E. Hathaway, Allan Friedman and some others.

2 The nature of cyberspace

To grasp the need of international efforts to address cybersecurity, one should begin by getting familiar with unique cyberspace characteristics. Therefore, this section aims to address the structure and peculiarities of the cyberspace, distinguishing it from other domains.

There is still no sole standard definition to describe cyberspace in academic community. This compound word reflects two layers hidden inside the term– the physical and the virtual (Koremenos, Lipson, and Snidal, 2015) The former includes computers, cables, servers, and other information technology infrastructure parts, whereas the latter concerns the space created, which is filled with man-made content and social interactions within the networks and therefore can be otherwise regarded as informational layer. Hence, cyberspace can be described as "the complex environment resulting from the interactions of people, software and services on the internet by means of technology devices and networks connected to it, which does not exist in any physical form" (Hathaway and Klimburg, 2012), or in more narrow sense it can also be perceived just as "a constructed context of interaction" (Choucri, 2013). Cyberspace is built through the combination of both tangible and intangible, as the technologies enable its users to create and share the content among each other. The concept is often used interchangeably with "internet, however, such equation is not accurate. The two terms are inextricably tied, however, they carry different meanings, as they direct attention to different elements. The internet is the network itself and concerns the

technical part which makes data exchange possible. Thus, cyberspace is an outgrowth of the internet, which creates conditions for its emergence.

Some authors split cyberspace into smaller parts to bring better understanding of this phenomenon. David Clark identified four layers: the physical, the logical, the informational and the top layer – people. The first one already mentioned above and although it is a requisite for the existence of internet, infrastructure constitute the lowest level and has little influence on the exact cyberspace characteristics as it is now. Those are principally determined by the logical layer, where the foundations and particular principles of the internet functioning are developed and laid out. The following and the top layer are the information circulating in cyberspace, the quantities of which are rapidly increasing as it becomes more and more personalized. Lastly, the scholar distinguishes the human element, as the behaviour and preferences of internet users shape cyberspace and influence its development patterns (Clark, 2010). Thus, the current design of cyber realm is dictated by the interaction of various elements, however, it is not rigid and represents only one of the many possible variations and is being continually developed.

Cyberspace is characterized by some notable features that distinguishes it from any other form of space known. Nazli Choucri enumerates seven main characteristics of cyberspace. The author marks that cyberspace is special because of its physicality, as it transcends the usual physical and geographical boundaries, as well as permeation, which enables it to get through different legal systems. Furthermore, it can be characterized by temporality due to the immediate effect an action in the cyberspace could produce as well as fluidity, which enables sustained shifts and reconfigurations. It is also marked by participation, as it empowers its users to publicly express their views and ideas. In addition to this, cyberspace modifies attribution, as it conceals the identities of the actors engaged by offering anonymity and at the same time (Koremenos, Lipson, and Snidal, 2015) undermines accountability as responsibility for certain behaviour (Choucri, 2012). Besides these qualities, the low costs of operating within it (Holdorf, 2015) are also worth mentioning, as it usually requires an access to the internet and certain knowledge. Finally, it should be noted that cyberspace is constantly evolving and growing with around 2,500,000,000,000,000,000 bytes (Singer and Friedman, 2014) added to it every day.

In general, cyberspace is an informational space created through certain technologies and interactions of its users. It is very dynamic, rapidly growing, marked by high level of participation, offers anonymity and is not subject to physical borders. Such nature of cyberspace inevitably makes it a part the global realm by diminishing the geographical boundaries defining other domains. Its wider implications on a global scale are presented in the following section.

3 The international significance of cyberspace

The emergence of the internet and virtual space enabled by it have brought far-reaching changes for societies, businesses, governments, and other subjects. As enumerating all advantages and disadvantages of the internet is beyond the scope of this chapter, this section briefly presents the bigger picture by highlighting the main points determining the significant potential held by cyberspace.

To begin with, it is widely believed that the deployment of cyber technologies go hand in hand with the economic growth. In other words, the expansion of cyberspace and greater interconnectedness can contribute to creating added value and stimulate the economies. The positive effects of an open internet are well-known: it makes it easier for business units to reach new markets, increase efficiency of transactions and facilitate the knowledge sharing (Box and West, 2016). In terms of international relations, this raised expectations that the new technologies are capable of reducing considerable inequalities between different regions. Some claimed that developing countries can catch up with developed world by skipping some of the phases that the others have gone through over time. However, the numbers prove that developed world is gaining the most (Yousefi, 2011), whereas developing countries are not always capable of fully reaping the economic benefits offered by cyberspace. Therefore, there is no sole answer when examining the cyberspace relation with global inequalities, as while the majority lags behind, there are some prominent success stories like that of South Korea as well. Hence, even though cyberspace can be subordinated for economic purposes, the presence of the internet itself does not naturally translate into economic prosperity and the states usually get what they are able to make of it.

When it comes to the role of cyberspace in international relations, another point that captures attention is its democratizing potential. Again, there is a wide spectrum of opinions on the issue, starting with optimists who believe in the special role of internet in democracy promotion, and ending with pessimists claiming that there is little correlation between connectivity and regime. The first camp sees the threat to authoritarian regimes in the architecture of cyberspace, as it enables the free flow of ideas and empowers people by providing them a platform for communication and mobilization (Choucri, 2012). On the other hand, others claim that, despite the internet can serve as a democracy engine, this potential is often left unfulfilled, as most internet users are not searching for political news and direct their attention elsewhere. Besides, even though the citizens now can organize themselves more easily, it does not mean that they will necessarily do that for the sake of democracy. Also, certain restrictions on cyberspace can be applied by the national governments, which would decrease the possibilities for societies to organize. As in case of economic growth, there are some examples when cyberspace served for democratic purposes, but these experiences cannot be generalized.

To sum up, the emergence of internet generated high hopes for the spread of democracy and shrinking global inequalities. Even though it provides instruments for the fulfilment of these objectives, this potential is rarely realized. However, this

demonstrates the far-reaching capacity of developments in cyberspace and the underlying interests of some actors to form it in certain directions. Therefore, the next section overviews the international governance of cyberspace and its peculiarities.

4 Governing cyberspace

As discussed above, cyberspace is a complex domain with unprecedent characteristics. However, it is a man-made invention and does not simply live by the laws of the nature. Therefore, this section attempts to shine a light on the current model of internet governance and its dynamics.

Currently the internet governance is based on multi-stakeholder model. As evident from the name, its essence is the distribution of the management tasks among the hands of many actors (stakeholders), who cooperate and interact in maintaining the internet. In other words, its leading principle is "collaborative leadership among stakeholders with a commitment to particular problems" (Dutton, 2016). The key point here is that the term stakeholder does not necessarily refer to states, as they constitute only one group of actors, while stakes are also held by other subjects, namely private sector, civil society, technical communities, academia as well as international and intergovernmental organizations. The variety of actors participating makes the process extremely complicated to grasp, as "it involves layers of distinct coordinating and administrative tasks that cumulatively keep the Internet operational" (Raymond and DeNardis, 2016) and there is no clear hierarchy or single body having final authority. Such open, bottom-up framework, wherein the decision making is mainly based on market and technical calculations (Centre for International Governance Innovation and the Royal Institute of International Affairs, 2017) developed historically through combined efforts of all the stakeholders. Even though the role of governments is limited in this structure, it is important to point out that the United States played a special part in the development of this approach, having one of the most important private companies in internet governance, ICANN (Internet Corporation for Assigned Names and Numbers) is in its territory and therefore under its jurisdiction (Petillion and Janssen, 2017).

The multi-stakeholder approach does not please everyone. Some countries started to challenge the current order demanding more multilateral governance mechanisms, or, in other words, more leverage for national governments. As there is no such thing as multilateral internet governance in practice, the analysts have designed its ideal model based on the requirements of the opposing side. The main difference between the two approaches is the role of the countries. Multilateral perspective represents a state-centric model, as it claims that sovereign governments have the right to decide their own policies on the internet, while other stakeholders should play only advisory role in this approach. Also, this approach holds that an intergovernmental framework should be established to take care of issues requiring wider participation, for example, managing technical bodies like ICANN. Overall, multilateral governance is based on the principle of sovereignty, also it is more hierarchical and less transparent (Dutton, 2016).

It does not require international consensus, as each government decides on the best approach for its country in accordance with its culture and other local circumstances. Even though multi-stakeholder model officially prevails, some states started to install the elements of multilateral governance through national regulations of cyberspace, with China as the most prominent example (Griffiths, 2019).

The distinction between multi-stakeholder and multilateral approaches is more than a theoretical one. It is widely perceived as the chief obstacle hampering closer international cooperation on cyber matters, as these two visions advocate completely different principles and therefore can hardly be reconciled. The proponents of an open internet are firmly against any governmental control as there is a lot at stake. As discussed in the previous section, it is often seen as a facilitator of economic growth and societal development. Accepting multilateral model would change internet unrecognizably, as some governments might establish virtual borders, blocking undesired content. In turn, the fundamental features of cyberspace such as its unique physicality and permeation which enable unhampered flow of information and goods, would be damaged (Mueller, 2017). Consequently, this would undermine its potential to bring economic benefits (for instance, by discouraging investments) as well as the course of societal developments. These clashing political interests hampering the further development of open cyberspace could be balanced by the wider inclusion of other actors, such as private sector representatives from different regions.

To sum up, the cyberspace as we know it today is a result of several technological and political decisions and is continuously modified. The internet now is governed by the multistakeholder model, which unites various stakeholders participating in the process to different extents. However, some countries are advocating for more multilateral approach giving more power for national governments over the control of internet. To avoid such shift and ensure open cyberspace, the inclusion of more interested parties would be feasible.

5 (In)Security of cyberspace

As discussed in the sections above, the current course of cyberspace is of the international kind. It is evident that there are certain benefits to reap from this prevailing order, however, it does come with a price tag. This section is to demonstrate the security related issues around the open internet.

There are certain vulnerabilities inherent to cyberspace by design. Richard J. Danzig tried to classify some of them, distinguishing structural vulnerabilities concerning the technical points, including centralization, communicative capacity, size, complexity, interaction, and some others. It is emphasized that there are huge amounts of information concentrated which, if obtained by unauthorized actors, can be used for malicious purposes. Also, several errors inevitably occur in the programming process over time and later can be exploited by the attackers. Moreover, the identification of

attackers is a very difficult and lengthy process which sometimes is not possible at all (Danzig, 2014).

In addition to these software deficiencies, there may also be operational vulnerabilities, or, in other words, human errors, made by those with an authorized access either intentionally or inadvertently. The fast pace of changes in the field makes it even more difficult to address the existing flaws and keep pace with new challenges at the same time (Danzig, 2014), making the offensive actions one step ahead of the defensive efforts. All those problems embedded in cyberspace serve as an invitation to break in for some actors with certain skills and ambitions, whether individuals, non-state organizations or the states themselves.

Factors contributing to the emergence of threats are deeply entrenched in the architecture of cyberspace and are not harmful per se but can be misused by actors with malevolent intentions. The wide variety of actors engaging in the process and distinctive relations between them deserve special attention. One of the central features of cyberspace is that it serves as an equalizer, as it offers all participants "speed and reach, anonymity and protection, and the ability to create and participate in virtual economies and wield cyber weapons, all with low buy-in costs" (Rowland, Rice, and Shenoi, 2014). This leads to two notable outcomes. Firstly, it creates favourable circumstances for those willing to engage in illegal activities, for example, hackers or criminal organizations. Secondly, it allows unprecedent asymmetry, as today it can only take one highly skilled individual to threaten the well-developed business, which would hardly be possible otherwise. Hence, the accessibility of technologies seems to be not all good news, as this empowerment does not guarantee the morality of intentions of its users.

Probably the best-known examples to illustrate the exploitation of cyberspace vulnerabilities concerns cybercrimes - wide spectrum of illegal activities, such as fraud, theft, and others. Individuals and business are the main targets; however, it has the potential to undermine the broader national or international systems if carried out on a large scale (Singer and Friedman, 2014). It is evident that this problem is not to be solved internally, as cyber criminals are able to commit their crimes from across the globe while hiding in safe havens (Deibert, 2012). Besides the variety of cybercrimes, there are also other types of threats, such as cyber espionage, covering spying and gathering information related to the plans and activities of a foreign government or company (Hathaway and Klimburg, 2012); or cyber terrorism, which could pose a danger to critical infrastructure, as cyber means could be used to disrupt communication system, electric power grids, water supply or other networks. Therefore, cyberspace threatens not only with steadily growing financial losses. High-level cyber breaches can also generate wider tensions both in the societies as well as internationally.

All in all, cybersecurity issues may emerge due to the certain vulnerabilities entrenched in cyberspace and the diffusion of power enabling malicious actors to exploit it to their advantage. It is evident that these flaws are directly related to the very nature of cyberspace which was laid through its complex multistakeholder governance over the

years. The next and last section is to connect these pieces together and discuss the ownership of greater security in cyberspace.

6 Conclusion

This chapter has addressed the composition and governance of cyberspace as well as the inevitable threats stemming from the design of this unique domain. Besides witnessing the complexity of this virtual domain, the sections above were designed to emphasize the international component in cyber-related matters.

First of all, cyberspace as we know it today is international by design as it knows no borders or geographical boundaries. It is democratic by its nature as it can be accessed by anyone with enough computer literacy skills and an internet connection. Secondly, it has potential global implications, driving the economic and societal growth around the world. These unique characteristics of cyberspace are the result of international collaboration of various stakeholders to create its structure and maintain its vitality by constantly improving it over the years. Although the positive impacts are evident, the practice showed that such an open design also has built-in vulnerabilities, exposing its users to various threats online. By giving access to valuable knowledge for some, it also gives a way for the spread of misinformation; by letting some to access the new markets and sell their goods internationally, it also makes businesses a target for the cyber criminals around the world. Therefore, like the cyberspace itself, the dangers within it are also shared by virtual global community.

In a nutshell, the international nature of cyberspace is both a blessing and a curse. While opening the unprecedent opportunities, it simultaneously exposes its users and creators to various threats. Cyberspace itself is merely a tool, and the dynamics within depend on the intentions of its users. Luckily, this tool can be regulated by complex mechanisms among its many stakeholders, ensuring the maintenance of an open internet while curbing the threats which come along at the same time. If the internet is to be owned by everyone, so is the responsibility for its security. Actions taken by individuals, businesses, and countries matter, but there are limits to what they can do individually. As demonstrated in this chapter, the very nature of cyberspace is international on many regards, and therefore there is a great need to push the governments of states and international bodies to address the security and work on a more unified approach.

Better understanding of international dynamics of cybersecurity might serve as a first step in contributing to positive changes and increased coordination on a global scale. By learning the unique laws of cyberspace and its connectivity, one can develop the sense of shared responsibility, leading to stronger partnerships. No one is the sole owner of their cybersecurity, but greater international collaboration might hold the key to a safer cyberspace for everyone. The higher engagement of the various stakeholders of the internet would also help to free the global governance from the halt caused by the political interests and make it more about the benefits for its users.

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Chapter 7

The Aspects of Digital Transformation for Learning Organizations

Seda Mengü* | Pınar Aslan**

Abstract: A digital business is the result of a complex digitalization process. Digitalization may be defined as the practical use of digital technologies to improve a business and come up with new revenue and value-producing opportunities: it is the process of integrating multiple technologies to a digital business so that it becomes better at functioning. The aim of this study is to put forward the fundamental aspects of digital transformation for learning organizations by establishing an effective and rather practical relationship among the concepts of digitalization so that organizations can become better at digitalization as long as they are learning. Within this scope, three major concepts that learning organizations are to consider throughout digital transformation will be explained in detail: Digital culture, digital engagement, and leadership. Digital culture and digital engagement are the most important factors in today's digital transformation process. Digital engagement requires a much broader adoption of digital technology and cultural change more about people than it is about digital technology. This study aims to draw a clear roadmap for learning organizations, such a guideline would definitely make organizations see the keywords to focus on and adapt accordingly.

Keywords: digital culture, digital engagement, digital leadership, learning organizations.

1 Introduction

Digital transformation is a continuous movement in which almost all institutions of today's technology world show themselves with new business models and processes. As Colleen Chapco-Wade (2018) stated "the digital transformation requires a much broader adoption of digital technology and cultural change, and it is more about people than it is about digital technology. It requires organizational changes that are customer-centric, backed by leadership, driven by radical challenges to corporate culture, and the leveraging of technologies that empower and enable employees." The digital

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transformation process includes the following concepts: a) customer centric, b) omni channel, c) data intelligence. When we think of digital transformation as a whole, we have to consider these concepts as well: digital maturity, digital engagement, digital culture and digital leadership. Digital transformation needs learning organizations to be sustainable. Digital engagement is handled in different ways in order to understand and implement new business models and processes in digital transformation.

We can see customer relationship participation within an organization as: answering questions, handling enquiries, providing answers etc. In addition, it is also possible for employees to adapt themselves to new business processes and tools in the organization and to be supported to continuously share their knowledge about investors, colleagues, and target audiences. The important aspect in digital engagement is administrative actions: ensuring that management accurately and clearly demonstrates their expectations from work, that people understand what they need for their work, they follow development opportunities, and a positive business environment is created etc. Another concept is digital maturity. As organizational elements in digital transformation, how organizations adapt to their business strategies and how leadership and learning are transformed and implemented in digitally maturing organizations have become important. There are qualities that a business should have in the process of digital transformation. These include creativity, learning, risk-taking, collaboration, speed of change, openness, flexibility, decision-making and continuous improvement. Development in the use of tools for new business models, remote work and continuity at work, etc. In general, it is seen that all these elements are related to the continuous learning potentials and abilities of organizations.

A learning organisation can be considered as "… a place where people continually expand their capacity to create results, they truly desire, where new and expansive patterns of thinking are nurtured, where collective aspiration is set free and where people are continually learning how to learn" (Senge, 1990, qtd. in D. Du Plessis, M. Plessis, and Millett, 1999, 71). A learning organisation is based upon five learning disciplines in personnel and organizational levels:

- *Personal Mastery* — individuals learn to expand their own personal capacity to create results that they most desire. Employees also create an organisational environment that encourages all fellow employees to develop themselves toward the goals and purposes that they desire.
- *Mental Models* — this involves each individual reflecting upon, continually clarifying, and improving his or her internal pictures of the world and seeing how they shape personal actions and decisions.
- *Shared Vision* — this involves individuals building a sense of commitment within particular workgroups, developing shared images of common and desirable futures, and the principles and guiding practices to support the journey to such futures.
- *Team Learning* — this involves relevant thinking skills that enable groups of people to develop intelligence and an ability that is greater than the sum of individual members' talents.

– *Systems Thinking* – this involves a way of thinking about, and a language for describing and understanding forces and interrelationships that shape the behaviour of systems. This discipline helps managers and employees alike to see how to change systems more effectively, and to act more in tune with the larger processes of the natural and economic world (ibid, 71-72).

As Wolfe state, referring to Senge (1990), "…organizational learning is the sum of individual choices which often promotes changes in systems, structures and culture. Behavioural changes requiring a shift in values and beliefs are lifelong journeys with many unexpected curves in the road. These significant changes require individuals to understand their mental models and have the skill and commitment to choose different paths" (Wolfe, 2000, 2). The aim of this study is to reveal what actions organizations must take in order to have a continuous learning quality, especially in the process of digital transformation, where the processes of studying, monitoring, developing and managing learning processes can be mentioned. At this point, it is aimed to put forth the relationship between learning organisations and digital maturity, digital culture, and digital leadership etc. concepts that are associated with digital transformation. In this context, vision, strategy, leaders, values, structures, systems, processes will be discussed with respect to their role in this learning.

2 The role of digital leader for increasing digital maturity level through the digital transformation process

We might regard digitally engaged employees as a valuable contribution to the digital transformation of an organization as a result of their commitment to their organization's objectives and values. In this way, employees can provide contribution to the achievement of their organizations, which are exposed to digital disruption. At this point, the importance of organizational learning and creation of a culture accordingly gain importance. Creating organizational knowledge in a new digital environment and the role of digital leadership emerge as significant factors. In this sense, digital leaders are supposed to have a growth mindset for the creation of learning organizations. "People with a growth mindset believe that intelligence can evolve through effort; therefore, they are more able to detect their mistakes, recalibrate their behavior, and improve accuracy after making mistakes" (Moser, Schroder, Heeter, Moran, and Lee, 2011; Derler et al., 2018, 17).

Growth mindset is quite effective in developing corporate culture. The leaders with growth mindset try to understand the learning capacities and talents of their employees and they encourage them for their development in this direction.

In the growth mindset, you tell yourself that the switch to the professionals is a huge step, one that takes a lot of adjustment and a lot of learning. There are many things you couldn't possibly know yet and that you'd better start finding out about. You try to spend more time with the veteran quarterbacks, asking them questions and watching tapes with them. Instead of hiding your insecurities, you talk about how different it is from

college. They, in turn, tell you that's exactly how they felt. In fact, they share their humiliating stories with you. You ask them what they did to overcome the initial difficulties and they teach you their mental and physical techniques. As you begin to feel more integrated into the team, you realize you're part of an organization that wants to help you grow, not judge and belittle you. Rather than worrying that they overpaid for your talent, you begin to give them their money's worth of incredibly hard work and team spirit (Dweck, 2006, 126).

If an organization has applications based solely on a leader-oriented perspective, it is very difficult to talk about multi-voicefulness, diversity and continuous progress in that organization. These leaders just want to govern with their own truth. Growth mindset leaders, on the other hand, gather people around them who have different perspectives, who are ready to share their own experiences, who attempt to make useful feedback. Such leaders manage to unite employees around the objectives, visions, and philosophy of the institution with their actions, rhetoric, language, and behaviours and provide spontaneous institutional development and learning.

Thus, all employees in an institution can demonstrate their own individual efforts and passion for making strategic decisions and achieving goals under the leadership of the leader. At this point, the institution begins to become a self-learning organization. Eight Characteristics of the Learning Organisation:

- Excellence Organisational Renewal.
- Facilitator Coach.
- Everyone is consulted Learning map.
- Flat structure Dynamic networks.
- People who learn.
- Generative learning.
- Both financial and non-financial measures.
- Cross functional teams (Hitt, 1995, qtd. in Du Plessis, Plessis, and Millett, 1999, 72).

With the digital transformation of institutions, their business style, business models and processes have changed. The working conditions, use of tools and communication methods of employees have also transformed in this context. "Digitization is the conversion of analogue to digital, whereas digitalization is the use of digital technologies and digitized data to impact how work gets done, transform how customers and companies engage and interact, and create new (digital) revenue streams" (Chapco-Wade, 2018).

Digital transformation needs more use of digital technologies and a digital culture that will prepare employees for these digital business models and processes. For digital transformation to be successful, a human-oriented perspective is required. With a customer-centric and leader-assisted approach in the business world, a culture needs to be developed that helps make employees more prone to new technologies, compliant and more competent in new business processes. This culture is digital culture. If culture is the way, an institution does business and communicates with internal and external stakeholders; digital culture is the perspective that is brought to all these processes. At

this point, the ability, and skills of the institution to work with the different communication technologies that digital transformation requires for employees show the level of digital maturity of the institution. In this sense, digital maturity is an important element that determines the success of the institution. Digitally maturing companies are institutions that can adapt more quickly to changing conditions and create vision and purpose for this. By creating conditions based on experience, ways of people thinking differently are revealed. For the development of digital maturity, following points must be considered:

1) Digitally maturing companies push decision making further down into the organization.
2) Digital business is faster, more flexible, and distributed, and has a different culture and mindset than traditional business.
3) Digitally maturing organizations are more likely to experiment and iterate.
4) Individuals get support to continually develop their skills (Kane, Palmer, Phillips, Kiron, and Buckley, 2018, 4).

Corporate Culture and mindset are the important tools for leaders to improve maturity level in organisations. Digital maturity is the ability of institutions to adapt to ever-changing digital technologies and the environment. Here, the ability of employees to prepare themselves for digital business environments, the culture of the organization and the organizational structure gain importance. In order to increase the level of digital maturity, it is necessary to work together with and not against the employees. In this context, in order to increase the level of digital maturity, the digital culture that the leader will create and the various methods that he can apply to employees through this culture are used. Digitally maturing organizations try to develop a digital culture that supports business principles and initiatives. They create vision and purpose, accordingly, create an environment for experience, and encourage people to think differently, creativity and collaboration. Digital leaders are the most important people in the creation of the corporate climate. When creating a digital leading corporate culture in adapting to the digital environment, the institution should pay attention to the following elements:

a) Building Openness and trust among employees.
b) To ensure continuous information sharing and to actively participate in activities.
c) To improve relations between employees and to strengthen them individually.
d) To ensure the transfer of messages suitable for digital transformation (verbal, written).

To support this transformation with the language, symbol and various activities used in the institution.

Leadership is critical in making the transformation in an organization. For both the organization and its leaders, this involves three different types of transformations:

- *Cognitive transformation* - leaders need to think differently: to be able to think differently and make quick decisions in an increasingly complex cognitive environment in the digital world.
- *Behavioural transformation* - leaders need to act differently: To be able to easily adapt to ever-changing power and influence. To ensure management cooperation between teams of different levels. It is a constant way to take risks and continuous experimentation under a progressive mindset.
- *Emotional transformation* - leaders need to react differently: To show balance and sustainability in the face of the risk and uncertainty brought about by continuous change (Philpot and Roy, 2017).

Digital leaders can strengthen the digital culture of the organization. Digital leaders are similar to transformational leaders. They motivate their employees at the highest level, just like them, enabling them to realize themselves at the highest level. They always direct employees to do better than they can. "These leaders act as mentors and advisors and pay attention to personal development, learning, and supplying the needs of the employees. They provide challenge, a sense of mission, broader perspectives, respect, and trust for the employees, and they act as role models for their employees. They create an atmosphere of trust and motivate employees to work for the organization beyond their self-interests" (Khorshid and Pashazadeh, 2014, qtd. in Korejan and Shahbazi, 2016, 454).

In order to create a culture based on a digital mindset in an institution, employees must first be informed, made open to continuous learning, engaged and empowered. What should be done for it are as follows:

(1) Embrace transparency: internal memos, microsites, and social media groups, apps such as slack, monthly open forums or blogs from senior executives on key developments.

(2) Encourage collaboration: Sharing learnings and insights between departments is paramount to a productive and effective digital culture.

(3) Offer digital training (at all levels): Offer a learning and development program that caters to all levels of knowledge.

(4) Be comfortable with risk: Organizations should cultivate a workplace where employees are comfortable trying new things.

(5) Aspire to inspire: To set great goals for employees, to make them think bigger and differently, and to be inspiring. In the context of all these elements, collaboration, good communication, productivity, and innovation are provided in the organization (How to Create & Cultivate a Digital Culture in Your Organization, 2018).

In relation to increasing the level of digital maturity, organizational structure, business initiatives, collaboration, and risk-tolerance, etc. are also paid attention. With the structure of corporate culture in accordance with the digital mindset, the organizational structure of the institution and the way it does business transforms. Within the scope

of this transformation, cross-functional teaming, risk-taking, experimentation, collaboration, agility, continuous learning etc. are given importance in the organization. Effectively using the digital knowledge, new skills, different interests, and experiences of employees etc. are created to increase the level of digital maturity.

3 Digital engagement and digital culture in learning organizations

While trying to set and accordingly reach the ideal level of digital maturity, an organization has to look into ways of succeeding in creating and sustaining digital engagement through digital culture. Today's organizations are to focus on the fact that their employees are also key stakeholders. Besides the consumers who seem to be considered as "the king", employees have also undergone changes in terms of work habits, corporate belonging, and co-creation. Organizations are likely to ignore this transition employees have undergone while focusing too much on the transition consumers have been simultaneously undergoing. However, both employees and consumers are "human resources" to listen to and cooperate for the future of any organization.

One of the prominent keywords for the digital engagement and digital culture in the workplace is co-creation. "Co-creation involves the joint creation of value by the firm and its network of various entities (such as customers, suppliers and distributors) termed here actors. Innovations are thus the outcomes of behaviours and interactions between individuals and organizations" (Perks, Gruber, and Edvardsson, 2012, 935). The idea of co-creation leads to the sustainable consideration of key publics in planning, implementation, evaluation, and necessary adaptation for an organization. Co-creation and co-implementation could help today's organizations in finding the strategy and its possible tactics for differentiation in any competitive sector. "Coordinate and collaborate are related to how entrepreneurs can use the technology to co-create value" (Frow, Nenonen, Payne, and Storbacka, 2015). In other types of business, coordination and collaboration would similarly help organizations to co-create value as well as cooperate with employees and consumers. The key idea here is "on reciprocity and that is created in interaction between the case firm and network actors. The message content involves social and resource communication in a primarily bilateral engagement on a dyadic level but also on a multi-actor level" (Drummond, McGrath, and O'Toole, 2018, 81). This mutuality should be adopted for all the stakeholders in an organization. Frow et al. draw attention to the fact that most organizations do not make the most of co-creation: "… most firms have not thought about specific forms of co-creation beyond co-design and co-production. They tend to consider co-creation in terms of generating ideas for new products and services, often citing examples of activities with customers rather than considering a much broader range of stakeholders and multiple forms of co-creation" (Frow, Nenonen, Payne, and Storbacka, 2015, 476). This shows us that while considering co-creation, organizations that aim to create and sustain a successful process of digital engagement internally and externally should also try to explore the opportunities of co-creation beyond the research and planning

phases. All the stakeholders are to be considered for strategic and effective co-creation. Jesuthasan (2017) claims that HR plays a crucial role when it comes to the digital engagement: "HR has an opportunity to use data and digital technologies to reinvent how organizations engage with their workforce".

The fact that digital technologies have changed should not only be stressed when it comes to consumers since the rise of digital technologies have caused dramatic changes also in the ways employers connect with their stakeholders including employees, distributors, and investors. It is crucial to consider the wholistic approach to the humanistic side of digitalization. The changes consumers have experienced are the changes employers may have had troubles getting used to. Tacchi underlines the importance of participation in digital engagement: "Voice and participation are highly charged and promoted concepts in development that point to a tension between an imperative to engage closely with the local situations and needs of aid recipient communities, and the modernization paradigm that continues to underpin development policies and practices" (Tacchi, 2020, 225). When it comes to organizations, this indicates to a rather democratic atmosphere where people are used to and encouraged to speak up. The freedom to speak for employees leads to a workplace where active participation is a naturally gained asset. Such an asset is undoubtedly as valuable as effective consumer feedback. In terms of the newly developed communicative skills of the people of the 21st century, giving feedback or opinions is highly desired to create interaction internally as well as externally for an organization. To achieve this, an organization is to create a culture that encourages the employees to think on how to improve the organization in all terms.

Culture refers to the collective feeling of employees as to what they feel they are in the setting of the entity. These beliefs are derived from the values, beliefs and assumptions about the organisation and its historical roots and heritage. Individuals may, in part, define themselves in terms of organisational membership and may, in turn, feel that they, as individuals, share common values with the organisation. Culture is important since it provides the context in which staff engage with each other and with other groups such as customers: employees represent the "front line" of the organisation (Balmer and Greyser, 2006, 735).

In today's world, employees who represent the front line of an organization are also continually engaged in the digitalization of the technologies and business life. Organizations who foresee the need to keep up with the continually changing conditions of digitalization are the ones who have a rather visionary approach to make the most of human resources. Simões and Sebastiani mention that communication consistency is core to intertwining corporate sustainability and identity: "Communication consistency aims at enhancing employees' (and other relevant stakeholders') consciousness about sustainability issues and enacting on the corporate mission through the corporate expression of identity using brand positioning" (Simões and Sebastiani, 2017, 441). Digitalization of communication for an organization includes thinking about exploring, developing, and sustaining ways of digitally connecting with the internal and external stakeholders. Only then a company can achieve the feeling of belonging in people:

people here both refer to employees and consumers. It is crucial to remember that "human resources" is the key asset of an organization even when the technology is the main focus.

4 Conclusion

Digital engagement requires a much broader adoption of digital technology and cultural change more about people than it is about digital technology. Digitally engaged employees are considered to be a valuable addition to the digitalization process of an organization as they are committed to their organization's goals and values, thus, can contribute to their organization's success, particularly in the organizations which experience digital disruption. At this point the importance of organizational learning and creation of a culture accordingly gain importance. What is significant here is to create organizational knowledge in a new digital environment and the role of digital leadership. For instance, a leader of a company which is exposed to digital disruption is supposed to provide strategic solutions to be able to adapt the company to the new environment with respect to the following concepts:

(1) The maturity level of the company and what should be done to improve digital maturity at the desired level.
(2) The strategic action to be taken to digitally engage key publics and create as well as sustain a digital culture in the company.
(3) The kind of leadership that company requires.
(4) The characteristics of a digital leader that is needed in such a company.

All these show us that when it comes to digitalization, concepts mentioned above are intertwined. Further discussion of these concepts in global and local businesses can help us understand whether what we underline in theory works in practice.

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Chapter 8

Watch Out, it's Trademarked! An Introduction to Trademarks for Entrepreneurs

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Abstract: Trademarks are used by businesses world-wide and form an integral part of branding. Trademarks are a tool to communicate with the consumers or customers and may be a powerful tool conveying a message or differentiating one from the competition. It is mistaken to think that trademarks should concern lawyers only. The aim of this chapter is to provide an overview about trademark necessary for those engaged in running business operations and to highlight why the legal framework concerning trademarks may be of importance when considering business strategy. Trademark owners have exclusive rights over the mark, and as a result, trademarks should be considered when devising a business strategy. To start with, the main features of trademarks will be discussed in order to give a broad overview on the subject matter before concentrating on the issue of parallel imports, or the grey market goods. On the one hand, parallel import is a matter to be considered when considering one's business strategy as to distribution and pricing, on the other hand, one needs to be aware of the regulatory framework of parallel imports, especially when operating as a reseller, in order to avoid violating rightsholders' rights.

Keywords: business strategy; grey market; intellectual property rights; parallel imports.

1 General principle as the value in trademarks for a business

Trademarks enable businesses to distinguish themselves from the competition by creating a feature (a sign or a mark) that is distinctive and thus signals the origin of the product (goods or services) (Pisacane and Zibetti, 2020, 35). We are surrounded by brands and identify them by their trademarks. Often, one does not need to see the name of the brand to identify it. For example, the Red Bull distinctive blue and silver colours juxtaposed on its cans is a registered European trademark without text (Registration number 004381471) or an iconic Nokia tune (European Trademark Registration number 001040955) is a European sound trademark.

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Lawyers do not tend to talk about branding as such but concentrate rather on trademarks, however, both branding and trademarks share the same foundation (Murray, 2019, 359). Indeed, trademarks are part and parcel of branding. But it is not only lawyers and branding specialists that may benefit from knowledge about the principles of trademarks – it may also be of great importance when devising business strategy. Thus it is not only lawyers that should benefit to be trained in the area of trademarks, not least due to the subjective tests present in trademark law (Moerland and Freitas, 2021, 291). Indeed, intellectual property rights (which include trademarks) may well be the business's most valuable asset (R.L. Miller, 2014, 130). In fact, a brand that a business owns is amongst its most valuable assets (Peterson, Smith, and Zerrillo, 1999) as it is the one advantage that a business has over its competitors that cannot be replicated (Peterson, Smith, and Zerrillo, 1999). It has been observed that in respect to intellectual property many businesses focus solely on patents while overlooking other forms of intellectual property rights such as trademarks despite the fact that they may be equally important for the business (Baker-Munton, 2019, 10–11).

The term trademark may encompass registered and unregistered marks, but in this chapter the focus will be on the registered marks.

The value in the trademark is not in the sign that the trademark is composed of but in its distinctiveness and ability to signal to the consumer the origin of a product or a service distinguishing it from the competition (Grigoriadis, 2014). The purposes or functions of trademarks are several: on the one hand trademarks protect consumers by enabling them to identify the origin of the goods or services signalling either that the products or services marked with a trademark come from the same source as another product or service identically marked or enable the consumer to differentiate the product or service from the competition serving as an identifier of origin; on the other hand, trademarks benefit the business by protecting their goodwill and enable the undertaking to communicate or 'transmit information' as the use of the mark by others may be prevented (S.M. Miller, 2009; Sanders, 2009).

The two main characteristics of trademarks are their territoriality (or domesticity) and specificity (Machnicka, 2014, 916; Murray, 2019, 363). In terms of territoriality, it means that the trademark is registered and as a result intellectual property rights are conferred to the owner only in the country (or territory) in which the mark is registered (Machnicka, 2014, 916). It is important to grasp that the mere fact that the mark is registered in one country, it is not automatically protected in another. Also, there is no global or universal trademark registration. The Madrid system, although eases the process of registering trademarks in multiple jurisdictions at once, it is not a united international registration, but a way of filing trademark registrations in multiple jurisdictions at once. The conditions for filing a trademark application and registration or trademarks is determined in each country by the domestic legislation and a mark registered in one country is regarded as independent of trademarks registered in other countries (Article 6 of Paris Convention for the Protection of Industrial Property, 1979). It must be mentioned, that European Union trademark law has been harmonized and as a result the basic principles of registrability of a trademark apply throughout the Member States

of the European Union (Nayler, 2011, 202) and an European Union trademark may be registered (Regulation (EU) 2017/1001 of the European Parliament and of the Council on the European Union Trade Mark, 2017), thus providing regional trademark registration. So, the territory in which the trademark is registered is paramount for the rightsholder's protection and ability to enforce their rights. What is meant by specificity is that trademarks are registered for certain types of goods and/or services. Hence, a registered trademark's owner has exclusive right to use it in the territory in connection with the goods or services for which the mark is registered (Nayler, 2011, 204).

As the trademark's function is to distinguish goods or services offered by one business from those of another (R. L. Miller, 2014; Nayler, 2011) at the same time guaranteeing (or identifying) the quality of the product, the trademark has to be distinctive to be able to signal the origin of the goods or services (Laustsen, 2020) and be capable of being represented in trademark registers. The mark may consist of either (or a combination of) words (including personal names), drawings, designs, letters, numbers, sounds, colours, the shape of goods or of the packaging of goods (Moro Visconti, 2020, 237; Regulation (EU) 2017/1001 of the European Parliament and of the Council on the European Union Trade Mark, 2017).

2 Trademark registration

When one wishes to utilize a mark, three main questions should be asked to start with and shall be constantly at the back of one's mind: whether the mark can be used; whether it can be protected; and if it can be exploited and enforced (ideally so that others are excluded from using the mark) (Golding, 2009, 222). By registering a trademark, the business gains monopoly over the use of the mark and as such both the mark and the proprietor's rights are protected (Dobrin and Chochia, 2016, 29).

In order to determine, whether the mark may be used, it is important to carry out searches to ascertain whether using such a mark would not infringe upon the rights of others. In order to check the mark against registered trademarks, a search in a trademark register has to be carried out. Trademark registers are publicly available and can be easily searched using different parameters, such as keywords, registration date, proprietor details, etc. It should be reminded that trademark registration is valid only in the territory in which the mark is registered, so the searches should be carried out accordingly. Moreover, it should be remembered that a mere fact that the mark is unregistered does not mean that it could freely be used by third parties (Burrell and Handler, 2007; Madi and Almistarehi, 2020). Hence, a more general search should also be carried out considering whether the mark to be used does not infringe the rights of others. Once it is established that the mark may be used, one can consider whether the mark can be protected.

In order to register a mark, it needs to meet the trademark registrability requirements. Although the requirements may differ from country to country, the most fundamental ones are that the mark has to be distinctive, which stems from the function of

trademarks as discussed in the first section of this chapter, and has to be able to be represented in the register (Sanders, 2009, 18). For example, in the European Union it is no longer required that the mark would be capable of being graphically represented only requiring that the mark be capable of being represented in the register thus giving way to new forms of marks (Adekola, 2019; Da Cunha and Randakevičiute-Alpman, 2020).

The mark can be registered nationally by filing a trademark application in the designated country. Also, regional registration mechanisms are available, such as European trademark application. World Intellectual Property Organization administers tan international registration of marks under The Madrid Agreement concerning the International Registration of Marks and the Madrid Protocol and nationals of the Madrid Union countries and permitted to register a trademark with the trademark office of a single country and simultaneously receive an international protection in other desired by the applicant Madrid Union countries. Such a system enables easier filing of applications in multiple jurisdictions; however, the fees are calculated for each country (or territory) individually (Madrid Agreement Concerning the International Registration of Marks, 1979; Moro Visconti, 2020). The official fees for registration of the mark and the requirements for the marks as well as the procedure will depend on the country in which the application is filed, and the trademark registration is sought.

Although in terms of business valuation, it is deemed that trademarks never expire, trademarks are registered for a term of ten years with a possibility to renew the registration for a further term repeating this indefinitely (Moro Visconti, 2020, 240). However, it is important that sometimes it is not possible to hold the trademark indefinitely (Sanders, 2009, 18).

The trademark may lose its distinctiveness by becoming a generic term used in everyday language and, since the function of the trademark is to signal the origin for which distinctiveness is required, the trademark registration may be revoked (Laustsen, 2020). For example, thermos, escalator and linoleum once were trademarks in the United States, but have become generic words by entering everyday language and thus losing distinctiveness, giving rise to revocation of trademark registration (Contreras, 2021). Also, the trademark registration may be cancelled due to non-use, for example in the European Union this is the case if the mark is left unused for a period of five years (Sanders, 2009, 18). Also, other grounds for revocation exist, but the ones mentioned here highlight the importance of business strategy and branding for the retention of trademark registration.

Once the trademark is registered, the owner (the rightsholder) may seek to prevent any unlawful use of the registered mark and protect their rights in respect to the trademark in cases of infringements, including in certain instances when confusion is likely be caused due to the used of similar mark(s), especially when the motive behind such use is to deceive consumers (Bereskin, 2019). Thus, in this way the trademark owner is able to protect their mark's distinctiveness and also themselves and their investments into developing the product and the brand from those that may be seeking to take an unfair advantage of an established brand (trademark) (Sanders, 2009, 17).

3 Grey market and parallel imports

Trademark owner's, or proprietor's, rights are not limitless – the exhaustion of trademarks doctrine limits the rights of the trademark proprietor (Dobrin and Chochia, 2016, 29). Exhaustion is important when talking about parallel imports or 'grey market'. Parallel imports, or grey market imports as they may also be referred to, describe the circumstances when trademarked goods designated for other territory, country, or region are imported into the territory or country without the permission of the trademark owner (Zeng and Zhang, 2020). For the purposes of this chapter, only trademark-related aspects of the grey market will be discussed. However, note that the term may also refer to the imports of goods without the permission of the patent or copyright owner (Zeng and Zhang, 2020).

Grey market imports are largely driven by price (Machnicka, 2014). Restrictions of parallel imports is a way to effect price discrimination between countries (Zevgolis et al., 2012). But it should be noted that grey market goods are legitimate goods (i. e., not pirated or counterfeited), merely designated for another market and as such some differences or deficiencies may be present, for example, the packaging may differ, there may be product variations or the goods may lack the original manufacturer's warranty (Grigoriadis, 2014; Katsoulacos and Benetatou, 2020; Thompson, 2009, 220). It may be suggested that parallel imports tend to be not a perfect substitute for the manufacturer-distributed products. Moreover, the issues that such products may raise to the consumer are not readily evident as deficiencies with the warranty only gain significance in the event of a defect and the product variation is not easy to readily detect (Thompson, 2009, 220). Parallel imported goods may cause consumer confusion and, as a result, even if grey goods are permitted, the consumers should still be duly informed as to what they are buying (Picard, 2019).

The businesses engaged in parallel imports purchase the goods at a lower price in another country (or region) and import into the territory where the same product is sold at a higher price (Katsoulacos and Benetatou, 2020, 316). A certain product for different markets may be not only differently priced, but also may be packaged differently. For example, in the food industry, the ingredients or quantities of certain ingredients may differ despite the product being sold in the same packaging or being sold under the same trademark in different territories. These differences may be a result of regulatory requirements but may also be determined by varying tastes or traditions. The regulation of parallel imports is of importance both to those seeking to limit their distribution channels and to sell the products at different price points in different regions or countries and to those that engage in re-selling in order to be able to assess the risks of their business strategy and operations. For example, buying in bulk certain components for an electronic device or importing branded pieces of clothing and then selling on as a 'grey market' goods may result in a tangible prince difference compared to the authorised sale price in the same country.

The doctrine of exhaustion of rights simply means that the trademark holder has lost their right to control (or rather prevent) the circulation of the trademarked goods on the

market in the territory. Once the trademark owner places the trademarked goods on the market in a territory, the right to control the re-sale of the said goods is exhausted in that territory. Thus, the rights of the trademark holder are limited. Sometime this is also referred to as the 'first sale doctrine' due to this notion that the right to commercial exploitation for a certain product ends with its first sale (Pathak, 2018).

There is no universal rule, whether parallel imports of trademarked goods are permitted or not – it depends on the country or territory in question and may be treated very differently (Katsoulacos and Benetatou, 2020). The debate as to the limits of exhaustion is going on (Pathak, 2018). There are conflicting views as the type of exhaustion (i. e. whether it is national or international) in respect to trademarks. If trademark serves merely as an indication of the origin of a product or service, then there appears not to be any reason to prevent parallel imports as there would be no consumer confusion. For others, yet, the focus is on the territorial nature of trademarks and as such the rights owner should be permitted to prevent unauthorized dealers to sell trademarked goods if these were acquired in another country or territory (Picard, 2019). This divergence of views is reflected in practice and in the differences in regulation in different countries. For example, while parallel imports of trademarked goods are generally permitted (with some exceptions) in the high-income countries such as Japan, Australia, New Zealand, and China, they are prohibited in the United States of America (Müller-Langer, 2009, 149; Zeng and Zhang, 2020) and Russia has had a *per se* prohibitions on parallel imports with some suggestions on a slight shift in the policy to permit certain exceptions (Katsoulacos and Benetatou, 2020). Also, grey market imports from outside of the European Union are restricted in the European Union (Zeng and Zhang, 2020).Thus, exhaustion in the European Union has important limitations, such as that although exhaustion is applied to the whole of the common market, it does not extend to the countries outside of the common market (thus the principle of international exhaustion is not accepted) (Müller-Langer, 2009, 147; *Silhouette International Schmied GmbH and Co. KG v Hartlauer Handelsgesellschaft mbH*, 1998). If the regime of national exhaustion is applied, the trademark owner can prevent competition by limiting the parallel import of their product from other countries where the product is sold by themselves directly or through an exclusive distribution network (Müller-Langer, 2009, 144). In case of international exhaustion, once the product enters the global market, the trademark owner may no longer control the circulation of the product or prevent parallel imports (Müller-Langer, 2009, 144).

Suggestions have been made that permitting parallel imports causes businesses to switch their strategy from price discrimination to uniform pricing (Zeng and Zhang, 2020) thus the regulatory framework of parallel imports in the market in which the business intends to operate may impact the pricing strategy adopted. Parallel import is an important issue of policy. From the business perspective, grey market permits free riders to benefit from the marketing and service support of the authorised distributers (Pathak, 2018). On the other hand, if the business model relies on generating income from the resale of goods, a more relaxed stance on parallel imports is of benefit.

As a rule of thumb, unofficial imports resulting in the grey market are opposed by the manufacturers, especially in the industries with short product life cycle, as there price discrimination typically forms an integral part to recoup the costs of the product development (Thompson, 2009, 220). However, the manufacturer may not choose whether to exclude parallel imports – the ability to do so depends on the particular market and the regulatory policies adopted there in respect to the principle of exhaustion (Pathak, 2018, 352). In terms of distribution strategy, countries where parallel imports are restricted by law enable producers to divide the international market into segments by offering the same goods at different price points at the same time restricting the import of the same goods from the territories where the same goods are being sold at a lower price. If parallel imports are permitted, the produces lose the ability to control the re-sale price of their goods effectively or adopt the segmented pricing strategy as the same (or equivalent) goods can be imported from the countries where they are on sale at a lower price (Pathak, 2018, 351).

With the increase of online shopping enabling easier access to cross-border shopping, the way of entering international markets by way of exclusive distribution network has taken a hit, not least because parallel imports are difficult to prevent. Of course, this depends on the type of industry as, for example, products that necessitate long-term after-sale services or warranties may be less impacted by this (Picard, 2019).

This shows that parallel imports may enable a lucrative business while limiting parallel import may be instrumental in the global distribution and pricing strategy. Therefore, understanding the regulation of the grey market and knowing the regulatory framework of it in the territories in which the business operates is paramount.

4 Conclusion

The intention of this chapter was to demonstrate the importance of trademarks to the overall business and marketing strategy. From the infancy of the brand or a business when the image, the message and the logotype are being created throughout the lifecycle of the business trademarks have a role to play and understanding how this area of law works may give the business a huge advantage compared to the competition. Registered trademarks are a great asset of a business. Although trademarks are often overlooked in the grand scheme of things, their value should not be underestimated. The regulatory framework of trademarks is deeply linked with the functions of trademarks – to communicate the origin of the product of goods. Also, when we talk about the registration, further criteria come into play. This chapter strived to highlight the enormous opportunities and value that registered trademarks may bring to a business. Grey market and parallel imports are not talked enough, but it can make or break a business and therefore it is important to be aware of the different approaches to exhaustion and parallel imports regulation in different jurisdictions to be able to adequately develop business strategies accordingly.

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Chapter 9

Exploring the Potential of Myths as Marketing Instruments in the Post-Truth Era

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Abstract: The onset and the growing pervasiveness of social networks in the 21st century has only intensified the challenges of the marketing industry. By 2016, this period has been broadly described as "the post-truth era". It has been characterized by the competition of often contradictory information and the contestation of objective knowledge. Within this environment brands have become either victims or purveyors of its adverse tendencies. How to position a marketing strategy has thus become a key challenge. Myths are described here as potent marketing instruments, which can combine the emotional and the effective into marketing strategies which do not need to sacrifice the ethical considerations. Thus, myths are understood as culturally or globally agreed narratives, which can play an important role in the interactive co-construction of brands by creating an emotional bond with the target audience. Different examples are provided to demonstrate why and how myths can be employed as part of successful communication strategies in the post truth era.

Keywords: brand; branding; marketing strategy; myth; narratives; post-fact; post-truth.

1 Introduction

The exponential rise, diffusion and adoption of Information and Communication Technologies has been the defining characteristic of the digital age. As a result of its acceleration in the past 50 years, technology has become so ubiquitous that every aspect of social and individual life has been affected by it in some way. In the 21st century, the rise of social networks has played a key role in multiplying the pervasiveness and influence of technology by inflating the various new platforms that can be utilised for the creation and diffusion of information. As a result, vast quantities of often contradictory information have started to compete on the unregulated and globalised internet marketplace (Gjorgjioska, 2020). Marked by complexity and uncertainty, the postmodern digital habitus has also become a source of disorientation and confusion as new phrases such as “fake news” have started to proliferate the public

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sphere. By 2016, the adjective "post-truth" has started to be used to describe the specific manifestations of the digital age. It has been defined as the "circumstances in which objective facts are less influential in shaping public opinion than appeals to emotion and personal belief" (Kroet, 2017). All areas of marketing, including global marketing, direct marketing, firm-customer interactions, and marketing communications, have been influenced by these global conditions and processes. At the same time, the different actors in the marketing industry have been confronted with the urgent need to actively position themselves within the "post-truth" environment. This has given rise to the need to re-evaluate not only the marketing strategies and tactics, but also the ethics behind them.

More often than not myths are considered to be the binary opposites of objective knowledge. As such they are viewed as responsible for the overall reduction in understanding of objective reality, which has been the predominant feature of the "post-truth" era. However, the dichotomy between knowledge and myth here is viewed to be false. Instead, it is argued that myths are not necessarily the antithesis of knowledge since they can be used both as an instrument for its advancement and as an instrument for its hindering. In a similar vein, it is argued that myths can be used as a bridge between rationality and emotion. The choices made as part of a marketing strategy can define whether "myths" can achieve their potential as a uniquely effective but also ethical marketing resource in the "post-truth" era.

In the process of marketing, while brands try to communicate their reality to the target audience through the emotions that myths contain, they use the bridge between rationalism and emotions that was mentioned earlier. The effect of myths in marketing strategies mostly reveals itself if the message to be conveyed is communicated to the target audience understandably, attractively, and in a catchy way. Myths, used as an instrument in logos, slogans, and advertisements as part of a brand's story, can partake in the brand as an indispensable factor for many years. On the other hand, on the top level of connection with the target audience, it is possible that brands are identified as iconic brands and that iconic brands take part in the stories of the target audience as a legend.

2 Marketing in the post-truth era

The digital revolution has changed the quantity and accessibility of information, multiplying the various channels that can be utilised for the creation and diffusion of information. At the same time, the competition between different types of content has replicated the broader profit-seeking logic of neoliberal capitalism. Thus, information has gained value not from its inherent truth or meaning, but from its ability to attract attention and extract profit (Gjorgjioska, 2020). The result has been the proliferation of click-bait content, which has given rise to the spread of disinformation, truthiness, fake news and so-called "alternative facts". This has also influenced the marketing process. For instance, brands have been contaminated by a fake news environment. In 2016, prior to the US presidential election, Pepsi stock fell around 4 % when a fake news story

about Pepsi's CEO, Indra Nooyi, telling Trump supporters to "take their business elsewhere" went viral (Berthon, Treen, and Pit, 2018). On the other hand, marketeers have become some of the main purveyors of fake news when they have utilized them as instruments for creating a feeling or a lifestyle that helps sell a product. This in turn has resulted in the decoupling between the product's quality and the product's brand, which has undermined the value and credibility of the marketing process.

According to Berthon, Treem, and Pit (2018), a new brand concept is necessary for the post-factual world. Instead of viewing brands simply as symbols, which distinguish a product from its rival in the eyes of the customer, they consider brands to be "continually updated cognitive schema", which evolve as a co-production of the company and the customer. Thus, the reactions from the customers are not considered simply as passive stimuli which are noticed and ignored, but as valuable input which can be integrated in the improvement of both the product and its brand. Thus, viewing brands not as "objects" but as "processes", is considered to be part of a broader strategy for minimizing the risks posed by the "post-truth" era. These processes entail several key steps which include careful design of brand interactions; consideration of the context of the interaction; applying reality-tests to the brand claims; consumer participation in the creation of brand meaning (Berthon, Treen, and Pit, 2018). As the customer's schema is crucial in the realisation of the new brand concept, (social) psychology plays a crucial underlying role in the construction of this strategy and the specific tactics which it employs. Due to its close alignment with (social) psychological schemas, myths are examined as a unique instrument that can be utilised in marketing management in order to (re)establish effective strategies and stakeholder trust in the post-truth era.

2.1 Myths - roles and functions

According to Lewandowsky "a large share of the populace is living in an epistemic space that has abandoned conventional criteria of evidence, internal consistency, and fact-seeking". As a result, "the current state of public discourse can no longer be examined through the lens of misinformation that can be debunked but as an alternative reality that is shared by millions" (Lewandowsky et al., 2017). In such a context, myths present a possible channel for communicating with large segments of the population which inhabit this so-called alternative reality. The precise form and direction which that communication may take depends on the objective of the marketeer. It can either exploit the vulnerabilities of the target audience to achieve short-term increases in product and service placements/sales, or it can utilize myth as an instrument for understanding and continually updating the customer' cognitive schema, as part of a new brand concept. It is only the latter strategy which is able to marry the ethical and the effective into a comprehensive marketing strategy for the post-truth era.

The term "myth" is derived from the Greek muthos (μῦθος), meaning word as well as speech. In the original understanding of the term, myth implied no reference to the truth or falsity of a narrative (Mills, 2020). Over the course of history however myth has acquired a pejorative connotation. It has thus become synonymous with fictional

narratives and legends that invoke the supernatural to tell stories about the origin of humankind or the world. What is more, myths have been considered to be the primitive counterpart to science. If we adopt such an understanding of myth then inevitably its use in the "post-truth" era can only serve to multiply the confusion, the complexity and the distortion of objective knowledge. However, myth here is not viewed only in its pejorative sense. Instead, its varied and sociologically diverse function is acknowledged. Myths are thus understood as collective beliefs or practices, which may bind collectives, or which can have personal interpretative purposes about human phenomena. Moreover, they are not considered as the opposites of science but in fact as one of its methods: "Because myth is necessarily predicated on human speech and language and involves the pursuit of understanding human motivation and constructing meaning through interpretive intersubjective exchange, it may be considered a hermeneutic science" (Mills, 2020). This is in line with Dilthey for whom interpretation is a method for investigating the human science in relation to life-contexts, whilst the natural sciences are confined to sensory observation, description, testing and explanation of causality and its effects. The first can be viewed as a science of society and the other science as a science of nature. In this sense myth is incorrectly juxtaposed as the antithesis to science, despite the fact that both serve different functions; myth may serve functions which science cannot and also the other way around. The function of myth is thus about individual or collective psychic reality, which is mediated through imagination. Denying the importance of myth would equate to denying the importance of the innate psychological processes as guides of both interpretation and as guides of behaviour. On the other hand, recognizing its importance allows marketers to utilize and invoke myth as an interpretative method in order to unravel the schemas that organise the perceptions that guide consumers' appeals and preferences. At the same time, this enables the marketer to embark upon a process of revealing humanity's desires, conflicts, defences, emotions, dispositions, and complexes during the post-truth era when they appear to be too chaotic and random. Myths therefore represent an avenue which can provide regulation to constant change, by creating order, purpose, and structure to sociocultural networks via a specific narrative. A narrative thus provides meaning, which attempts to make the unconscious conscious. Myth becomes the realization of archaic unconscious ontology, which both validates and fulfils one's living interior or feeling soul (Mills, 2020). At the same time however, myth are not the binary opposites to science because all models of human knowledge (including natural science) contain their own mythic structure. Therefore, by rescuing the concept of myth from its contemporary pejorative associations, we are also a step closer to understanding the predicament of the "post-truth" era as one which is predominated by the "appeals to emotion and personal belief' instead of objective reality. In this way understanding why myth is not opposed to science but appeals to a different aspect of human existence and needs, paves the way towards a less confrontational marketing positioning in the post-truth era.

2.2 Myth as marketing instruments

Marketing in its early forms was based on the scientific understanding of humans as

predominantly rational creatures. Therefore, it developed campaigns around the need to build a persuasive argument under the influence of which the consumer will arrive at a decision to purchase a given product or a service (Czeremski, 2020). Marketing campaigns thus appealed to the rational and not to the emotional. However, numerous studies have since proven that rationality often does not play a decisive role in decision making. This has been further confirmed by the success of brand-icons such as Coca-Cola and Nike, which in large part owed their triumph not to the characteristics of the products they produced, but to the position which they managed to achieve in the structure of culture (Czeremski, 2020). Their success in turn is viewed as inseparable from the brand's conversion into a myth, by imitating the mythical form. According to Czeremski, the mythical form consists of three parts: 1) Structure of events; 2) Bricolage, and 3) Counter intuitiveness.

When a marketing message preserves the mythical structure of events, it is treated by the human mind as an interesting story. In a similar vein, an archetype of what is recognized as an attractive narrative is a myth. Myths share several other characteristics which make them potent marketing instruments. Firstly, they are the oldest and most persistent form of tale that has existed. Secondly, myths are astonishingly similar to one another; regardless of geographic origin they have an internal similarity of events. This enables marketing stories which rely on their structure to reach a global audience. Joseph Cambell's concept of the monomyth, has been particularly applied to marketing. In essence, the monomyth is based on the assumption that myths share a common structure of action sequence with rites of passage. The three stages include: the exclusion stage; the transitional stage; and the inclusion stage (Czeremski, 2020). Following the structure of mythic events has been the key behind the success of Hollywood blockbusters such as Star Wars or the Lion King. Similarly, following the mythic structure is also a key to success of a marketing strategy which follows the mythic structure sets itself on the course to success in the chaotic post-truth era. The bricolage technique represents the second element of the mythic form. It represents the process of transition from concrete to abstract meanings. Claude Lévi-Strauss described it as "the logic of the concrete'' due to the way in which it used ordinary objects as mediums of meanings through which more abstract concepts were purveyed. Its function has been described as identical with that of totemic emblems, which confirm membership in a particular group of individuals connected by shared ideas. Thus, every element of the story has a specific code which carries a meaning that needs to be uncovered. The process of uncovering serves to connect all individuals that are involved. As an important element of the mythic form, it also represents an instrument that can be utilized in the construction of marketing strategies in the post-truth era. The third element of the mythic form is the counterintuitive element. It relates to the presentation of images in an extraordinary manner in order to ingrain them in memory, since that which is atypical is conducive to remembering. In terms of a marketing strategy that would imply the use of concepts which stand in contradiction to what we know about ontological categories (such as a talking dog, for instance). (Czeremski, 2020).

3 Use of myths in the process of marketing communication

Storytelling ensures that information that will be transferred to consumers is told in a way that will activate them. Storytelling enables brands to concretize abstract concepts that they want to convey such as love, success, happiness, and power. Also, even though meanings that are narrated through stories are open to multiple interpretations, interpretations are formed in line with meanings that brands want to convey. Myths have an important role in storytelling. Myths are narratives, signs, or symbols on which there is a cultural or universal consensus. The use of myths in stories enables the utilization of collective memory. Apart from historical myths, nowadays there are popular myths that are created by the business sector for the in-house and external target audience. These myths fulfil the functions of narrating and depicting rather than explaining. They give cues to people about how the process should be perceived and about the ways of perceiving. For example, expressions like "business is a game" or "business is a jungle" can be regarded among these (Geva, 2001). These examples can be extended to mythologize a brand. Features of a brand might cause them to become iconic brands and by mythologizing their names to express meanings in a way similar to historical myths.

3.1 How myths are used in the process of branding

Myth is a story that enables a culture to explain or understand some appearances of reality and nature. As for the concept of connotation that Barthes uses, the second-order signification of the signifier, myths are placed as the second-order signification of the signified (Fiske, 2003, 118). Connotations and myths create the sign by supporting each other. In the process of marketing communications, myths find themselves a place as parts of stories, logos, slogans, advertisements, and even as wrapping. In marketing communications, myths are usually utilized by symbolizing them. The meaning of the myth is conveyed to the brand through the symbol that is utilized. At this point, it might be necessary to explain the concept of symbols with Peirce's terms. Roll-Royce is an index sign of wealth, and a symbol of its owner's social status (Fiske, 2003, 123). Myths should be used not just as a representation but become a fiction that revives in the consumer's signification process by merging with the practice.

3.2 The use of myths in corporate storytelling

Although we define myths compactly as an important story playing a role among its believers (Zimand-Sheiner and Limor, 2017), the concept of myth might mean different things in different contexts (Tillotson and Martin, 2015, 193); semiotically, myths allow events to be conceived and understood more easily in a world full of complexities and inconsistencies. From a functionalist point of view, myths are the elements that build and hold a society together. From a social psychological perspective, myths function as providers of a sense of self, integrity, and importance by focusing on the individual in the face of the world's complexity. As for critical studies, they see myths as providers

of social control and manipulation especially from a perspective of consumer behaviour. Generally, we encounter a form of mythology that naturalizes marketing identity.

When thinking about releasing a new product into the market; the logo, packaging, and all the design details are ready. All these design elements are markers of the product. Those determinants that every brand should have do not turn the product into a brand as each of these has to be the part of the same corporate story. When international great brands are considered, it is possible to see the formation of a story through the consumer's experience. The story of the brand is written by different actors coming together such as businesses, consumers, and media. A consensus upon one of the stories of the brand and circulation of the consensual story within the society are the signs that the product is transformed into a brand. Brands that include all this process but also enable consumers, more than other brands, to express themselves via the product turn into iconic brands (Holt, 2004).

Apple's story can be considered to see the role of myths in stories as both the conveyers of meaning and the establishers of an emotional bond. Apple is one of the first stories that come to mind in the process of using myths in marketing communications. The consequences of the effective use of stories can be seen through the example of the competition between Apple and Nokia. Nokia was unable to adapt to the advancements. Apple saw that gap and debilitated the status of Nokia by filling the gap in the consumer’s perception with cultural myths (Tilllotson and Martin, 2015, 216).

Just like in many other communicative activities, stories are usually based on archetypes. Archetypes are unconscious primary forms, original models, or prototypes in the human mind; they are not learned or acquired; they are together with us from birth and are embedded in us as naturally as our DNAs are embedded in our bodies (Woodside, Sood, and Miller, 2008, 99). The most famous classification of archetypes belongs to Jung whose archetypal approach can be encountered in the works of branding and the formation of brand personality. Every brand that gains a place in the perception of consumers may have one, and sometimes more than one, unique archetypal characteristic. Jung classifies archetypes under 12 titles: The Innocent, The Regular Guy, The Hero, The Caregiver, The Explorer, The Rebel, The Lover, The Creator, The Jester, The Sage, The Magician, and The Ruler (Mark and Pearson, 2001). To give some examples of the match between brands and archetypes (OVO-branding agency, n.d., Mark and Pearson, 2001, 13):

- Dove, Coca Cola, Ivory – The Innocent (Retain or renew faith),
- Ikea, eBay – The Regular Guy (Be OK just as they are),
- Nike, BMW, Duracell – The Hero (Act courageously),
- Harley-Davidson, Diesel – The Rebel (Break the rules),
- Red Bull, Jeep – The Explorer (Maintain independence),
- Lego, Adobe – The Creator (Craft something new),
- Mercedes-Benz, Microsoft – The Ruler (Exert control),
- Apple, Disney – The Magician (Affect transformation),

- Victoria's Secret, Chanel – The Lover (Find and give love),
- Johnson & Johnson, UNICEF – The Caregiver (Care for others),
- M&Ms, Miller Lite – The Jester (Have a good time),
- Google, Philips – The Sage (Understand their world).

When archetypes' deep connection with human psychology is accepted, it is not surprising that brands use archetypes to form emotional bonds with consumers. Archetypes are the classification of humans' basic needs and motivations. It can be said that there are basically four components of motivation. These are Belonging/People versus Independence/Self-Actualization, and Stability/Control versus Risk/Mastery (Mark and Pearson, 2001, 15). There are different archetypes under each motivational drive. Brands tend to motivate consumers in line with their desires by using drives, hence archetypes. Characters in historical stories that are used in corporate stories can also be said to be archetypes (Chang et al., 2013). For example, Starbucks convinces people to pay high prices to drink coffee because it masterfully utilizes the archetype of The Explorer, such as products, packaging, stores, and the use of mythological symbol of Siren in the logo, the use of the name Starbucks from the classical story of Moby Dick and the ordering experience (Mark and Pearson, 2001, 76). Harley makes a connection with rule-breaking motor bikers (Holt, 2004). Throughout Harley Davidson's story, the rebel archetype was the leader. Just like people put themselves in the place of the hero while watching a movie, they also identified themselves with the rebellious hero archetype in the story of the brand. However, as distinct from movies, here there is a cooperation between the brand and the story, and most of the time there is a conscious replacement of the hero with the self. The awareness that archetypes are a part of myths allows for making the right decisions in the process of branding.

Consumers of brands that use myths or that are transformed into a myth experience the myths throughout the whole consumption process (Holt, 2004). The state of feeling and experiencing myths is one of the reasons that orient brands to use myths.

3.3 The use of myths in logos

Today's preferences and style relate a successful work with simple shapes that are easy on the eye. Besides, the complexity and speed of modern life necessitate the use of stimuli that will instantly be effective and recognized. In general, abstract patterns fail to index their message. However, especially from the perspective of commercial communications, those patterns must enable the company, the brand, or the idea to be identified. Specifically, a logo (a shape, name, or a slogan) is identified better than the brand itself (Arnheim, 2012, 167). It can be articulated that because of the difficulty for abstract designs to explain themselves, businesses try to produce the desired effect by using designs and stories that already have a cultural and global significance. It is possible to mention two main challenges for using a novel image; the first challenge is the effort to fortify the meaning that the image is intended to reflect, and the second is the struggle to strengthen the connection (enabling you to remember the brand as soon as you saw the image) with the brand through repetition. The value of commercial

trademarks cannot be conceived independently from the context that connects them to their owner just like a diagram on a blackboard cannot be evaluated without mentioning the professor's explanatory talk (Arnheim, 2012, 168). Because of that, beyond indicating a logo, the logo must qualify to symbolize all the meaning that the brand wants to convey. Plenty of mythological figures such as Starbucks' Siren, Nike's victory goddess's wing, and Versace's Medusa are transferred to trademarks. The use of mythological or rather famous signs facilitates the transfer of meaning to brands. For example, when Nike's logo first emerged without any connection with a myth, because of the logo's resemblance to the Greek victory goddess's wing and the harmony of goddess's mystic significance with the brand, in time the logo was received favourably by the consumers and the connection was not regarded as strange (Cowin, 2008). Just like we see in Nike, the shared goal of all the brands that use historical figures or stories in their logos or slogans is to achieve rapid recognition and to transfer the meaning of the sign into their brand. The path to this is the resemblance of the myth with the institution's raison d'être. The colour of blue on a shirt that a woman wears may be experienced as a basic characteristic of her personality by an observer, but that colour might not connote the image of that woman (Arnheim, 2012, 168). Similarly, a logo for a company might be considered a basic characteristic of that company, but if that logo does not symbolize the company when it is seen alone, it can be said that the connection between the logo and the company is not achieved.

Even the simplest and the most neutral design may reflect a strong passion via the meaning accompanying it. For example, the dynamics related to a visual in a Baroque painting may be very different to those invoked by a hammer and a sickle (Arnheim, 2012, 171). Thus, dynamics and emotions should not be confused. Especially myths must be inducing the emotions that the brands desire.

3.4 Use of myths in advertisements

It can be said that the function of myths in primitive societies is to create a cultural system and to form meaning while transferring values is realized by advertisements in modern societies (Zimand-Sheiner and Limor, 2017, 808). Advertisements produce and transfer meaning not just about brands but also about consumer culture. Sometimes, the transfer of meaning is not limited to consumption. Transfer of meaning to the society's value system happens via advertisements in which social concerns predominate.

Advertisements, which we described as having similar goals with myths, use myths (often by symbolizing them) in the course of transferring a meaning. There are two reasons why myths play a role in the creative process of advertisements (Zimand-Sheiber and Limor, 2017, 809):

– Myths known by the target audience are used to form an identicalness through recognizing advertisements rapidly. In this way, the meaning in the memory of the target populations is retrieved via myths. The advertisement does not have to use the whole of the myth as it is or to transfer the myth in its entirety. In general, arousal

is expected to happen in consumers by symbolizing some elements of the legend or by featuring some visual elements belonging to the legend.

– Secondly, the natural bond that the myths establish with the society in which they already live and are involved may be tried to be established between the advertisement and the consumer.

However, myths and images that are used in advertisements should not be confused. When a handsome person drives your brand's automobile or an attractive woman features in a perfume advertisement, what is involved in your advertisement is not a myth or it is difficult to turn your brand into a myth in this way. By using status and an image, you try to stand out amongst other products. Myths should be regarded as a part of storytelling. Storytelling is more than the image reflected in advertisements. It covers the whole of the brand and all the communicative elements. It rises in value to the extent that consumers feel like a part of the story.

3.5 Use of myths in packaging

Apart from advertisements, another way to use myths is in product packages. Among the many products that are lined up in the rows of a supermarket, you buy the one that calls you out, that tells you something. Kniazeva and Benk (2010) investigated how consumers perceive the stories that are impressed on the package (mostly they are symbols or characters that carry the meaning of the story) and how stories on the packages create current myths. They make three conclusions. The first inference is that brands and consumers play equally crucial roles in the course of the production of myths and meanings. Secondly, a projectable space that is suitable for multiple readings by the consumers emerges during the process of the creation of myths. The third inference is that multiple small myths rather than a single myth are more effective to connect consumers to the brand. Their study expands the use of myths to packages from the advertisement area.

3.6 How to achieve a mythologized brand

Myths are as old as humanity, yet constantly renewed to fit contemporary life (Thompson, 2004) because of that when talking about myths in marketing communications, on one side we mention myths that date back to historical mythologies, on the other side we see the use of myths that emerged through today's perception and disposition and that can be defined as contemporary.

Myths are usually fruits of collective memory. They are shaped by reactions to what society went through in history. They qualify as a response to changes the society experienced. The expression "homemade" can be given as an example of today's mythic discourse. The expression "homemade" was not perceived in the past as valuable as it is now. Nowadays, the myth of "homemade" that we see on a package implies meanings like high quality, sustainability, tradition, etc. The story of old missed times and the family is conveyed through this word (Kniaazeva and Belk, 2010, 752). When you say that something is "homemade", you say something more than that it is cooked at home.

In other words, the expression "homemade" is not an explanation. It gives you hints about how this product should be perceived. Values of an organization, interesting stories, and events belonging to the organization might in time turn into myths bearing specific meanings. Myths can also be used to share a common identity and to create a sense of propinquity and belongingness in an institution (Tilllotson and Martin, 2015; 195). According to Meyer and Rowan (1977), myths can be defined as ideals in the internal working of an institution. Myths idealize how works should be done rather than what is wrong and what is right. Beyond obeying myths, institutions should bring functionality to them.

When brands become iconic brands, they also become myths and it is not incorrect to say that meaning is produced and conveyed through iconic brands. Coke's institutional history and its communication strategy can be given as an example of how a brand becomes an iconic brand. Coke sent products to the front during WWII in the USA. It shared soldiers' positive reactions via advertisements and other media. It was identified with American soldiers so much so that it started representing the myth of America which is saving the world in the name of democracy. What Coke did here was to form an emotional bond with the consumer via advertisements and promotions by way of the identity myth that it put on every bottle. In other words, the brand was imbued with a strong identity myth and after that, a powerful emotional bond emerged (Holt, 2004). Nevertheless, the brand's journey did not end there. The brand renewed its myths for every period until today. In the 60s, it used themes of solidarity, brotherhood, peace, and equality. In the 70s and onward, it presented itself as a cure for ethnic discrimination through advertisement (Holt, 2004). After that, Coke, which exhibited good examples of the use of myths and becoming a myth, after that focused on entertaining content that can be defined as image development.

When we look at today's conjuncture, it is not incorrect to say that Coke's obligation to develop a global strategy manifests itself through using local elements. Coke is one of the most successful brands that utilizes the strategy to think globally but to act locally, which we define as the Glocal. Today, it performs similar actions around the world that it performed during the Second World War in the USA. This can be seen in advertisements in which it utilizes local stories and myths. For example, in Turkey, every year it conducts advertisements and communication strategies special to the Holy month of Ramadan and tries to establish an emotional bond between the product and consumers via a mystic discourse that people in Turkey tend to forget. The storytelling that only targeted the USA gave its place to many different stories.

In this essay, an overview of the literature is given about how myths are created and used in marketing communications of products and services. However, the use of myths is not limited to products and services. For example, it is possible to see the effective use of myths for the presentation of a place. Echtner and Prasad (2003), in their study in which they investigated the tourism marketing communications strategies of third world countries, found that these countries build their communication strategies on the myths of being Unchanged, Unrestrained, and Uncivilized. As for the process, it was shaped not by their local contributions, but by the dominance of

developed countries' viewpoints. In this study, which conducted poster analysis, it is stated that countries do not use these three myths altogether, but one of them takes precedence over the others depending on geography.

4 Conclusion

The explosive diffusion and adoption of digital technologies has had a far-reaching influence on various aspects of social and economic life. It has enabled users to create different types of content and it has simultaneously provided many different channels and platforms for accessing and diffusing content in any given moment. At the same time however, this new environment has become marked by the hyperinflation of information, which has caused consumer uncertainty and confusion. Labelled as the "post-truth" era, this new phase of the digital age has created new challenges for the marketing industry. It has been argued here that myths can play an important role in navigating this new environment by allowing brands to be shaped alongside the consumers in an interactive manner. Using the stories and meaning that are already in the consumers' minds in the form of cognitive schemas allow for the building of connections which can serve the brand strategy. Brands are in search of forming strong connections with the target audience through stories that consumers already have a connection with stories that mean something to consumers. This connection is provided by myths, which narrate and describe more than explain and reveal how the brand should be perceived. The brand is not alone in the process of myths' creation of meanings, consumers and the media play an active role in the emergence of the meaning. Consumers recreate the myth by accommodating brands' mystic stories in their own stories, which adds to their potency, allowing consumers and companies to co-produce a product and its branding in ways which meet both their objectives. Thus, as a bridge between the rational and the emotional, myths represent a potential resource for all marketeers, which attempt to adequately respond to the challenges of the digital age. Therefore, utilizing myths can be an instrument for understanding and continually updating the customer' cognitive schema, as part of a new brand concept. As such it represents a strategy which is able to marry the ethical and the effective into a comprehensive marketing strategy for the post-truth era.

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Chapter 10

Impact of Influencers on Consumer Trust in the Digital Environment

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Abstract: In this chapter we will try to find answers to several questions concerning the negative effects of influencer marketing on consumer trust, which can also lead to a loss of connection between a business and its consumers. Although influencers currently represent an important link between consumers and companies, there is little information and predictions about possible impacts in the future. Building a strong brand that consumers trust is the responsibility of every company that wants to achieve long-term success, and in this paper, we will see if the influencer marketing strategy is the right choice to achieve that goal. The purpose of this paper is to investigate and explain how influencer marketing affects consumer trust as well as the impact of influencers on consumer purchase decisions. A quantitative research has been conducted in the Republic of Croatia, and the paper presents concrete results of that research. The research was conducted on a sample of 74 respondents. The survey was conducted online. The results of the study show that the impact of influencers is smaller among men than among women and on people with a higher level of educational attainment. Influencer recommendations represent a factor that respondents trust the least, and previous experience with a product recommended by an influencer is an important factor in the evaluation of a new product recommended by the same influencer. The results also show a lower likelihood of making a purchase decision when respondents perceive the influencer's content as a paid one.

Keywords: consumer behaviour; customer loyalty; influencer marketing; marketing.

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1 Introduction

Given the digital connectivity we live in today, the weight of social connectivity is growing. Consumers are increasingly showing an interest in sharing opinions with other consumers, and massive review databases are expanding and being supplemented every day. In a highly connected world, a key challenge for brands and companies is to integrate network and offline elements to create the best user experience. Changes in consumer behaviour have become an important factor that marketing professionals must closely monitor, because today the focus is on the customer and their needs. Only companies that manage to understand their customers and their needs can be successful in the long term. Increasing competition in the market leads to the growing importance of customer loyalty.

The market is rapidly changing, and competition is increasing. Consequently, companies need to adapt their marketing to the evolving digital customer journey in order to secure their position in the market and create new opportunities for growth. Today, customers and their needs are at the forefront, and Kotler (P. Kotler and M. Kotler, 2013, 27-48) points out that in order for a business to be successful, an absolute understanding and meeting of customers' needs and desires in the target market is required. In such a market environment, customer loyalty is becoming increasingly important.

Connectivity is one of the main factors that affect customer behaviour in the digital era. Customers, who are loyal to a specific brand, are more willing to recommend this brand to their friends and family. The Internet, especially social media, has facilitated this major shift by providing new platforms and tools, which enables satisfied customers to easily express opinions that quickly go viral. When making purchase decisions, customers are typically driven by individual preferences as well as by a desire for social affiliation. The level of importance for each of these two factors varies from one person to another, but it can also vary across industries. In making purchase decisions, customers are influenced by three important factors. First, they are influenced by marketing communications in various media such as television ads, print ads, and public relations. Second, they are influenced by the opinions of their friends and family. Third, they also have personal knowledge and an attitude about certain brands based on past experiences. The truth is that today's customers have become much more dependent on the opinions of others. In many cases, others' recommendations even outweigh personal preferences. The reason for this is none other than the connectivity itself (Kotler, Kartajaya, and Setiawan, 2017, 66-70).

There is a major difference between influencers who speak their views and influencers who speak the views of the brand they are advocating (Brown and Hayes, 2008, 105-112). Today, influencers represent a link between businesses and customers and in order for a business to build quality long-term relationships with customers, it needs to choose its form of cooperation with influencers carefully. The influencer has to be a person of credibility and choosing a bad influencer can have long-term negative effects on the relationship between the business and customers as well as on the reputation of

the business itself. Depending on who and what they had previously promoted, the audience assesses the reliability of the influencer as a source of information and uses this as the basis for their judgements and purchase decisions. However, there are numerous problems associated with influencer marketing, raising questions of social responsibility, disseminating false information, and incorrectly tagging paid content, which is a further issue from the legislative aspect.

The increase in the number of influencers has caused businesses to have difficulties finding appropriate influencers. A survey conducted among marketing agencies, companies, and PR agencies (Influencer Marketing Benchmark Report, 2021, 45-49) has shown that 67 % of the respondents are concerned over influencer fraud, while 38 % of the respondents said they have experienced influencer fraud last year. Even though there are more platforms, agencies, and other tools available for searching for influencers than ever before, most businesses still struggle finding the right influencers.

There are several platforms on which influencers can easily get new followers, likes, profile visits, etc., all for a symbolic financial amount. All they need to do is enter terms such as "buy Instagram followers" or "buy Facebook likes" in a search box and they get countless numbers of Internet sites where anyone, immediately after completing the transaction, can become a new influencer with an enviable number of followers. This is how the world of influencers actually looks like behind the curtains of social media. The huge audience of influencers might not even be an actual audience but, as we can see, only virtual profiles who are getting paid in order to increase the number of followers and create a fake reach of influencers. It is therefore not surprising that such types of influencer fraud are worrying businesses and agencies working with them alike.

In order to better understand the impact of influencer marketing on consumer behaviour, we need to first focus on the factors influencing consumer behaviour. Secondly, we need to define the concept of influencer marketing and its meaning in the modern world, and finally, we need to take a look at the legislative aspect of influencer marketing. Primary data were collected via an online questionnaire and the quantitative study shows the veracity of the hypotheses considered.

2 Influencer marketing

2.1 The concept of influencer marketing

The social cognitive theory by Bandura (1971) presents a model that is based on the assumption that people can learn through observing others, i.e. through observing their attitudes and behaviours. According to this theory, the world around them shapes the individual just as the individual shapes the world (reciprocal determinism). In this model, the behaviour of the individual and environmental influences operates as interacting determinants that influence each other bidirectionally. This theory can help us understand the magnitude of the impact of influencers on the modern society. Individuals learn from examples that influencers present on social media and

companies utilise the influencers' power so as to ensure that customers adopt the behaviour presented by the influencers.

The Cambridge English Dictionary (Influencer, 2021) offers several definitions of the term influencer. The first defines the influencer as someone who affects or changes the way that other people behave and the second defines the influencer as a person who is paid by a company to show and describe its products and services on social media, encouraging other people to buy them. Even though both definitions are correct, nowadays, it is the second definition that is more commonly deemed to describe the term influencer.

Influencers are individuals who have built a large following on social media by publishing diverse content on their personal life. Influencer marketing is a form of marketing where the focus of carrying the message is placed on an influential individual rather than the market as a whole (Woods, 2016, 5) Such marketing denotes an established relationship between influencers and followers on social media through a longer period of time and is today considered an effective marketing strategy. The reach and impact of individual influencers are based almost exclusively on their positive personal traits, which help them build their image over time (Deges, 2018, qtd. in Mesarić, 2019, 32).

2.2 The importance of influencer marketing

In 2019, Mediakix did a survey on the effectiveness of influencer marketing and the results have shown that as many as 80 % of marketers find influencer marketing effective, while 89 % of them believe that ROI from influencer marketing is comparable to or better than other marketing channels. 61 % of marketers agree that it is difficult to find the right influencers for a campaign, and spotting fake followers is the number one ranked influencer marketing concern for marketers. The survey has also confirmed the three main goals of influencer marketing, i.e.: (i) increasing brand awareness (85 %), (ii) reaching new audiences (71 %), and (iii) generating sales/conversions (64 %). The viability of influencer marketing as a marketing strategy is also evident from the rapid growth of the influencer marketing industry (Mediakix, 2019).

The Influencer Marketing Benchmark Report 2021 (2021, 9) presents the results of a major survey into the influencer marketing industry in 2020. It surveyed 5,000 marketing agencies, brands, and other relevant professionals in the industry. Their perspective on the industry has provided an insight into the status of influencer marketing and its impact on customers. The influencer marketing industry has been experiencing continuous growth in recent years and is expected to be worth around 13.8 billion US dollars this year. In 2016, the industry was assessed at having a value of 1.7 billion dollars. It has been growing rapidly ever since and it is estimated to have grown by at least 50 % every year. The Statista (2021) survey has shown that the value of this specific industry has more than doubled between 2019 and 2021. The value of the influencer marketing industry grew from 6.5 billion to 13.8 billion US dollars in the three years alone. In 2018, numerous new influencer platforms and influencer marketing-

focused agencies emerged, which has resulted in the growing use of commercial agents as brokers between influencers and brands (Influencer Marketing Benchmark Report, 2021).

2.3 The role of influencers in the consumer decision-making process

Today, influencers represent one of the most important external factors affecting the consumer decision-making process. They indirectly or directly affect each of the five stages of the purchase decision-making process: need recognition, search for information, evaluation of alternatives, purchase decision, and post-purchase behaviour. Influencers may awaken a new desire or need in the customer, they may provide a useful review that will help the customer when searching for information or evaluating alternatives, they can directly affect the purchase decision by sharing a link to the online shop or a promo code or similar and can also directly or indirectly affect post-purchase consumer behaviour. Even though the role of influencers in this process is substantial, modern influencer marketing has still not been around long enough to learn whether it actually brings positive or negative effects in the long run.

Research results indicate (e. g. Woodroof et al., 2020) that when consumers become aware that an influencer's post may have been motivated by an underlying financial relationship between the influencer and the brand, they evaluate the influencer as significantly less transparent if a more ambiguous disclosure is used relative to a clear tagging of promoted content. Perceptions of the influencer's transparency impact consumers' perceptions of product efficacy as well as purchase intentions. The close connection between the credibility of the source and the visibility of the brand is also important, and the professionalism and attractiveness of influential people have the greatest impact on increasing the visibility of the brand.

3 Research and analysis

3.1 Research methods and sample

A quantitative research method was used to obtain results that allow us to conclude to what extent the causes of certain phenomena are present in the surveyed target group. A questionnaire with closed-ended questions was used in the empirical study and data were collected online using SurveyMonkey. The study was conducted in accordance with all ethically and methodologically principles, and the results were processed using SurveyMonkey in line with the privacy policy, both at the time of data processing as well as analysis. For reasons of simplicity and economy, non-probability sampling with the snowball was used. The target group comprised all people living in the territory of the Republic of Croatia, regardless of gender or age. The sample consisted of 74 filled in questionnaires.

The majority of respondents were women (67.57%), aged between 18 and 30 (62.2%). We did not include any respondents over the age of 66 in the study, as we excluded these data from the analysis of the results.

3.2 Analysis of research results

The conducted study shows that most of the respondents find information on products on the manufacturers' websites or independently on various other websites. The percentage of respondents who find information through influencers is negligible. 8.1 % of the respondents said that they search for information independently on social networks, which allows us to conclude that in such a case, an indirect impact of influencers can occasionally occur (Figure 1). None of the respondents indicated that they do not find information on products online before the purchase or at other locations.

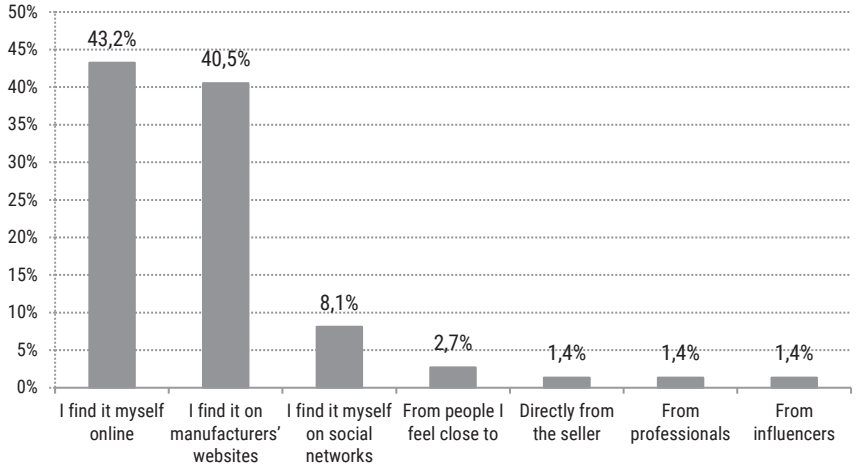

Figure 1: Acquiring information about the product before the purchase. Source: own research.

The respondents assessed recommendations by influencers as the least trusted source of information (Figure 2), while the most highly assessed sources of information were recommendations provided by people, they feel close to and recommendations by professionals. This allows us to see that the respondents do not express a lot of trust in the recommendations from influencers while assessing the credibility of information on the product/service.

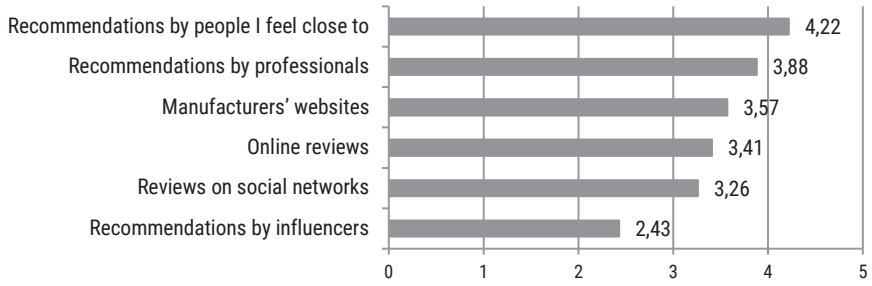

Figure 2: Assessment of source credibility. Source: own research.

Most of the respondents (55.41 %) said that they would consider buying a product/service recommended by an influencer, while as many as 20.27 % said that that they would not buy a product/service recommended by an influencer. Most of the respondents have a neutral attitude towards influencers and their impact on consumers (59.46 %). 21.62 % of the respondents expressed a negative attitude towards influencers, while the lowest percentage of respondents (18.92 %) said that they have a positive attitude towards influencers.

Most respondents, however, seem to believe that influencers cannot affect their purchase decisions. As evident from Figure 3, none of the respondents stated that influencers are very likely to affect their purchase decision.

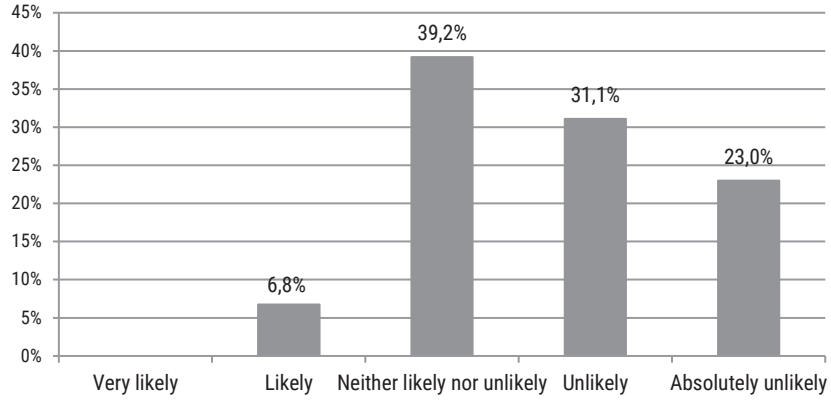

Figure 3: Assessment of the likelihood of influencers affecting the respondents' purchase decision. Source: own research.

This allows us to assume that sometimes consumers are unaware of the impact that influencers have on their decisions. Only 6.8 % of the respondents assessed the possibility of influencers affecting their purchase decision as likely.

As many as 85.14 % of the respondents said that they did not trust the recommendations of influencers to the same extent as those provided by people, they

feel close to and only 2.70 % of the respondents said that they trust the recommendations by people they feel close to and those by influencers equally. 12.6 % of the respondents are uncertain whether they trust the recommendations of influencers to the same extent as those by people they feel close to. 60.81 % of the respondents said they would lose their trust in the influencer if they learned that the influencer was recommending products, they were not satisfied with due to receiving financial benefits, while 24.32 % of the respondents said that they would not lose their trust in the influencer in such a case.

Most of the respondents (58.11 %) said that they do not pay attention to whether a product/service, which is tagged as paid partnership in the influencer's post, is of a high quality, while 35.14 % believe that such a product is not of a high quality. As many as 44.59 % of the respondents said that they would no longer trust the influencer and the product the influencer was recommending if the post was clearly tagged as paid partnership. This shows that the respondents do not pay attention to the paid partnership tags, as the posts are very likely not correctly tagged, as evident from the data of previous studies. We see that if a post were tagged in line with all the regulations, the respondents would lose their trust in the influencer. The respondents' opinions of companies that use influencer marketing is divided, and yet we see that most of the respondents hold a neutral opinion (48.65 %) and as many as 32.43 % have a positive opinion about such companies and believe that such companies are following new trends.

3.3 Hypotheses testing

3.3.1 H1: Previous experience is an important factor for the purchase of another product recommended by the same influencer

Figure 4 shows that as many as 58.11 % of the respondents would not repeat their purchase based on the recommendation of an influencer, with whose recommendation they were previously not satisfied. Only 5.41 % of the respondents said they would repeat their purchase in such a case.

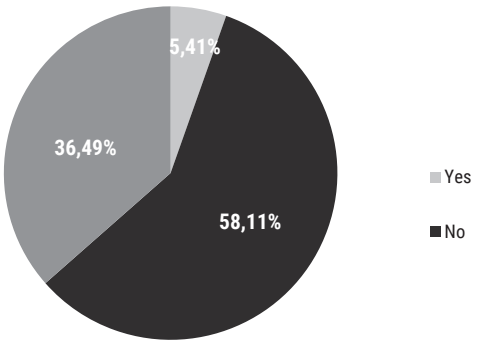

Figure 4: Repeating the purchase based on the recommendation of an influencer, with whose recommendation they were previously not satisfied. Source: own research.

The results of the study show that a repurchase is more likely among women than among men, as well as more likely among younger consumers. The correlation between the level of educational attainment and the likelihood to repurchase has also been proven. Respondents with a higher level of educational attainment would not repeat the purchase of a product recommended by an influencer, with whose recommendation they were previously not satisfied. The same correlation can also be seen with regard to the place of residence of the respondents. Respondents living in urban areas do not show a tendency to repeat the purchase. Even though we can see that previous experience is an important factor for repeating the purchase, we can conclude that previous experience has a greater impact on male respondents, older respondents, respondents with a higher educational attainment, and respondents living in urban environments. Previous experience is an important factor in the repurchase of a product, which confirms this hypothesis.

3.3.2 H2: It is less likely that consumers will purchase a product which is clearly tagged as paid partnership in the influencer's post

Most of the respondents stated that they do not pay attention to whether a product/service in the influencer's post is tagged as paid partnership. The results of the study show that younger respondents believe that the product/service is of a high quality if it is tagged as paid partnership in the influencer's post, while this opinion is different looking at the answers provided by older respondents. Most of the male respondents do not pay attention to this fact or believe that such a product/service is not of a high quality. The female respondents pay more attention to this tag and 10 % of the female respondents believe that such a product/service is of a high quality.

In the following question, the respondents were asked to answer the following: "If the influencer's recommendation of a product were clearly tagged as paid partnership, would you still trust that influencer and the product that the influencer is recommending?" Figure 5 shows that in such a case, 45 % of the respondents would lose their trust in the influencer. Respondents under the age of 18 and over the age of 51 would not lose their trust in the influencer in such a case, while respondents aged 41 to 50 would lose their trust in the influencer. Among other age groups, the majority would lose their trust in the influencer; however, there is a smaller percentage of respondents aged 18 to 30 (17.39 %) and aged 31 to 40 (10.53 %) who would still trust the influencer in such a case. Most men (54.17 %) would no longer trust the influencer and the product tagged as paid partnership, while this percentage is slightly lower among women (40 %).

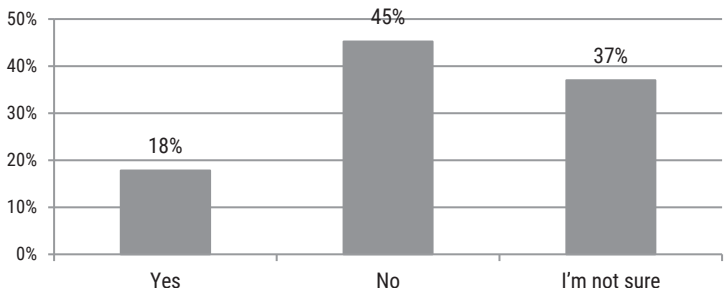

Figure 5: Trust in the influencer and the product they are recommending when it is tagged as paid partnership. Source: own research.

Furthermore, the results show that respondents with the lowest educational attainment would continue trusting the influencer, while respondents with the highest level of educational attainment would lose this trust. There are no significant differences between respondents with completed secondary education, short-cycle tertiary education, respondents who have a bachelor's degree or similar or a completed MBA or master's degree. The respondents' place of residence indicates that the probability of losing their trust in the influencer if the respondents notice the post to be tagged as paid partnership is greater in urban environments.

These data show that there is a lower likelihood of purchasing a product which is tagged as paid partnership, especially among consumers living in urban areas, those with a higher level of educational attainment, and among men. Although it can still be noted that most of the respondents do not pay attention to whether a post is tagged as paid partnership, the hypothesis is confirmed.

4 Discussion and conclusion

4.1 The main results according to research objectives

The results of the study allow us to conclude that in the eyes of the consumers, the most reliable source of information are people they feel close to as well as their own independent online research. They further show that recommendations by influencers are the least trusted source of information, which the respondents assessed with a grade of 2.43/5, while as many as 85.14 % of the respondents said that they do not trust influencers to the same extent as they trust recommendations by people, they feel close to. The research results allow us to conclude that the influencers' recommendations do not play a significant role in making purchase decisions.

Once influencers start adapting their content to commercial objectives, they are under the constant pressure of losing the trust of their followers. As credibility represents an important factor in building the relationship between influencers and consumers, choosing partnerships discerningly is essential for establishing long-term relationships of trust. This applies equally to influencers and brands (Abidin and Ots, 2016). As

confirmed in Hypothesis 1, previous experience is an important factor for the purchase of another product recommended by the same influencer. A consumer who had been dissatisfied with the influencer's recommendation, starts doubting that influencer's trustworthiness and credibility.

Most influencers today offer their followers nothing more than thin content and we cannot help but wonder how this will affect future generations who will be exposed to this kind of influence from an early age. On social media, seemingly real people are influencing young people and children, from their self-esteem and confidence to their buying habits. An unrealistic reality is being forced upon children and youth, who try to replicate it in real life. Children and youth develop their sense of identity by comparing themselves to their peers. Today, young people measure their self-esteem through the number of likes and comments their friends leave on their posts. In this way, they aspire to and strive for a life that is not real. A survey among adolescents aged 10- to 19-years old has revealed a parasocial interaction between the respondents and influencers. The results show a positive correlation with their materialistic views and in turn a correlation with their purchase intentions towards influencer-promoted products (Lou and Kim, 2019).

Even though the results of our survey show that there is a lower likelihood of consumers buying products that influencers tag as paid partnership (H2), a survey by Rakuten Marketing shows that as many as 61 % of the respondents are interested in sponsored content in influencers' posts. On the other hand, as many as 34 % of the respondents feel that they cannot trust a review coming from a sponsored post, even if they believe that the influencer is trustworthy and credible (Rakuten Marketing, 2019).

The main findings obtained from this study can be summarised as follows:

- Of all the provided factors, the respondents have the least trust in the recommendations by influencers.
- When consumers perceive the influencers' posts as paid partnership, the likelihood of making the purchase decision is lower.
- Previous experience with a product recommended by an influencer is an important factor when evaluating a new product recommended by the same influencer. If the consumer was dissatisfied with the previous purchase, there is a smaller likelihood that they will again listen to the recommendation by the same influencer.

Even though the results of this study show that consumers do not fully trust influencers, the data from previous studies still show that the influencer marketing industry is growing, which means that the buying habits of today's consumers have changed. The reason for this phenomenon could lie in the possible lack of understanding of individuals of how great of an impact influencer really have on their buying habits.

The real value of a company does not lie in its size or income, but in its impact on society as a whole. A company that understands its past and recognizes its present will more easily make decisions that will affect its performance in the future. The decisions made today, follow the company's business forever and the negative consequences of

individual bad decisions can sometimes not be remedied. Numerous new trends in the world of marketing quickly pass, but there are also those, which stay here forever. We cannot claim with any certainty which trends are here to stay and which will forever disappear. However, if a company is led by its own mission and objectives and if its decisions are made in line with its true values, the chances of making a bad decision while following a trend are minimized.

The general conclusion of this study is that the development of influencer marketing has been a logical sequence about the circumstances under which our civilization has been developing over the past few decades. The impact people have on each other has always been great and now, when it has become clear that the impact of individuals on the masses can be of enormous proportions, companies have decided to use this method of communication with consumers in order to expand the awareness of their brand though influential people. A big problem with all this is the fact that most of these influential people are influential for the wrong reasons. We should support real influencers more; people, who are influential in their respective fields and who have a large knowledge base that they can pass on to audiences. In such a case, the opinions and impact of such influencers would be very relevant and useful, both for consumer trust and for the society as a whole.

4.2 Limitations and proposals for future research

Theoretical concepts and empirical results have been used to show the importance of the alignment of the influencer's trustworthiness and credibility with the brand image. The limitations of this study refer to the size of the sample and the recommendation for future research is to include a greater number of respondents to get results that are as reliable as possible.

A further recommendation is to research the differences in consumer behaviour with regard to consumer generations. McCrindle (2018) categorizes today's generations as Baby Boomers, Generation X, Generation Y, Generation Z, and Generation Alpha. Different generations tend to act similarly; however, substantial differences in consumer behaviour with regard to the consumer's generation are possible. While people of various ages live through the same historic events at the moment that these take place, the age at which they are exposed to these events determines their psychological worldview due to the effects of political shifts, technological progress, etc.

Influencer marketing is still a relatively new research field and future studies could investigate the impact of influencer marketing on consumer trust at international level as well as include the audience of a specific influencer whose content would be assessed based on the feelings that it evokes.

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Chapter 11

The Impact of Digital Marketing and Retargeting on Online Buying Behaviour in North Macedonia

Dimitar Kovachevski* | Xheilan Zendeli**

Abstract: The internet revolution in this era of mobile devices led to the emergence of new ways and practices for advertising and marketing. The digital and mobile marketing are rapidly growing in this modern technology world, so new forms and opportunities for marketing are constantly innovated. One of the most popular and effective marketing methods is retargeting because it is available in many advertising channels. The practice of mobile marketing and retargeting as one of its strategies, have great influence on customer`s buying behaviour and, in this paper, a serious attempt will be made in order to see what people think about retargeting and mobile marketing in general. The paper elaborates specific topics about how people in North Macedonia react on mobile advertising and what they think about shopping online. The main goals of the research are to provide answers to the following questions: does mobile marketing has impact on changing the customer online buying behaviour; is retargeting helping customers to find and buy the best product they search online and whether that companies benefit from mobile marketing and retargeting in terms of sales and turnover increase.

Keywords: consumer behaviour; direct marketing; mobile marketing.

1 Introduction and literature review

The modern technology nowadays has a revolutionary impact of advertising and marketing. Mobile and digital era enable the companies to make marketing easier and on the other hand more effective because of the fact that now there is an opportunity to advertising online and even sale online. But digitalization is not only enabling new alternative ways of advertising, but it is affecting and changing the behaviour of the audience, which in this case is the digital consumer. This technology combined with the internet has created various ways of customer support, sales advantages, and

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marketing. So today we have a situation of comprehensive integration of e-marketing, new effective marketing strategies and tactics, and benefits of customers and companies at the same time. Digital customers are now independent in the way they shop due to the technological invention that helps them to gather pre-purchase information, shop and pay online. Additionally, technological development has increased consumer multitasking with different devices anytime they want and anywhere they are.

Retargeting as a new method or marketing strategy is very popular in last few years and it has a lot of positive effects not only for companies and advertisement firms, but it helps a lot to consumers who have intent to browse and buy some particular product or service online. But retargeting involves different processes and actions and some of them, as dynamic retargeting for example, if it is not moderate, can result with negative attitude. The main focus in this paper is the consumer`s buying behaviour as a result of retargeting and mobile marketing in general. We will see that retargeting is changing customer's behaviour in two ways: positive and negative. Positive effect is related to the possibility of searching online for some product on more websites, collecting all the necessary data, privacy policy, pricing policy, getting special offers etc. Negative effects are related to the large number of ads that seriously can attack the consumer and result with termination of purchasing process.

1.1 Digital marketing

Digital marketing has a major importance in the marketing strategy of any company regardless of sector, size or country of origin. Thus, more than ever, in order to remain competitive, companies are forced to exploit this form of marketing, which essentially can bring huge benefits at low costs (Patrutiu, 2016). Digital marketing consists of internet marketing and social media marketing, but they are just some of the channels of digital marketing. The digital marketing industry has introduced various digital marketing and integrating channels and services which help marketers to target the right audience and attract them for some product or service. So, it is important to create a solid online presentation for the item for sale, and parallel with that to understand what digital marketing offers and what is the scope of digital channel and utilized them. There are few digital marketing channels or platforms that every company or marketer can decide which one to use according to the brand`s business goals and product itself of course. The possible channels or platforms are the followings (Wells, Moriarti, and Burnet, 2006):

- *Email marketing.* It is a channel which is used to market brands and business through emails. The risk in using this channel is the possibility of emails going into the Spam folder, but positive side of using email marketing is in generating leads, highlighting product offer, send out newspapers and so on.
- *Search engine marketing (SEM).* By this platform companies purchase advertisement space that appears on user`s search engine results page (SERP). The most common and known paid search platform is Google Ad Words.

- *Affiliate marketing***.** This channel refers to the process of paying for conversations and it is mostly used by bloggers or e-commerce websites.
- *Influencer marketing.* This is new type of digital marketing channels and it refers to marketing made by someone who has enormous online reach. Influencer marketing is popular on social media channels like Instagram and Snap chat. Companies hire Instagramers with large followings to promote their brand by posting photos with the product.
- *Social media marketing.* One of the most popular channels for digital marketing is social media marketing or platforms as Facebook, Twitter, Instagram, LinkedIn, YouTube, and others similar.
- *Pay Per Click.* PPC is the management of paid adverts in the search results of a search engine and these paid adverts are mainly placed above or on the right of the "organic" search results. Pay per click means that some company only pays if a customer clicks on the advert.
- *Online advertising.* This channel refers to advertising in case when company adverts on other people`s website by buying banner space.

One of the reasons why digital marketing is growing in popularity is that it offers distinct advantages over other media: it is cost efficient, it delivers allows by pop-behind ads that motivate people to respond by offering a special price deal, messages for the advertising can be personalized and customized, and what is more important, the internet and digital marketing allows and gives a business opportunity to small and medium sized companies to compete against larger organizations and companies (Wells, Moriarti, and Burnet, 2006).

Digital marketing can be termed as an approach, a strategy, or a branding and marketing exercise, using digital platforms, as the name suggests. Digital Marketing is the development of brand, product, or service online. It is now believed that Digital Marketing is the most important part of the marketing mix. It has grown rapidly in the past few years as more and more businesses are realizing the importance of a good online presence (Mandal and Joshi, 2017).

1.2 Mobile marketing

According to the Mobile Marketing Association mobile marketing is defined as a set of practices that enables organizations to communicate and engage with their audience in an interactive and relevant manner through any mobile device or network. Mobile marketing affects the customers as their target group and the customer's behaviour in the process of advertising and sale. Leppäniemi, Sinisalo, and Karjaluoto (2006) noted that most of the definitions about mobile marketing are embedded in technology and this fact emphasizes the tendency to mistake the technologies for the concept. Therefore, mobile marketing or marketing communication in mobile media, is conceptualized as mobile marketing, mobile advertising, wireless marketing and wireless advertising and he proposed the definition of mobile marketing as the use of mobile medium as a means of marketing communications (Leppäniemi et al., 2006). Digital and mobile marketing are rapidly evolving due to the progressive development

of new hardware tools and software applications. As Steinbock (2005) said this revolution continued with the emergence of digital mobile system in 1990s, multimedia system in 2000s and there is still a great flow nowadays as a result of new and modern technological and communicational development.

In general, there are many possible activities that can be classified as mobile marketing. Leppäniemi and Karjaluoto (2008) list the following major promotion tools in the context of mobile marketing: mobile advertising as "any paid form of nonpersonal presentation and promotion of products, services, or ideas; mobile sales promotions as short-term incentives to encourage the purchase or sale of a product or service; mobile direct marketing referring to direct communications with carefully targeted individual customers to obtain an immediate response and to cultivate lasting customer relationships and mobile customer relationship management with mobile marketing campaign planning, implementation and evaluation.

Yuan and Cheng (2004) separate the following reasons why the mobile phones are considered to be of high importance in marketing activities:

- The fact that customers always carry their mobile phones wherever they go.
- They are always open for communication.
- The more attention-grabbing nature of one-to-one contact with customer.
- Being able to maintain the messages received for later respond by the customer.
- Opportunity to have one-to-one audio and visual communication with customers.
- Being suitable for customers and effective for the marketing activities.

Immediate access to information gives stores and companies the opportunity to connect with customers in an immediate and interactive way, and also being able to respond to potential customers immediately or by customizing an offering depending on customer`s behaviour. There are some specific technologies for mobile devices such as QR codes, Augmented Reality, payment over mobile, and all of these possibilities are changing the traditional shopping.

1.3 Retarget marketing

One of the most popular and effective marketing methods is retargeting because it is available in many advertising channels. Retargeting is often referred with remarketing but these two actually have slightly different meaning. Remarketing is more traditional form, and it refers to the marketing process where customer data is used in marketing via email. Retargeting is a term for online advertising methods where the customers are tagged with cookies when they visit a website. These cookies are used later for retargeting the customer again on online advertising channel. Retargeting is a relatively new concept in online advertising. Hence, the researchers opted for this variable to know its impact, and with the wide use of retargeting in modern marketing, it showed a positive impact on consumer buying behaviour (Khan and Iftikhar, 2017).

Retargeting in general, allows to companies selectively to advertise to customers who have already visited the company`s site with a message that is tailored to the type of

interest that a customer shows, and it allows keeping the brand top of mind and bringing the right customers back to the site for critical repeat visits that add up to purchase. Goldfarb and Tremblay (2014) describe retargeting as a form of behaviour targeting which involves showing an ad to a user who is searching for a particular kind of product or content.

Retargeting in general, allows to companies selectively to advertise to customers who have already visited the company`s site with a message that is tailored to the type of interest that a customer shows, and it allows keeping the brand top of mind and bringing the right customers back to the site for critical repeat visits that add up to purchase.

A consumer searching for information on a product may be indicative that the consumer has some interest in that product but is still undecided about whether to purchase it. Some of this consumer search for information is not observable to firms, but some may be observable. Once a firm observes a consumer searching for information on its product, the firm may then want to try to provide further information about the product to that consumer, a phenomenon that has been known in electronic commerce as retargeting (Villas-Boas and Yao, 2021).

Firms can now offer personalized recommendations to consumers who return to their website, using consumers' previous browsing history on that website. In addition, online advertising has greatly improved in its use of external browsing data to target Internet ads. Dynamic retargeting integrates these two advances by using information from the browsing history on the firm's website to improve advertising content on external websites (Lambrecht and Tucker, 2013).

There are two basic goals that can be set in remarketing campaign (Muhammad, 2018):

- *Awareness:* these campaigns are used to inform visitors about your product features and other announcements. This is less targeted goal because it is directed at visitors who haven`t interacted a lot with the company business.
- *Conversion:* conversion campaigns are used for visitors who are more familiar with the brand and products or services of company. But they still haven`t committed to an offer so the goal is to make them to click on the ad and convince them to offer.

Modern and advanced methods of advertising, tracking and retargeting marketing make the user`s privacy a major concern for many people. Many internet firms collect a huge amount of data from their users, and they use these data to allow their advertisers to target and personalize ads (Tucker, 2014). Consumers may see personalized ad content on such sites as more appealing and more connected to their interest, but on the other hand, by this, they can feel being violated or their privacy is violated. All these privacy concerns may lead to reaction which leads consumers to resist the ad`s appeal.

A research of effectiveness of retargeting and its effect on customer`s behaviour among the Danish millennial Facebook users (Kaulina and Kaulins, 2018) shows a strong relationship between retargeting and purchase intention. Even 61% of respondents consider retargeting as an effective tool, 20% think that retarget advertisement are not effective, while 19% don`t have opinion about this. Most of the

respondents noted that the main problem is the privacy of their data and therefore they insist of privacy policy and pricing policy. Interesting fact is that dynamic retargeting or showing the same ad on Facebook more than 5 times a day, can seriously have negative effect on customer's intention to buy.

2 Research methodology

The research aim of this study is to see how mobile marketing and retargeting works and how it affects the customers and the companies. The research gives some important information about how mobile marketing and retargeting is changing the customer behaviour that has been conducted in North Macedonia.

The three main goals of the research are to provide answers to the following questions does mobile marketing has impact on changing the customer online buying behaviour; is retargeting helping customers to find and buy the best product they search online and whether that companies benefit from mobile marketing and retargeting in terms of sales and turnover increase.

The research used quantitative research method on a sample of 136 respondents living in North Macedonia. An online survey was conducted which included 26 closed questions. Few of them are demographic and general questions, but most of them are specific questions that concern the subject of this research. Through closed questions respondents were able to choose from the pre-offered answers (the offered answers are supposed to be precise and to reflect the opinion of the respondent).

Among the respondents 57 % are female, 43 % male from which 60 % are at age between 18 and 28 years, 26 % are from 29 to 39 years and the other 14% are between 40 and 50 years old. 60 % of respondents have bachelor's degree, 34 % have master's degree, others have high school (5 respondents), PhD or higher have 3 respondents. Also, 92 % of respondents have full time job, 6 respondents are students and 5 of them are seeking opportunities.

3 Research results

The research results show the following most important findings:

On the question have you ever received some type of marketing message on your mobile device, 98 % of the respondents answered with a positive answer.

When asked how often you practice online shopping, most of the respondents confirmed that they do shop online, as only 6 of 136 answered that they do not.

To the question how often you add items to your cart, but do not proceed to purchase, the result shows highest and similar value in answers sometimes, occasionally, and rarely. Only 4 of the respondents answer often, 15 never and 6 of respondents answered that they do not shop online.

On the question whether you tend to purchase products through mobile apps 39 % of respondents were neutral about this question, whereas 38 % agreed with the statement.

To one of the most important question if you have ever noticed ads that reflect your search history on Google, 67 % of the respondent often noticed ads that reflect their search history and this fact give us confirmation that mobile platforms, apps, and aggregates are working in the way to do the best mobile campaign by collecting information from potential customers and send them offers about products and services they search for.

67 % of respondents strongly agree with the statement that shoppers should be made aware that online retailers are collecting and using your data in this way. This shows the awareness about how mobile marketing works. None of respondents answer with disagree or strongly disagree.

When asked how to have those ads affected your purchase decisions, only 10 % of the respondents answered that they are put off by ads, 41% ignores them, and the others 49 % in total answered that they revisit the website and responded to some special offers.

To the question which applications do you consider appropriate to receive targeted mobile advertisements, 38 % of the respondents consider social networks as appropriate, followed by banner ads, messaging applications and e-mail.

When asked, when you are given a discount ad in an online platform, you tend to visit that website for purchase intention, most of respondents are neutral when discount is given (41 %), but 36 % of them agree with this statement.

The answers to the question, seeing the website ads again and again makes you irritated, show that ads that appear again and again irritate people as 40 % of them agree with this statement and 44 % strongly agree with this.

The answers to the statement, you end up buying the product after viewing the ads again and again, confirm the irritation from previous question results because 40 % of respondents respond that they disagree, or they do not buy after viewing the ads again and again.

49 % respondents agree that shopping on internet saves time, 26 % strongly agree, 21% are neutral about this and only 4 % disagree whit this. At the same time 50 % of respondents agree that online shopping offers broadness of goods choice, and only 3 % disagree.

The answers to the statement, we have signed up to several companies` notifications on my mobile device, show that beside the fact that respondents think that shopping online saves time and there is broad selection of goods, still most of them (40 %) disagree and 13 % strongly disagree with signing up for notifications from companies.

Most of respondents 33 % neutral and 32 % disagree with the statement if they have purchased products after receiving mobile advertisement. The rest have made purchase

after receiving mobile ad. At the same 80 % of the respondents are open to see personalized mobile advertisements relevant to their interests.

To the question, prior to this survey, what did you know about retargeting, most of the respondents knew about retargeting, 42 % even knew how it`s done and only 7 % or 9 respondents did not know anything about it.

When asked to select an option that closely represents their opinion about targeted mobile advertisement, 46 % or 63 respondents, answered that it is a useful way of marketing, still having 15 % selecting that it is irritating and intrusive.

4 Discussion

Based on the results from the survey it can be concluded that mobile marketing, mobile advertising, and online shopping have impact on changing the customer`s buying behaviour. More than 95 % of respondents answered that they practice online shopping, frequently or rarely, but they do it. Additionally, over 90 % of them confirmed their tendency to purchase products through mobile apps because they believe that online shopping is saving time, gives them broad selection of goods, discounts, and rewards. Mobile advertising is definitively affecting their online buying behaviour and even the fact of their awareness about giving personal data while they search products online, they continue to use this kind of shopping. They are willing to receive targeted mobile advertisements through social network which indicates that they are open about the opportunity to search among wider offer about products and services they need on their mobile devices, no matter the time and the place they are. This is significant fact about changed buying behaviour.

We can also confirm that retargeting helps to the customer to find and buy the best product they search online since more than 95 % of respondents answer that targeted advertisement on the Internet provides helpful suggestions to them as customers. The same percentage of respondents agreed that selection of goods on internet is very broad and the opportunity that gives the retarget marketing such as sending similar products to the potential customers, make their research and decision more relevant. Also, target marketing and mobile marketing online in general, have the characteristic of giving some special offers with special discount and rewards. Companies usually send this kind of offers to the visitors of their website that have shown interest for some specific product. This is as a result of mobile platforms and aggregates that work in a way to collect data about any potential customer who once visited some company`s website and made a search for goods. After that they send them offers with same kind of product they searched and even offer about similar products. The research indicates that retargeting helps to the customers to find and buy products and services they need and search online.

As a result of the above we can confirm that companies have benefit from mobile marketing and retargeting as it increases their sales and turnover. It is clear that online advertising and promotion is becoming more and more a marketing and shopping

practice and therefore companies are motivated to use mobile marketing as a strategy that brings them benefits not only for their image and awareness, but also for their income since mobile marketing provides cost efficient and fast alternative for reaching their markets. It also offers a great flexibility because they can change the price or the offer, depending on the customer`s needs.

5 Conclusions

It is evident from the literature review and the research in this paper that there is a positive and strong connection and impact of mobile marketing and retargeting as a mobile marketing strategy and customers buying behaviour. As a result of rapid development of mobile devices and technologies, and worldwide spread net and internet, companies are in front of great challenge to innovate and practice modern ways and tools for their marketing purposes. Nowadays companies from all over the world have the chance to offer their products and services to everyone who uses mobile devices and social network. This is a new way of communication and selling practice that gives significant impact on company`s income, popularity, and image.

Mobile marketing and online advertising and shopping are accepted by customers, if they are firstly sure about the company from which they will order, confident in the payment platform and if they can accept the fact that their data will be collected and later used for other offers and some special deals but in a lawful and ethical manner.

Finally, we can say that mobile and digital marketing are seriously affecting buying behaviour and more and more people choose to purchase and shop online. Retargeting also has very big impact on customer`s buying behaviour since we know it`s characteristics and positive issues that are useful to companies and customers at the same time. There is positive attitude toward advertising and shopping online and we believe that mobile marketing positively contributes to improving the relationship between sellers and customers. Companies should adopt this marketing practice as a significant tool to make good connection with customers that will result with increased awareness, loyalty, and income. The survey also shows that in North Macedonia the level of interest for online buying can be significantly improved with the increase of positive customer experience and increase of the level of trust in in online purchasing and payment.

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Chapter 12

Consumption of Digital Services in a Pandemic: An Assessment of the Importance of Internet Communications Speed

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Abstract: The influences of Covid-19 are significant - they affect companies all over the world, trying to react to this situation that is new in many dimensions. Measures that followed the increasing uncertainty and coping with the “never-seen-before” economic conditions have had a substantial impact on the way we "consume" digital services. We humans had to spend significantly more time at home. The number of different screens we use has increased, the time we spend in front of screens has lengthened, the number of activities we can do using those screens is almost unlimited. We conducted a survey on the target group of 130 respondents in the age group 18-34 years and set the following hypotheses: 1. hypothesis – “The range of mobile data is more important than the speed of a stationary internet” and 2. hypothesis – “Price is not the most important factor when choosing a package of communication services”. We used an online questionnaire in the Conjoint analysis method and found that we need to reject the first hypothesis, which says that the volume of mobile data is more important than the speed of the fixed internet. We also did not confirm the second hypothesis, which says that price is not the most important factor in choosing a package of communication services. Price is significantly the most important factor when choosing a package of communication services in the age group of 18 to 34 years. The speed of the fixed internet in the younger population has been shown to be more important than the extent of the mobile internet. However, the price in the younger population also reaches a level of high sensitivity, which means that in the age group of 18-24 they are probably ready to change operators due to a more favorable price.

Keywords: broadband; conjoint analysis; telecommunications operators.

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1 Introduction with literature review

Covid-19 hit the world harder than anybody could imagine. Economies and societies stopped for a few days or weeks and people had to adapt to these new unimaginable circumstances quickly. Telecommunication infrastructure made life for us easier. It enabled that many of activities were still running, where distance learning and online shopping increased tremendously.

Telecommunication infrastructure was the bone of these services and many operators. Unlimited and stable access to the internet enables customers' satisfaction. Jiang, Yang, and Jun (2013) established already eight years ago that accessibility of web sites was considered as the most important factor in determining consumer perceived online shopping convenience. Results of their research also showed that online shopping convenience positively correlated with behavioral intentions. Higher level of satisfaction increased the possibility for repurchasing and recommendation by the customer (Jiang, Yang, and Jun, 2013). For retailers, engagement of mobile technologies that link them with their consumers, is a decisive factor for achieving competitive advantage. Information that can be offered to a consumer allows retailers to speed the buying process up and make the purchasing experience fulfilling. Consumers seized the opportunity given to them in several areas: prices, product choices and even customer service. Retailers had to adapt and now they provide personalized notifications, digital vouchers, even purchase lists (Horga, Nica, and Nancu, 2021).

Modern networks that enable broadband and the use of mobile technology, are now available 24/7. The new, connected consumer has appeared as a consequence of combination of communications, entertainment, information and commerce in addition to a number of new services (Fudurić, Malthouse, and Viswanathan, 2018), mobile health and telemedicine, on the other side, being two of crucial users of 5G (Porambage, Okwuibe, Liyanage, Ylianttila, and Taleb, 2018). The process started even before the pandemic, but it received a boost during restrictions imposed due to Covid-19. Operators were able to take advantage of their strength in technology and customer support while following transformation in habits and new needs. People wanted to follow the flow of public-health and safety information. During the most intensive restrictions, stable and permanent connections facilitated companies to organize work-from-home processes, and distance learning had to run smoothly. That sometimes meant special arrangements or free services – at least for a short period of time (Gaibi, Jones, Pont, and Vaidya, 2021).

Telecommunication operators have been under pressure for more than 10 years. Due to new technologies, migrating users from fixed lines to new players and nontraditional competition coming from different industries (esp. digital-native companies like Netflix) they had to find new business models and adapt to new circumstances. Many of these operators moved in the direction of new industries, especially content. On the other hand, they had and still have to invest heavily to be able to satisfy and handle the increasing volume of data traffic (Mahmoodi and Seetharaman, 2014), or be careful

about their CAPEX spending. They are usually forced to maximize the usage of resources available and avoid bottlenecks. You can imagine, forecasting the required traffic capacity for their mobile networks is not an easy task (Bastos, 2019).

The development of the fifth generation of (wireless) networks – 5G, will enable even faster development of advanced devices and human-to-machine and machine-to machine interaction. If the Internet started as peer-to-peer network to world-wide-web, it is evolving to the Internet of Things. "IoT system is poised to induce a significant surge in demand for data, computing resources, as well as networking infrastructures in order to accommodate the anticipated myriads of interconnected devices. Meeting these extreme demands will necessitate a modification to existing network infrastructures as well as cloud computing technologies" (Porambage et al., 2018).

In recent years, due to fast technological advancements, the television has morphed itself from a linear content consumption device into a *networked media device* capable of providing rich interactive experiences. New TV experiences now include both the interactive consumption of traditional TV content and over-the top Internet content. The new features require superior control and user interface design. With the increasing availability of secondary devices, such as smart phones, netbooks and laptops, these control and consumption functions are moving onto these secondary devices« (Basapur et al., 2011).

New segments of tele-communication users have to be analyzed in order to understand their behavior better. Banerjee at al. (2013; Banerjee, Rappoport, and Alleman, 2014) defined four segments of these new users: cord loyalists (households still willing to use pay TV, not interested in OTT solutions), cord couplers / shavers (use both pay TV and OTT), cord cutters (stopped using pay TV in favor of OTT services) and cord nevers (they have never used pay TV and only use OTT services) (Banerjee et al., 2013; Banerjee et al., 2014). Younger consumers follow the providers who enable transferability of content to "secondary devices" (Basapur et al., 2011) – it could be an interesting question what the secondary device really means for them?

"Always connected" is a concept of hardware – and a segment of individuals that cannot imagine their life without a smart device, enabled by technology and operators that offer favorable communication packages at affordable price. One of the main differences compared with a fixed (wired) internet connection and the mobile (cordless) is the possibility to be connected on the move. And new generations are taking full advantage of.

A current Pew Foundation study reports that more than 80% of millennials sleep with a cell phone by the bed "poised to disgorge texts, phone calls, e-mails, songs, news, videos, games, and wake-up jingles. The prevalence of portable wireless communication devices has dramatically affected communication and collaboration patterns (Bull, 2021).

"New portable devices have become multimedia recording tools and pocket-sized Internet-connected computers. The iPhone, for example, can record and edit high-

definition video and wirelessly upload it to YouTube. Smartphones are often described as "Swiss army knives", since their users install apps and so customize their device following their needs and interests. In many cases mobile devices have become the most important computing platform, where more time is spent than with desktops (Morrison, Xiong, Higgs, Bell, and Chalmers, 2018). According to Pew researchers, these devices are helping to bridge the digital divide by providing Internet access to less privileged students. Students use smartphones and related handheld devices and tablets to coordinate schedules and face-to-face gatherings; share stories, images, and video; browse the Web; and participate in social networks" (Bull, 2021), in the recent semesters they also followed remote lectures and worked in virtual teams, since the majority of classes were held on line or at least in a hybrid form.

In a classical, off-line educational process where students and teachers were in the same lecture room or even auditorium in the same moment (synchronous teaching), teachers usually tried to exclude or prohibit the use of portable devices during the lecture since they saw these devices as a disruptive element. Which they usually were. New situation – virtual formats or a hybrid educational process - forced us all to see and to use the potential of mobile devices as an educational gadget. And an effective tool to engage students.

For students, the transition to a new way of education was, from the technological point of view, easier than for their teachers. For infrastructure (i. e. in Slovenia), increased use of broadband has caused some system outages; nevertheless, they were resolved relatively quickly.

One of the reasons for price being so delicate matter in the competition of operators i.e. MSO = Multiple System Operators (Fudurić, Malthouse, and Viswanathan, 2018) is a process of "cord cutting" – the substitution of fixed-line phones in favor of mobile phones. Since high-speed internet entered the market and smartphones became a commodity that is available to most consumers, operators were faced with switching the users from traditional ways of receiving signal (especially cable or IPTV, where the role of a classical operator is crucial) to mobile broadband based services. Online video that used to be dependent on fixed connections is now available through different devices that no longer need cable of any kind. Number of devices is growing - television sets, set-top boxes, gaming consoles, computers, tablets, or smartphones… - they all can provide a level of service that satisfies the majority of users.

Rising competition and entrance of new competitors (besides distributors / operators also content providers have their interests as well) is an additional reason for price cutting. Technology has lowered the cost of switching. If you leave the tele-communication operator you might not need a new one to watch the desired content or to use any other service available on internet.

Growth of mobile data usage was enabled by the development in speed of mobile internet, price of data packages in bundles offered by telco operators and by the development of both applications and hardware – devices with monitors big enough to

offer at least a solid user experience while browsing different web pages or watching the video.

Expansion of smartphones and tablets, forced retailers to provide new forms of interactive communication mechanisms, accessed via the mobile channel. Consumers are buying on the route, they are often no longer limited by space and movement (Horga et al., 2021). Nevertheless, for the buying process to be convenient, consumers expect the following routes (Seiders et al., 2000 qtd. in Jiang, Yang, and Jun, 2013): "Access - Consumers may reach a retailer. Search - Consumers can identify and select products they wish to buy. Possession - Consumers can obtain desired products, and Transaction - Consumers can effect or amend transactions".

2 Method and research elaborations

An empirical study in this paper was made using conjoint analysis. The SSI Web module of the Sawthoot software program was used to collect data in the online survey. The survey was conducted on respondents aged 18 to 34 years in October 2020.

Respondents were asked which offer of the tele-communication service provider would they decide for - in case they would choose between the displayed offers. The offers consisted of six properties.

One was the bidder's logo, which affected the trust of the bidders. Four bidders were included in the survey. For the purposes of this entry, they are marked with the letters H, J, F and G. Another variable was internet speed. Respondents were shown three speeds of 500/100 Mbit/s, 100/100 Mbit/s and 10/10. The next variable was the number of TV channels in the package, namely 120, 180 and 230 TV channels. The fourth variable was related to the number of calls in the mobile network. Respondents chose between an unlimited number, limited to 3,000 calls, and limited to 1,000 calls per month. The fifth variable provided a choice on two levels between the unlimited data transfer on a mobile device and limited to 1 Gb per month. In addition to the four price levels of 37 €, 47 €, 61 €, and 78 €, respondents also chose some additional benefits, such as catch-up TV (watching the selected program with a delay up to 7 days), additional sports TV channels, possibility to pay in installments, contract without binding and the possibility to upgrade their subscription at any time - package without additional obligations.

As shown in the Figure 1, they had the option to choose between three concepts offered for each question, and the fourth option was to choose none of the possibilities. The survey was conducted on the Slovenian market, so the figures show screen is in Slovenian.

The survey was completed by 130 respondents and each of them answered 14 identical questions, with combinations of variables varying. Thus, each respondent could express their preferences to different levels of each variable.

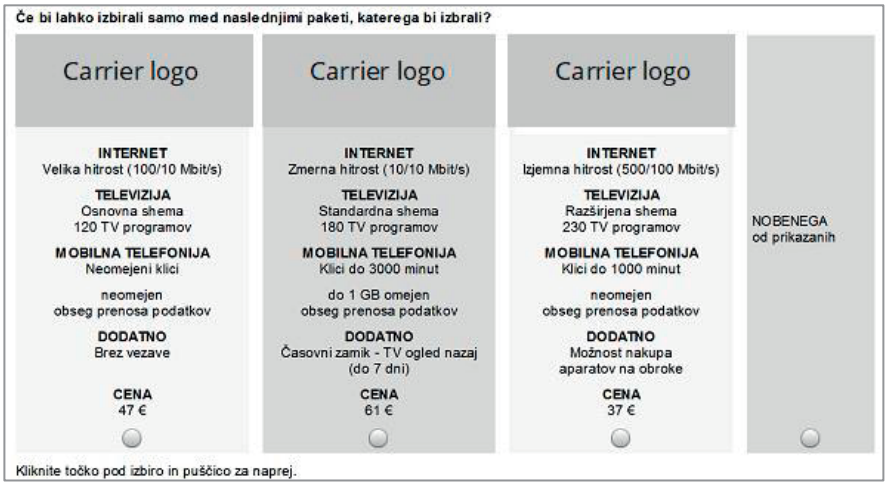

Figure 1. Question: If you could choose between the following packages, which one would you choose? Source: own research.

3 Results or findings

In the first step in the analysis of the selected results, a "counting" of the analysis was performed. The Counts command reported how many times each attribute level was selected when it was available on the screen. Counts provided an intuitive measure of the impact of each level of attributes on overall selection. Counting are ratios between 0 and 1. For example, counting 0.10 for a trait level would mean that respondents 10 % of the cases where a particular trait was shown were chosen by respondents to be 10 %. The Counts program analyzed all one-way Count proportions. Chi-Square statistics show characteristic differences within all properties at the p >.01.

In the next step, the parameters were analyzed in the SMRT module with Logit multivariate analysis, which analyzes the effect for each level of each attribute. The results of the part worth utilities of individual variables are shown in the graphs.

Utilities are displayed on the ordinate axis of the graphical representations for individual variables. The average utilities are rescaled logit utilities using the zero-centered "diffs" method.

Method rescales utilities so that the total sum of the utility differences between the worst and best levels of each attribute across attributes (main effects) is equal to 0.

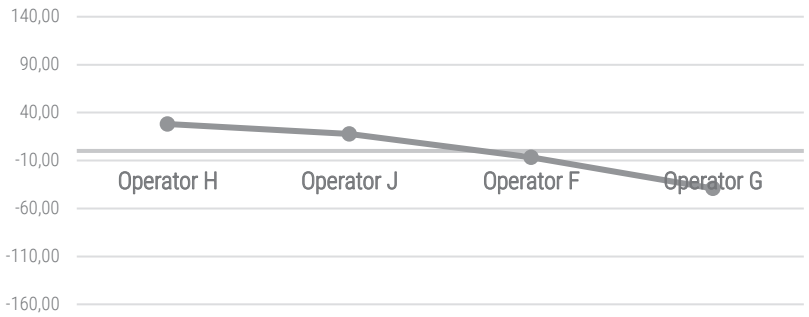

Figure 2. Operators. Source: own research.

As we can see, there are differences in preferences towards a particular distributor of telecommunication packages. The most popular provider was H and the least popular operator appeared to be G. (Due to confidential information, brands are not displayed).

Figure 3. Web data transfer. Source: own research.

Respondents are expected to prefer a higher online data transfer rate. 550/100 Mbit per second seemed to be much more favorable than slower options.

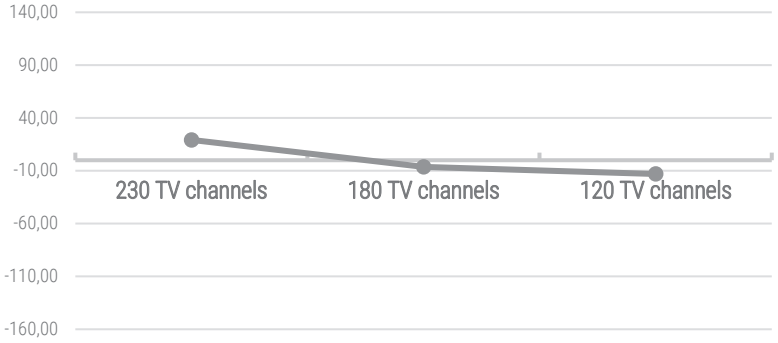

Figure 4. TV channels. Source: own research.

The number of TV channels also indicates importance, but the difference between 120 and 180 channels was not significant. A slightly larger difference was visible at the interval between 180 and 230 channels. However, there is also a concern in this case that this result was a consequence of a higher first number, which is a known fact in terms of prices.

Tversky and Kahneman (1981) described decision problems in which people systematically violated the requirements of consistency and coherence, and they traced these violations to the psychological principles that governed the perception of decision problems and the evaluation of options. The relative attractiveness of options varies when the same decision problem is framed in different ways.

It is a psychological effect when consumers find the difference significantly higher if the first number in the data is larger – based on numerical cognition, people tend to compare numbers in relative terms (Kolenda, 1968).

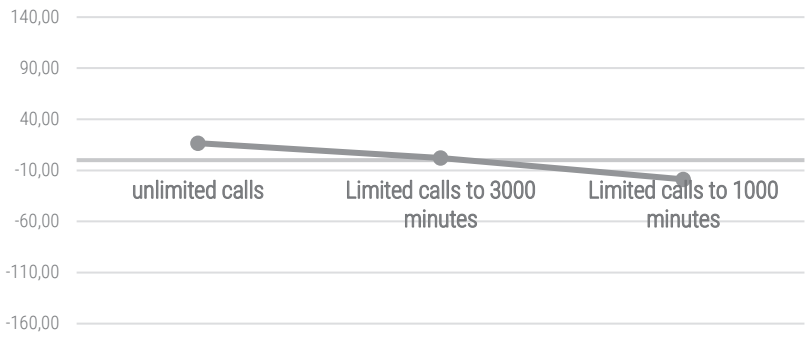

Figure 5. Mobile calls per month. Source: own research.

Even when limiting the number of phone-calls on the mobile network, results are not surprising. The most preferred was the rate that offers unlimited number of calls. It was followed by a limit of 3,000 calls, and the least acceptable for respondents was a limit of 1,000 calls.

Figure 6. Mobile data transfer. Source: own research.

The result of the volume of data transfer also indicates the importance of unlimited scope. Limiting the transfer to 1 Gb of data is much less acceptable. The gap between the two values in this case is equal to the other questions.

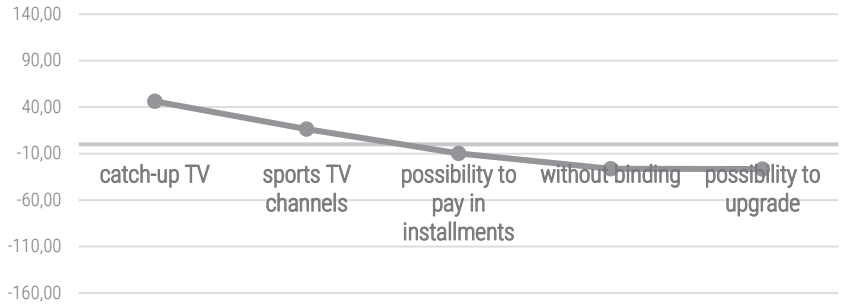

Figure 7. Selected additional services. Source: own research.

In this variable, we offered the respondent various additional services. Among them were watching TV shows with a delay and sports TV channels. Respondents found other options related to payment or arranging a subscription relationship much less important.

Figure 8. Price. Source: own research.

Price was the most sensitive variable in the survey. As we can see in the Figure 8, the differences in preferences between the prices shown were very large. Significantly higher than for other variables, which we will also see in the calculation of relative importance. Respondents were very unfavorable to higher prices. Therefore, we can also expect that they would switch operators due to the price.

Using the differences of partial preferences, we also calculated the relative importance of each attribute to the distinction about the choice of the operator.

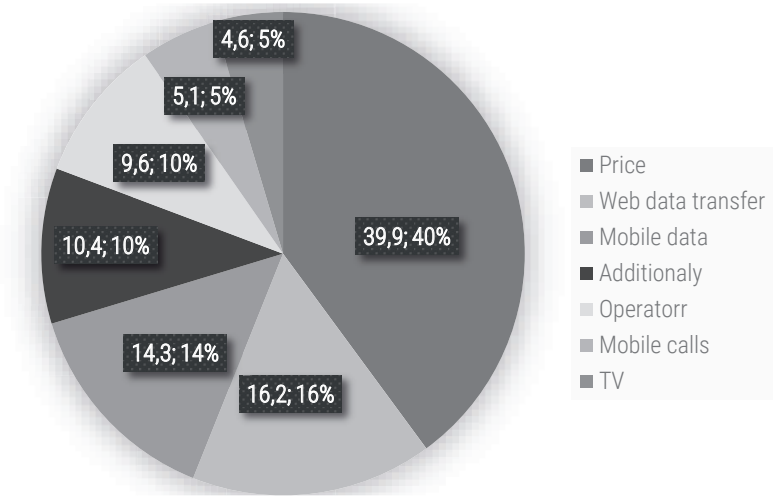

Figure 9. The average importance of each attribute (%). Source: own research.

Price was the most important variable and occupied almost 40% share, the next companion is the speed of online data transfer with more than 16% and the third mobile data volume with more than 14%.

On this basis, we must reject hypothesis H1 - which says that the volume of mobile data is more important than the speed of a fixed Internet. As we can also see in Figure 8, the average preference for mobile data volume is lower than the preference for data transfer speed online. We must also reject hypothesis H2 - which says that price is not the most important factor in choosing a package of communication services. Price is significantly the most important factor in choosing a package of communication services in the age group from 18 to 34 years.

4 Discussion and conclusions

While preparing the starting points for this survey, it was found that all four providers involved in the survey create very specific combinations of service packages that are difficult to compare. Thus, a direct price comparison is practically impossible. They often also offer fancy names, i.e. orange package, green package, smart package, and the like.

People often find it harder to orient themselves in the content of the offer, especially the older ones, who did not grow up with communication services and, unlike younger users, do not take everything for granted. In particular the use of smartphones is often a difficult task for the elderly, and they prefer to use these devices only for phone calls. They prefer sending messages, browsing the Internet, and shopping online, if at all, via a computer connected to a web port.

The younger users, on the other hand, use mobile devices much more, both for reading and writing messages, as well as online purchases, web browsing and all other services that are a daily gadget today and mostly available for free on both iOS and Android platforms. This was the reason for the assumptions that we would be able to confirm the importance of mobile data volume in the research and the assumption that price was not a key factor for younger people when choosing a package of telecommunication services.

Therefore, we used conjoint analysis, which allowed us to use variables that are usually crucial when choosing communication service offerings. Clients compare them to the price and make their decisions.

The method allowed us to select the key variables in the concept design and to determine the individual levels within the variables. The big concern was to design appropriate levels, especially in terms of understanding. Many respondents do not explain speed in numbers or technical characteristics, but only notice it if it takes longer for them to receive a picture or an answer to the question sent. Hence, we used basic data in the gaps that the average user should understand. It is similar in the understanding the scope of data transfer. We are sure users do not know the number of bits they spend on individual day-to-day operations they perform on mobile devices. When asked how many bits of, for example, 1MB contained in a packet service you spend if you make an online purchase, or if you send a video presentation, they were not aware. They know how to estimate, and they understand that uploading videos is more demanding than uploading text.

Therefore, the adequacy of the design of the level of services used in the survey may also be the reason for certain survey results. Another limitation is related to the characteristics of local providers. The survey was conducted in a small country that has four providers of communications service packages.

The packages are adapted to the habits of the users. So, we believe that the present research is the basis for further research, which using different approaches would certainly contribute to an even better picture and understanding of what all the influences when consumers choose between the offers of communication packages.

Another phenomenon we must mention that is related to the Internet is interactive television. Based on the information available in the modern press, electronic media and in scientific journals as well, interactive television is a new occurrence, and we attribute it more to the future. As some authors argue, interactive television actually has a long history - in fact, just as long as television itself (Sokoler and Sanchez Svensson, 2008). Since its inception in the 1920s, television has become more or less a prime example of “push” media.

In the 1980s, television was used in France to transmit telephone numbers. It has become a kind of telephone directory. Keyboard input units were distributed to users free of charge, and users were able to search for a telephone number by name or address.

Later, teletext offered a 24-hour information service in the networks of public service broadcasting organizations. Commercial broadcasters owned separate teletext information services. It was used mostly for news, sports and weather information and had information from various sources such as airports and stock exchanges. In the Netherlands, 93 percent of households were equipped with teletext on their main TV (SPOT, 2006). Dutch Teletext consulted 23 percent of the population daily and spent an average of seven minutes on this service. However, the authors note that Teletext was used primarily by older people aged 50 to 64 years (Van Selm and Peeters, 2007).

Now teletext is less popular, it is mostly used for watching television programs. In most of the services mentioned, Teletext and the Internet, or the computer connected to the World Wide Web, compete.

The advantage of a computer is in the keyboard, which allows easier and faster data entry than remote controls, where the user must come up with characters and labels to form a recognizable message that allows him to obtain the desired information. However, it should be noted that for both TV and data transmission, the foundation is a wired or wireless connection, that allows the speed and quality of information transfer in both directions.

Television reception is probably less sensitive than uploading and downloading online data, so in the minds of consumers, the speed of the Internet is something they associate with the quality of service. In the case of mobile devices that operate mainly on wireless networks, providers define function by the amount of data.

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Chapter 13

Effects of Consumer Choice Factors on Marketing and Digital Communication Strategies of Telco Companies

Dimitar Kovachevski* | Jane Plavevski**

Abstract: Companies and organizations constantly emphasize that they are listening to their customers and that everything they do is aimed to satisfy their needs. But do companies and organizations really listen to their customers or just tailor their products around a message which fits their targets? With the "post pandemic reality" consumer behaviour is expected to change more frequently driven by evolution of society and emerging technologies, and the businesses will need to keep up. For example, the telecommunication industry is one of the most affected by frequent change of consumer behaviour as it is dominated by new technologies, which are very appealing to customers. This paper explores and analyses consumer choice factors in the telecommunication industry in North Macedonia. The aim is to provide insights on consumer behaviour and measure which factors are perceived to have the highest value and according to them propose strategic directions for decision making. The research came to the conclusions that customers on the Macedonian market still tend to do their transactions in the "physical" stores (instead online), compare prices, wait for price promotions, tend to activate convergent offers.

Keywords: customer centricity; digitalization; market positioning.

1 Introduction and literature review

The telecommunication industry is ever growing and ever changing. The products that are now offered are not just the regular subscriptions for a mobile or a fixed line but also internet of things (IoT) services, cloud services, as well as multimedia services. Furthermore, customer care services are not limited to contact centres, but also digital self-care applications, intuitive websites, web platforms, etc. As the telecommunication companies are trying to reinvent themselves as more than being a utility provider for

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the new digital society, the factors why they are being chosen by customers, needs to be closely tracked, as customer needs, behaviours and expectations are also changing.

Telco companies face the challenge of capturing fast-moving targets in volatile markets of the 21st century. The key driver of market turbulence is known to be the rapidly evolving needs of customers, which contribute to the uncertainty of company's success. Companies need to know their customers if they want to provide relevant solutions to their everyday problems and challenges that they are facing. However, in practice, the thorough knowledge of the customer seems more challenging, since the nature of the telco companies is to offer services for a wider range of customer segments: youth, adults, families, seniors, business customers, etc. Therefore, it takes a big effort to track the changing customer needs and behaviour and at the same time be on track with the changing trends in technology and society.

There are multiple points which are important for the customers: price, service and network quality, customer service and digital experience. Investing resources in each of these points takes a lot of financial, human and time resources. Therefore, the decision on which aspect to focus first, or where to invest more resources, needs to be done on a sound basis and needs to fit customer's expectations.

The concept of telecommunication operation enterprises competitiveness means the process and ability of adapting to and controlling the external environment. This suggests the ability of a telecommunication enterprises ability to maximize internal and external resources, such as communications technology and facilities, funds, personnel, and so on, through organization and management. Besides, it means the ability to provide communications and information services to customers to occupy a comparative advantage in the telecommunications market (Chun et al., 2019).

Recently, it has been found that modern and strategic marketing agencies used mass media, billboards, wall post as their marketing media where they would post the company or brand image of the product or services (Udriyah et al., 2019).

The consumer goes through a number of stages before finally making a decision to buy. This is referred to as the consumer purchase decision process (Blackwell et al., 2001). Blackwell et al. (2001) had earlier suggested that the consumer buying process involves need-recognition, search for information, pre-purchase evaluation of alternatives, purchase, consumption, post-purchase evaluation, and divestment. However, it must be noted that consumers who use multiple mobile phone services might not always go through all the stages of the decision-making process.

A wide range of different factors can be identified why customers choose a specific product or service from a telco operator, but according to the Rahman, Haque and Ahmad (2010), the major factors are service quality, price, service availability and promotion.

1.1 Service quality

According to Leisen and Vance (2001), service quality helps to create the necessary competitive advantage by being an effective differentiating factor. However, competitive advantage for companies is a value-creating strategy, which is not implemented by any existing or potential competitors at the same time. As a result, service quality can be used as a competitive advantage which is related to customer satisfaction and also leads to consumer loyalty and future purchases.

1.2 Price

Price plays vital role on the telecommunication market especially for the mobile telecommunication service providers (Kollmann, 2000). It includes not only the purchase price but also the call and rental charges. Generally, a price-dominated mass market leads to customers having more choices and opportunities to compare the pricing structures of diverse service providers. A company that offers lower charges would be able to attract more customers committing themselves to the telephone networks and hence, significant number of call minutes might be achieved. In this information technology age, price competition has become cutthroat in the mobile telecommunication industry. Consumer's mobile plan choices are overly influenced by the salience of overusing or underusing the allowance. In particular, given the ex-post optimality of the current plan, a consumer tends to switch to plans with larger allowances when overuse the allowance, and switch to plans with smaller allowances when underuse the allowance.

1.3 Service availability

Consumer perception of product quality is always an important aspect of a purchasing decision and market behaviour. Consumers regularly face the task of estimating product quality under conditions of imperfect knowledge about the underlying attributes of the various product offers with the aid of personal, self-perceived quality criteria (Sjolander, 1992).

1.4 Promotion

Promotion is one of the tools used by companies to communicate with consumers with respect to their product offerings (Rowley, 1998). It is an essential part for marketing strategy, especially when penetrating new markets and obtaining new customers. Generally, promotion is concerned with ensuring that consumers are aware about the company and its products that the organization makes available to those consumers (Rowley, 1998). More specifically, the objectives of any promotional strategy are: increase sales; maintain or improve market share; create or improve brand recognition; create favourable climate for future sales; inform and educate the market; create competitive advantage relative to competitor's products or market position; improve promotional efficiency (Rowley, 1998).

A great number of research papers focus on consumer choice factors and customer behaviours. Their purpose is to provide different aspects of what are the most important ones and which ones influence the customer decision the most. This opens the need for analysing which factors should be the focus of telecommunication companies (short and long term; direction of investment resources; prioritization). As it can be concluded from the literature review, customer needs and behaviour change frequently according to socio-economic trends, but still the most important ones for the telco industry remain to be service quality, price, service availability and promotion.

2 Research objectives and method

2.1 Research objectives

The research objective is to measure the key decision factors when choosing a product or service from a telecommunication operator. Furthermore, the research will provide insights on consumer behaviour and measure which factors are perceived to have the highest value for the customer. The three key research objectives are the following:

- *Identify and gather insights of consumer behaviour on the telecommunication market.* In a dynamic world customer behaviour change frequently. This is also the case in the telecommunication industry where customers change their product usage behaviour (mobile data, voice, SMS, TV, etc.), the way they do their purchases, the way they interact with the company, etc. With digitalization on the rise customer also seek easier and more convenient ways how to get the information that they require.
- Compare key decision factors when choosing an offer from telecommunication operators. Prioritize the ones which operators should focus on in order to improve customer satisfaction and competitive positioning. In line with the customer behaviour, the key choice factors for choosing a telco company are also constantly changing. As behaviour is evolving the consumer preferences are also changing and in the new normal it is not important to get the lowest monthly fee.
- *Propose strategic decisions aimed at growth and customer experience improvement.* After data collection and analysis, the goal is to propose strategic directions on which telco companies in North Macedonia need to focus. It is important to note that different telco operators may have different growth strategies, company goals and different target groups, but the main conclusions from this research should be valid for all of them and give general strategic direction which are valid for customers on the North Macedonia market.

2.2 Research methodology

The research in the study is both, quantitative and qualitative. The first batch of collected data is quantitative, in order to provide statistically representative sample that

gives insights based on statistical analysis. The main goal is to give numerical results and present them in statistical manner through Figures and tables.

Additionally, focus groups interviews are convened in order to confirm the results from the quantitative study in a qualitative manner. To achieve the previous and to achieve deeper understanding of the consumer choice factors in the telecommunication industry in North Macedonia, three focus groups have been convened, compiled by customers of the three main telco companies on the market: A1 Makedonija, Makedonski Telekom and Telekabel, each with its own focus groups of customers. Each group consists of five customers from each telco operator (15 total participants), which previously did not take part in answering the questioner.

2.3 Statistical sample and primary data collection

In order to conduct the research, a comprehensive questionnaire was created distributed via the digital tool Google Forms. In order to have a representative sample and quality results there should be more than 100 answered questioners. The higher number of respondents provides better statistics. It is important to have more than 30 respondents from each main telecommunications company, especially the two largest A1 Makedonija and Makedonski Telekom as they dominate the market as market leaders. The total number of respondents of the survey is 178 persons.

3 Results and discussion of findings

3.1 Market share of usage by services and operators

The Macedonian telco market is served by two major network operators, Makedonski Telekom (Deutsche Telekom Group) and A1 Makedonija (A1 TAG Group) with other national and local operators also present on the market, but with smaller market share: Telekabel, Neotel and Lycamobile.

From Figure 1, it can be observed that A1 is the main operator for 47% of the respondents, Telekom is the main operator of 44% of the respondents, Telekabel is the main operator of 8% of the respondents and for an insignificant number of respondents Neotel and other local operators are the main operator.

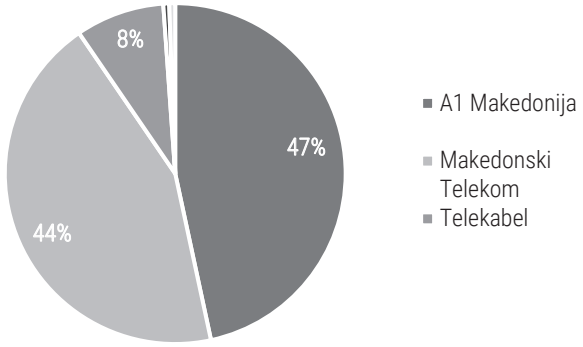

Figure 1. Main operator used (operator from which the respondents use the most services). Source: authors research.

Another interesting observation can be made on Figure 2, through which it can be concluded that the respondents still tend to make their purchases in the operator's shop (70%), even if most of the telco operators in North Macedonia offer possibility for purchases online or via other digital channels. In the previous year's A1 and Telekom are trying to raise awareness for online and digital channels via advertising campaigns, but also by offering certain benefits if the transaction is completed online. In April 2020, A1 opened the first Live Shop (digital shop) where customer can interact with a sales agent (located in another location) live online and finish all their transaction in the same way, as if they were in a regular operator shop.

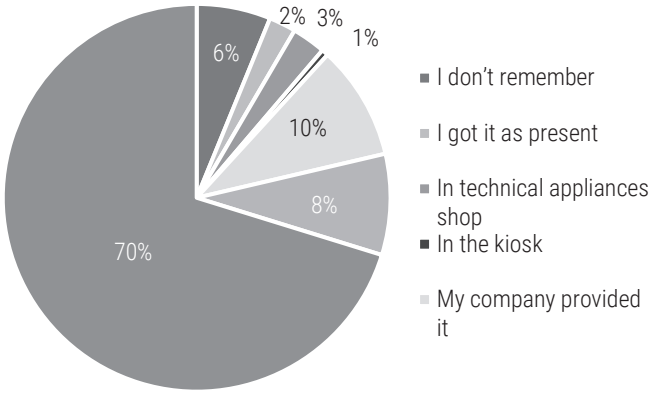

Figure 2. Sales channel of product/service purchase ("Where did you sign the contract/buy the number that you are using?"). Source: authors research.

On Figure 3, the purchases via online channel by telco operator are presented. The respondents whose main operator is A1 have completed most of their transactions online (12%), 6% the customers of Telekom have completed their transaction online and 0% from Telekabel's, as this operator does not currently have its own online shop. The

slight advantage that A1 has over Telekom for online purchases may be because of their new Live shop.

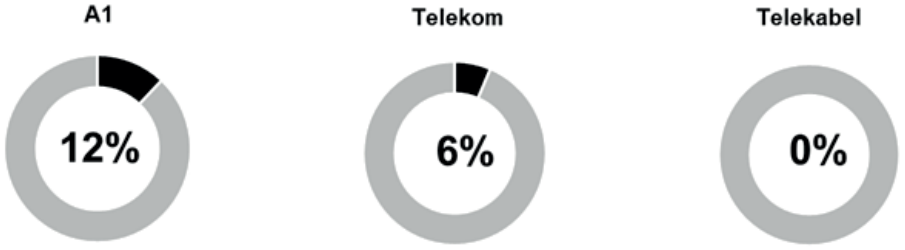

Figure 3. Purchase via online channel by telco operators. Source: authors research.

When taking into account the usage of digital services which are on the rise and are the future of the industry, it is interesting to see the frequency of usage of the self- care apps and portals of the operators. From Figure 4 we can see that the frequency of usage in the past day is 20% and the past 3 days is 15%. These percentages of frequency of usage are encouraging even if we do not have previous data and benchmarks in order to compare them with. Customers are understanding the need to track their usage and pay their bills online because in saves time and money.

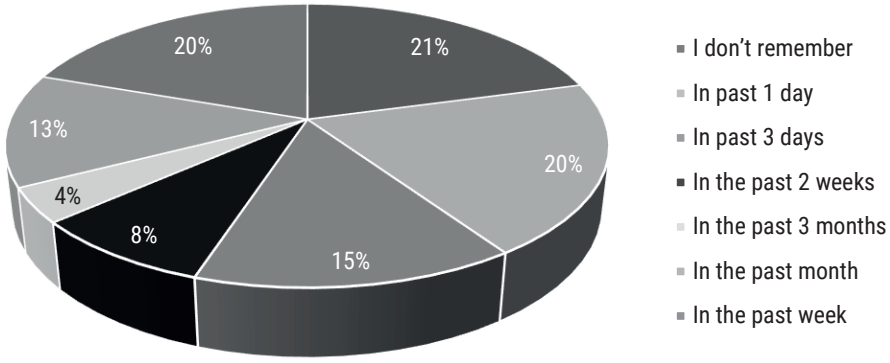

Figure 4. Frequency of usage of self-care app/portal ("*When did you last use digital/online services from your telecommunication operator?*"). Source: authors research.

Table 7 presents the frequency of usage of the self- care app/portal by operator. We can notice that the operators which have invested more resources in developing and promoting the app have higher usage percentages in first 3 days, A1 - 32% and Telekom 37%, whereas Telekabel has a slightly lower 20% mostly because it does not have a self-care app (only a self- care portal).

Table 7. Frequency of usage of self- care app/portal by operator

	A1	Telekom	Telekabel
In past 1 day	14%	27%	13%
In past 3 days	18%	10%	7%
In the past week	24%	15%	20%
In the past 2 weeks	11%	6%	7%
In the past month	12%	14%	13%
In the past 3 months	2%	5%	7%
I do not remember	18%	22%	33%

Source: authors research.

3.2 Main reasons for choosing telecommunication operator

Analysing the main reasons for choosing a telecommunication operator is one of the key goals of the paper, therefore this section was analysed in detail. Respondents had to choose the top 3 reasons for choosing a telco operator. Results from this section are presented below.

From the observation of Figure 5, we can see that the 3 of the top 5 reasons for choosing a telco operator are related to the quality of service ("Quality of network", "Internet Speed and Network coverage"), and the other 2 related to the tariff ("Monthly fee" and "Internet included in the package").

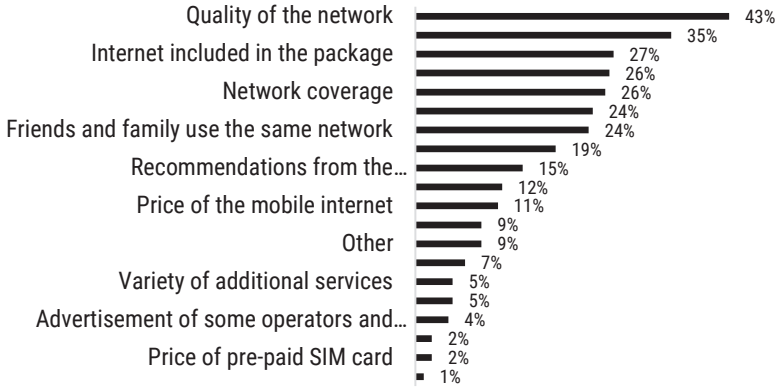

Figure 5. Main reasons for choosing a telecommunications operator (all respondents). Source: authors research.

The second most important reason for choosing a telco operator is the "Monthly Fee". This is evident because of the economic situation in North Macedonia and the buying power of its citizens. Some other top ranked reasons are "Recommendations from the family/friends" and "Friends and family use the same network". This is an indicator that customers tend to listen to the recommendations made from their friends and family and make a decision based upon gathering insights.

From Figure 6, we can observe that 38% of customers did not purchase their service during a promotion and purchased it when they needed it. On the other side 35% purchased it during a promotional period, which is a high percent and means that customers tend to wait for these periods. Or maybe these promotional periods are too frequently launched by operators, which may possibly have a negative impact on the long term.

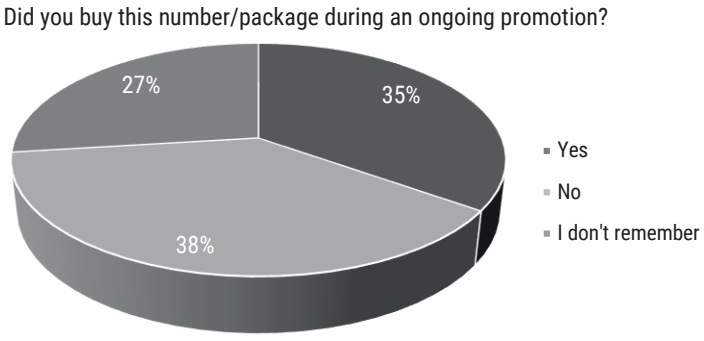

Figure 6. Purchase of service during promotional period. Source: authors research.

3.3 Focus groups research results

In order to prove or reject the results from the questioner as well as to get a deeper understanding of the consumer choice factors in the telecommunication industry in North Macedonia, 3 focus groups were conducted, compiled by customers of the 3 main operators: A1 Makedonija, Makedonski Telekom and Telekabel, each in its own focus groups of customers.

3.3.1 A1 Makedonija Focus group

The answers received from participants in the A1 focus group, confirmed the results from the questioner. These customers will always scan the market and wait for a promotional offer before making a decision for purchase of renewal, but most of them will opt to stay at an international brand (A1) which offers good prices and medium quality. They acknowledge the room for improvement in quality of service and customer experience.

3.3.2 Makedonski Telekom Focus group

Same as A1, the answers received from participants of the Telekom focus group, confirmed the results from the questioner. These customers do not wait for promotions and do not search the market for the best offer, as they know that their current operator is the best in the country. They are proud that they are users of such a premium and internationally successful brand, and they would continue to use it until it keeps the present quality.

3.3.3 Telekabel Focus group

The answers received from participants of the Telekabel focus group, somewhat confirmed the results from the questioner. The Telekabel users do seek the best offer on the marker but they expect high quality. They are satisfied with Telekabel brand and said that they will stay loyal as they rarely experience technical difficulties, and even if they do, they are quickly resolved. To conclude, the result received from the focus group gave the impression that Telekabel customers are loyal to their telco company, would have higher NPS and would stay at the operator more than the results from questioner implied.

4 Conclusion and recommendations

The aim of this paper was to determine the key consumer choice factors in the Telecommunication industry in North Macedonia, but also analyse customer behaviour. Based on the set objectives at the beginning of the research the following conclusions and recommendations can be presented.

4.1 Identify and gather insights of consumer behaviour in the telecommunication industry

The first important thing to note is that the N. Macedonian telco market is price sensitive because of the economic situation in the country and some customers will tend to look for the best offer on the market, but other would be willing to pay more for quality service. Even with the investment of telco operators in online (digital) sales channels, customers still tend to prefer to do their sales transactions in "physical" shops. Only a small percent of customers is purchasing their services online, but with the new normal and the push of digitalization this percentage will significantly increase in the future. A positive aspect from the digital experience side is that customers tend to frequently use the self-care apps and portals of the telco operators. They frequently check their usage and bill status via the app.

4.2 Compare key decision factors when choosing an offer from telecommunication operators and prioritize which one's operators should focus on in order to improve customer satisfaction and competitive positioning

Within the questioner and the focus groups there were 19 reasons why customers choose the service from a telco operator. One important thing to note is that the decision factors varied for operators depending on the quality of services that they offered, the monthly fee, as well as the brand positioning. The key decision factors slightly varied from operator to operator, but the key decision factors for the market definitely stood out.

The first key decision factor on the Macedonian telco market is "Quality of the network" with other factors in relation to service quality also being among the top decision factors ("Internet speed" and "Network coverage").

The next key decision factor comes to no surprise considering the economic situation in the country and that is the "Monthly fee". Telco operators need to keep in mind that not all customers can afford "expensive" telco services and there should be a diverse portfolio with fees acceptable for customers coming from all socio-economic backgrounds.

A key reason that is not one of the top but has to be mentioned is "Digital experience". It may at this moment not matter too much for the customers but as time quickly passes and the world transforms in a digital one, this will become a key differentiator and telco operators must be ready for it and not ignore it but continue to heavily invest in it.

Keeping all of the above mentioned in mind the prioritization of key decision factors which should improve customer satisfaction and competitive positioning would be:

1) "Quality of the network", "Internet speed" and "Network coverage", operators should continue to invest in rollout of mobile and fixed networks as well as improve existing ones.
2) "Monthly fee", keep telco products and services accessible for everyone.
3) "Internet included in the package" and "Unlimited talk minutes", keep high value in the tariffs.
4) "Great customer experience", continue to invest in customer journey from activation to renewing or leaving. Keep a "good word of mouth" going for the company.
5) "Digital experience", invest in the digital future of society and it will pay out on the long run.

4.3 Propose strategic decisions aimed at growth and customer experience improvement

The research within the paper provides sufficient data and insight in order to propose strategic directions that telco operator should take in order to foster growth and customer experience improvement.

4.3.1 Continuous network and IT quality improvements

Customers seek high quality services from the telco operators, so they have to continue their investment in the existing network, further rollout of mobile and fix network and upgrades of other Business support systems. Another opportunity for operators to improve the quality is the 5G technology which will open a wide range of new business for the telco operators. This investment in existing and new technologies will not only improve the customer experience but will also foster significant revenue growth.

4.3.2 Boost growth in the core business

Telco operators do think about entering new business, but the core business is where most of the revenue is generated. The North Macedonian market is saturated and has limited space to grow the core services, but telco operators have huge customer bases. These customer bases are where the potential is for the operators. But in all of this the telco operators have to keep in mind that not all customers can afford telco services, so they have to keep a wide portfolio which will allow all citizens from the country to have access to communication. This will lead to better public image and less negative perception from the customers and general population.

4.3.3 Digital Transformation

Digital transformation is something that is very popular at the moment for many companies, not just telco operators. But operators need to be on this "train" in order to digitalize themselves and make their own and the life of their customers easier. Through these processes they can improve the customer journey by making it digital: online transactions, Digital stores, Chabot's, bill payments, status checks, new apps, OTT. IoT services, etc.

Taking the digital transformation journey telco operator will also improve the customer's experience in all aspects: touchpoints with customers, providing an offer which suites them the most, digital sales, etc. Though Marketing Automation telco operators can target customers through various digital channels (email, social media, chat platforms, etc.), by offering the service that suites them the most and at the same time build a lasting relationship with them.

4.3.4 Radical simplification in communication

With the new digital age, a high percent of customers is getting confused about all the new technologies, services and terms that are being used. They just do not know which service is suited best for them. Furthermore, some customers do not know when a promotion period is running or not.

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Chapter 14

Digital Skill Gaps of Vulnerable Groups of Employees and their Motivation for Training: The Case of Slovenia

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Abstract: On-the-job training might help in bridging the digital skill gaps, especially among vulnerable groups of employees, in order for the employees to meet the demands of the labour market and their working position. The objective of this paper was to analyse how digital skill gaps of vulnerable groups of employees relate to their motivation for learning and training. We hypothesized that the size of the skill gaps was positively associated with employees' motivation for learning and training. The study was conducted on a convenient sample of n = 118 top, middle and operational managers of Slovenian companies and enterprises by means of a structured online survey. The survey questionnaire was based on The European Digital Competence Framework for Citizens, which was adapted and integrated with other measures to meet the demands of the current study. We did not manage to find sufficient empirical evidence to support the proposed relationship between digital skill gaps and the motivation of vulnerable groups of employees for learning and training, so the hypothesis was rejected. In the end, the paper provides a few explanations for the obtained results and discusses the key finding in terms of study limitations.

Keywords: digital skills; young employees; low-skilled employees; motivation; older employees.

1 Introduction

The European Commission found that two-fifths of the EU workforce lacks digital skills (European Union, 2017). To improve this situation, the development of digital skills for the EU workforce is essential. The lack of the necessary digital skills means greater exposure to the risk of unemployment, poverty, and social exclusion of particularly vulnerable groups such as the long-term unemployed, older employees and individuals with a low level of education (International Labour Organization, 2020). On the one

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hand, there is a lack of relevant skills, and on the other hand, as many as 40% of European employers cannot find workers with the skills they need to grow and innovate. The digital transformation of the economy is changing the way we work and do business. New forms of work affect what types of skills are needed. Many sectors are changing technologically rapidly, and digital literacy is therefore required in all jobs, from the simplest to the most demanding (Dachs, 2018).

The fact is, however, as the OECD notes, that vulnerable groups receive significantly less lifelong learning and formal education than other groups (OECD, 2017). Van Echtelt, Croezen, Vlasbom, De Voogd-Hamelink and Mattijssen (2016) found that unemployed people receive less education and training than employed people (OECD, 2016). The OECD (2017) finds that the participation of low-skilled individuals in lifelong learning is much lower compared to higher-skilled individuals.

There are different definitions of vulnerable groups. According to the Resolution on the national program of adult education in Slovenia (Dovžak, Beltram, Možina and Orešnik Cunja, 2014) the following segments of adult population are defined as vulnerable groups: low-skilled adults, young adults who dropped out of the formal education system early, older employees, socially disadvantaged individuals, disabled individuals, immigrants, and convicts. For the purpose of this paper, we only focused on the three vulnerable groups of the employed workforce: younger employees, low-skilled employees and older employees.

Vulnerability is often correlated to limited digital skills which may, if not acted upon accordingly, seriously threaten and undermine individuals' further participation in the labour market (Gal, Grotluschen and Tout, 2020). However, vulnerability is not simply a consequence of individual characteristics, such as skills and abilities, but also the result of education and labour-market systems that fail to provide opportunities for specific target groups (Grubin, 2019). In their study on elderly labour market stabilization, the authors (Ovin, Divjak, Veingerl Čič and Maček, in press) analysed the influence of economic, business, and psychological factors in sustaining the digital skill gaps among various vulnerable groups of the employed workforce. For instance, the impact of psychological factors may reflect in older employees weighting between staying employed and taking social transfers, which may undermine their readiness to act to bridge their digital skill gaps. This perspective is, however, completely different with younger generations of workers that usually do not closely monitor their retiring. In this respect, the judging of rewards gained by additional education and training between both groups typically differs. Let us now take a closer look at motivational processes and motives to engage in education and training.

Marentič Požarnik (2018) finds that learning motivation should be understood as a set of factors/predispositions which initiates learning and determines its direction, intensity, duration, and quality. Motivation for learning is either extrinsic or intrinsic. We talk about the former when we engage in learning activities due to certain external factors, such as appraisals, rewards, promotion etc. In case we are intrinsically motivated for learning, we basically engage in learning in order to develop new

knowledge, improve and enhance skills and fulfil our own interests. Generally, learning is more productive and efficient if intrinsic motivation for learning prevails (Tahidi and Jabbaria, 2012). Apart from the source of motivation, there are other motivational aspects, which are also important for individual's decision to initiate learning and to persist in learning activities, such as control beliefs and task value (Cook and Artino, 2016; Pintrich, Smith, García and McKeachie, 1991). Control beliefs refer to learners' beliefs that their efforts to learn will result in positive outcomes, while task value refers to learners' perceptions of the importance and utility of the training and learning activity.

Kladnik (2018) states that various rewards, better salary and/or promotion opportunities act as important external factors that would stimulate the motivation to engage in learning and training. However, for the vulnerable groups it seems even more important that managers help the learners find their own (intrinsic) motivation for learning and to recognize the utility and benefits of learning for their career. Enthusiasm, curiosity and expanding social networks are some of the most common intrinsic motives for learning among older adults. On the other side, however, beliefs about their insufficient capabilities for learning or beliefs about life-long learning being unnecessary due to their age may hinder their motivation for learning (Pepelnik, 2020). Low self-confidence and negative beliefs about their abilities and skills may also prevail among young people, especially among those with insufficient digital skills, which significantly affects their motivation for learning (Kleinert et al., 2019).

Keser (2012) studied the involvement of low-educated employees in education and training. She found out that they were on average moderately to highly motivated for training with higher salary not being the key motive. They reported the promotion opportunities and enhanced skills to perform better at work to be the primary motives to engage in education and training. Also, low self-confidence was not a barrier; instead, the lack of time, age and family obligations were the most prevalent factors that hindered initiation in education and training.

Previous research demonstrated somewhat mixed results about the level of motivation to engage in education and training among different vulnerable groups of employed workforces, whose digital skills generally lag behind the demands of the labour market. Also, to that moment, no study has been found to directly investigate the relationship of the perceived size of the digital skill gaps of vulnerable groups with their motivation to engage in education and training. Therefore, the objective of this paper was to analyse how digital skill gaps of vulnerable groups relate to their motivation for education and training, in order to bridge those gaps and enhance work performance. We hypothesized that the size of the skill gaps was positively associated with motivation for training. We expect that members of vulnerable groups with larger digital skill gaps would be more motivated for education and training.

2 Methods

The study was conducted as a cross-sectional research design by means of using structured online survey questionnaire to gather the data. Data collection took place in March 2021. Decision for participation was totally voluntary and the complete anonymity of the respondents was assured.

2.1 Target population and sampling

The target population of the survey is represented by all registered business subjects in the Republic of Slovenia, except for micro enterprises with only one or even no employees. In the research, we focused on top, middle and operational managers who were asked to assess the actual and required digital skills of their employees and the motivation of employees to attend education and training (in order to close the gaps in digital skills). The questionnaire was intended only for those managers with at least one segment of vulnerable groups among their subordinates (young employees, low-skilled employees, older employees).

Nonprobability convenient sampling technique has been adopted. Target group members and potential respondents were addressed in several ways: among students and graduates of DOBA Business School (most students are employed and study or studied part-time), on social networks of DOBA Business School (Facebook and LinkedIn) and via the database of potential candidates for studying at DOBA Business School (approx. 30,000 contacts). Additionally, we encouraged potential respondents to forward a link to the online questionnaire to their acquaintances, friends and relatives who are employed in managerial positions (snowball sampling technique).

Among all those who clicked on the link to the online questionnaire (1,641), 275 (16.8%) proceeded to the survey questions and the survey was completed by 107 respondents (6.5%). Together with 11 partially completed surveys, we collected 118 surveys in total (7.2% response rate), which formed the basis for the preparation of the statistical analysis. The numbers of respondents who provided data for young employees, low-skilled employees and older employees were 75, 24 and 57, respectively.

2.2 Description of the measuring instrument

When designing the instrument to measure digital skills, we used The European Digital Competence Framework for Citizens as a baseline. The original framework was further modified, adapted, and integrated with a few additional items from alternative instruments (e. g. The Digital Workplace Skills Framework, ICT for work questionnaire). The final questionnaire to measure digital skills consisted of 16 items, which converge into 5 sets of broader competence areas, namely:

1. Information literacy (3 items),
2. Communication and collaboration (3 items),
3. Creating digital content (3 items),

4. Safety and operations (4 items),
5. Problem solving (3 items).

Respondents first rated the current level of development of the 16 digital skills on a scale from 1 to 5 (a score of 1 means that the skill is very poorly developed, and a score of 5 means that the skill is very well-developed) for each vulnerable group of employees, and then assessed the needs of the department (company, organization) for these 16 digital skills, also on a scale from 1 to 5 (a score of 1 means that the skill is not needed at all, and a score of 5 means that the skill is urgently needed).

Furthermore, we asked the managers to assess the motivation of vulnerable groups of employees to participate in trainings (either on the job or outside the workplace), in order to bridge the identified gaps in digital skills and improve work performance. Respondents rated the employees' motivation on a five-point scale from "not motivated at all" (score 1) to "highly motivated" (score 5).

2.3 Data analysis

To calculate the gaps for each of the 16 digital skills, first the score of a current skill was subtracted from the score of a desired skill on the level of each respondent. Then, aggregated scores were calculated for each of the five competence areas as an average of all the items belonging to a particular competence area. These five aggregated variables were used as measures of digital skill gaps and were correlated with motivation for training. Partial correlation coefficients were calculated to indicate a relationship between motivation for training and a particular digital skill gap. For instance, when a correlation between information literacy gap and motivation for training was calculated, the other four digital skill gaps were controlled for. Next, the measures of digital skill gaps were entered into a linear regression model to predict motivation for training for each vulnerable group of employees.

3 Results

The table 1 describes the motivation for training and digital skill gaps for each vulnerable group of employees. It is evident that motivation for training is the highest among young employees, while low-skilled employees are the least motivated for training. Next, the digital skill gaps are generally smaller among young employees in comparison to low-skilled and older employees, particularly for information literacy, communication and collaboration and digital content creations skills. Digital skill gaps for safety and operations and problem solving are more similar across all three vulnerable groups. Also, according to negative minimum values of digital skill gaps it seems that some employees are overqualified for their working position with respect to their digital skills. Such distribution of results seems quite logical. It is namely the fact that technologies develop over time and every new generation faces environment that is producing these developments, while elderly are merely development-takers. It is to be expected that these gaps will be smaller with more educated work force. Also, this

feature is somewhat more prevalent among younger employees, which can be explained by the widespread and more accessible (higher) education for the younger generations.

Table 1. Descriptive statistics of the measures of digital skill gaps and motivation for training for each vulnerable group

Digital skill areas	n	Min.	Max.	M	SD
Young employees					
Motivation for training	69	2	5	3,43	,98
Information literacy gap	75	-3,00	3,00	,68	1,19
Communication and collaboration gap	75	-3,00	4,00	,32	1,09
Digital content creation gap	75	-3,00	3,33	,87	1,10
Safety and operations gap	75	-3,00	3,00	1,04	1,09
Problem solving gap	75	-3,00	3,33	1,19	1,14
Low-skilled employees					
Motivation for training	21	1	4	2,24	,83
Information literacy gap	24	-1,00	3,67	1,26	1,19
Communication and collaboration gap	24	-2,00	3,33	1,03	1,29
Digital content creation gap	24	-1,00	3,00	1,25	1,00
Safety and operations gap	24	-3,00	2,75	1,24	1,20
Problem solving gap	24	-1,33	3,00	1,49	1,00
Older employees					
Motivation for training	55	1	5	3,00	1,02
Information literacy gap	57	-1,67	4,00	1,19	1,22
Communication and collaboration gap	57	-1,33	4,00	1,27	1,10
Digital content creation gap	57	-,67	4,00	1,36	1,10
Safety and operations gap	57	-1,00	4,00	1,36	1,18
Problem solving gap	57	-,67	4,00	1,46	1,13

Source: own research.

Most partial correlations of digital skill gaps and employees' motivation for training are close to zero and none of them is statistically significant (table 2). Consequently, the regression model for prediction of motivation for training on the basis of digital skill gaps did not prove statistically significant for neither of the vulnerable groups (table 3). The digital skill gap size apparently does not relate to the level of motivation to engage in education and training.

Table 2. Partial correlations between digital skill gaps and the motivation for training

Digital skill gaps	Motivation for training		
	Young employees	Low-skilled employees	Older employees
Information literacy gap	,044	,059	,028
Communication and collaboration gap	-,126	-,394	,060
Digital content creation gap	,061	-,024	-,099
Safety and operations gap	,005	,288	-,090
Problem solving gap	-,100	-,152	-,065

Source: own research.

Note: None of the partial correlations is statistically significant.

Table 3. Prediction of motivation for training on the basis of five digital skill gaps – a regression model summary for all three vulnerable groups

Vulnerable groups	R	R Square	Change statistic		
			F change	df1, df2	Sig.
Young employees	,175	,031	,397	5, 63	,849
Low-skilled employees	,576	,332	1,493	5, 15	,250
Older employees	,314	,099	1,075	5, 49	,386

Source: own research.

4 Discussion

In this paper we wanted to examine how digital skill gaps of vulnerable groups relate to their motivation to engage in learning and training, in order to bridge the digital gaps and meet the demands of the labour market. We hypothesized that the level of motivation for learning and training depended on the size of the digital skill gaps, that is on the size of the perceived discrepancy between required and current digital skills. Although there is some variation in the level of motivation for training and identified digital skill gaps across different vulnerable groups of employees (young employees having the highest motivation for learning and generally the smallest identified digital skill gaps), digital skill gaps do not seem to significantly predict the level of motivation for learning and training in none of the vulnerable groups of employees. If that was the case, we would expect the young employees with the smallest identified digital skill gaps to be the least motivated for learning and training. The results, however, point to the opposite direction.

Therefore, we can conclude that in this research we have not managed to gather sufficient empirical support for the proposed relationship of digital skill gaps and motivation for learning and training. It seems that the perception of discrepancy between required and current digital skills is not detrimental for one's motivation for learning. Presumably, there are other factors that act as more important predictors of one's motivation for learning, such as various intrinsic and extrinsic incentives (Marentič Požarnik, 2018; Pepelnik, 2020), control beliefs and task value (Cook and Artino, 2016; Pintrich et al., 1991). The managers have a crucial role in influencing the employees' motivation for learning – not only by providing extrinsic rewards but also by enhancing their perception of the importance and utility of the training and learning activity (task value). To do so, it is important that training builds upon the existing knowledge and skills and that intended learning outcomes clearly relate to the demands and tasks of a particular working position.

There are other possible explanations for the fact that digital skill gaps did not prove as significant predictors of employee motivation for learning and training. Namely, in this study we measured managers' perceptions of the digital skill gaps among their employees and the beliefs of the managers about the motivation of their employees for

learning and training. So, we did not ask the employees about their digital skills and motivation, but we relied on the estimates of their managers instead, which should be considered as an important limitation of the present research. We need to take into account that managers' estimates might be biased and to a certain extent they might even be a reflection of their stereotypes about the differences between younger and elderly workforce, as it has already been analysed by Radović-Marković (2013). It seems that the way the managers perceive the motivation for learning of their employees is not directly related to their estimations of digital skill gaps of those workers, but perhaps more to certain individual and/or situational factors (e. g. prior experiences) we have not dealt with within the scope of this research. In further research, it would certainly be useful to uncover and elaborate on the potential incentives and obstacles to engage in learning and training in more details, especially among the vulnerable groups of the workforce.

Another explanation for the obtained results could be searched for in the companies' organizational culture. As a transition country, Slovenia still has not developed an organizational culture that prevails in the West or within the foreign companies operating in Slovenia. A study of Ložar (2008) on the comparison of domestic and foreign owned companies in Slovenia proved that domestic companies lag behind the foreign owned ones particularly in human resource management and not that much in respect to technology and technological advancements. Also, to understand the motivation of older employees for learning and training or even their motivation to remain in the workplace, one should consider the accessibility of the social transfers in Slovenia, which may significantly influence the decisions of the elderly workforce in the later stages of their career (Brugiavini, Croda and Mariuzzo, 2005; Brugiavini, Carrino, Orso and Pasini, 2017; Börsch-Supan et al., 2019).

Further research should certainly incorporate the perspective of the employees and their views on the digital skill gaps and motivation for learning and training. Maybe it would be a good idea to combine the perceptions of both employees and their managers – employees might be more accurate in assessing their current digital skills, while their managers might be more accurate in assessing the demands at work, that is the required digital skills. Also, managers should provide the data regarding the required digital skills for each employee individually, instead of only providing rough approximations across all their subordinates as in this research. With such a design we may expect to receive more valid insights about the relationship between digital skill gaps and employee motivation for learning and training.

5 Conclusion

We concluded that the level of motivation for learning and training is not directly related to the size of the discrepancy between required and current digital skills among the vulnerable groups of employees in Slovenian companies and enterprises. This finding, however, should be interpreted in the context of the study's limitations. The current study was based on the perceptions of the managers, which might have been biased

and stereotypically driven. So, in further research, the perceptions, attitudes, and beliefs of employees should also be included in a study design to provide more valid measures of digital skill gaps and employees' motivation to engage in learning and training for the purpose of bridging those skill gaps.

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Chapter 15

A Reflexivity Based Assessment of Teaching Leadership and Innovation: An Evidence from Micro Masters Online Learning Program

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Abstract: This study adopts a reflexivity-based approach that assesses teaching leadership and innovation by using authors' own experiences based on the data collected from an online micro master program. Reflexivity refers to questioning what we might be taking for granted and examining underlying assumptions, decisions, actions, interactions etc. One lecturer has taught theory of innovation while the other taught leadership. By doing a reflexivity-based assessment of two courses offered by two different lecturers, the research part of this study tries to open a door of opportunity to have a critical understanding. For this, experiences are assessed in terms of the whole teaching process including 'before, during and after' periods of courses to support this critical thinking.

Keywords: critical thinking; higher education; online course.

1 Introduction

This study aims to do a reflexivity-based assessment of teaching leadership and innovation based on the evidence from Micro Masters online learning program. Accordingly, we focus on reflexivity and higher education in terms of theoretical background and methodological standpoint. First, we define what it means to be reflexive and then we try to address a reflectivity-based assessment of teaching and leadership. Lastly, we focus our experience and add concluding remarks.

1.1 What does it mean to be reflexive?

Reflexivity is defined as "a self-critical and self-conscious stance by a researcher regarding how they produce knowledge" (Glass, 2015, 555) and refers to questioning what we might be taking for granted and examining underlying assumptions, decisions,

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M01 Entrepreneurial 64270.indd 164 02/07/2021 11:20

actions, interactions and so on (Cunliffe, 2016). Reflexivity conveys subjectivity, the bidirectionality of causes and effects, the influence of the observer on the observed and the need for self-awareness and bias based on social theory, postmodern ideas, and qualitative research practice. It points out to some kind of recognition that a person's biases can affect how to approach a problem (Hofer, 2017).

Being reflexive requires us to question our own position, standpoint of view and think about what impact we can make as educators in accordance with our moral and ethical responsibility for people and the world itself. Academics as educators help students to explore how language is constitutive for understanding, culture, strategy, and other important aspects of being in an organization. The class activity illustrates intersubjectivity while enabling us to recognize that we are always in relation with others and influence each other. Academics and students often focus on what to do, the techniques, theories, models to be more effective and efficient. A reflexive understanding goes beyond that and focuses on who to be rather than what to do (Cunliffe, 2016).

1.2 The reflexivity-based assessment of teaching leadership and innovation

Business schools include course topics mostly based on *managing effectively*. Innovation is one of those topics and is "being effectively taught in universities by research faculty whose agenda may differ from that of the student or practitioner" (Glassman and Opengart, 2016, 119). Afore mentioned study stated the importance of aligning business education with organizational needs through teaching practical applied innovative skills. It also mentioned business school effectiveness by addressing the question of "can universities produce effective innovators?" and suggested a blend innovation theory with practice and create experiential, participative courses to ensure that students are prepared for the real-life challenges facing today's globally competitive organizations (Ibidem, 118-127).

Current leadership literature is generally underpinned by two dominant approaches. One is functionalist studies that have tried to identify correlations between variables associated with leadership. The other one is interpretive studies that have tried to trace out the meaning-making process associated with leadership (Alvesson and Spicer, 2012). Moreover, in their other study (Alvesson and Spicer, 2014), they argued that the term leadership is seductive, a catch-all solution, has a strong rhetorical appeal, heavily overused and lacks a certain potential for critique.

In line with the purpose of this study, it is proper to ask a question: As academics and educators, are we being sufficiently reflexive about teaching innovation and leadership? Our answer is not a strong yes. For instance, innovation can be understood as a concept that leads to results other than increased productivity and market presence. Thus, it refers to a broader concept through a cross-cutting approach of examining the reflexive creation of novelty at micro, meso and/or macro levels of society. This would allow for a productive dialog with studies that examine practices and processes. The central research question today is asking about what degree of reflexivity can be identified in

contemporary innovation processes, where do these processes occur and how are they distributed among different actors (Hutter, Knoblauch, Rammert, and Windeler, 2015, 31-34).

Moreover, the pandemic has tested the agility and resilience of organizations. It forced us to look deeper at the assumptions underlying theoretical frameworks that guide managerial decisions and organizational practices (Howard-Grenville, 2021, 257). The authors stated that pandemic has heightened our self-awareness of inequity through its disproportionate impact on individuals and disenfranchised communities. It has thrown social inclusion in sharp relief, bringing questions such as who benefits from innovation, who is excluded from wealth creation, and what are its implications for wellbeing (George, Lakhani, and Puranam, 2020, 1754). Thus, it is possible to say that teaching innovation and leadership will change accordingly.

In the remainder of this paper, we seek to undertake a reflexivity-based assessment of teaching innovation and leadership by focusing on our own experiences. First, we explained the methodological standpoint, and gave information about the program and courses. Then, we interpreted data by using some kind of auto-ethnography. We reflected on the before, during and after phases of teaching. We described the overall structure of the program, the course we were responsible for, the ongoing process, the platform, students, and our own experiences while considering being reflexive on the issues we mentioned. In doing so, we hope to throw light on how an authentic representation of two academics' experiences can enable reconsidering teaching such courses. Humphreys (2005, p. 853) suggested that "all qualitative research accounts would benefit from the explicit and overt presence of the first-person." Thus, we used "we" and "I" rather than passive voice.

2 Method and Research Elaborations

The project "Micro Masters: Internationalisation at Home through Online Micro Masters and Virtual Mobility – Turkey, Macedonia, Slovenia and Lithuania" (2019) was an online international educational program intended to develop and implement two international online programs. The project was developed by four higher education institutions (HEIs) from four different countries. The 6-month specializations were aimed to provide learning in the specific career fields of Entrepreneurship Ecosystem and Innovation Strategies, and Digital Communication and Marketing. First one included how to communicate in an international business setting, innovation and innovative business strategies, and entrepreneurial mind in thought and action. The second one included strategic communication, digital marketing, and digital leadership. This study focuses on the first one.

3 Findings and discussion

In this section, we present our findings and discuss the issues we stated above. It is important to mention that this study does not adopt a positivist paradigm. We focus on how to be reflexive when teaching innovation theory and leadership. The main question we asked ourselves was questions Cunliffe (2004) suggested:

- *Existential:* "Who am I and what kind of person do I want to be?"
- *Relational:* "How do I relate to others and to the world around me?"
- *Praxis:* "The need for self-conscious and ethical action based on a critical questioning of past actions and of future possibilities."

The experience of lecturer 1: teaching innovation while being reflexive?

The course I was responsible for was named "Even innovation has its theory!" The aim of the course was teaching students to gain knowledge for determining what innovation means and how it is framed in an organizational understanding. Students were asked to think of themselves as a prospective company/innovation manager and about concepts such as thinking out of the box and generating ideas, creativity and creative thinking, theoretical and historical background of innovation, individual and organizational innovativeness, innovation capability which refers to building skills, processes, and structures for developing innovative outcomes.

Before the course, I did a comprehensive search for finding proper resources for teaching these concepts. I decided to use some book chapters and videos. Moreover, as a part of the course students were responsible to do an assignment. They were asked to prepare a case study that included a short description of the company, information about the business sector that company was operating in, the process of developing specific product/service innovation, type of innovation and the innovation outcomes. The students were allowed to choose a company that originated from one of the countries they came from which was globally known. Students were informed about the necessity of enhancing and deepening their knowledge for the preparation of the assignments. I advised them to perform teamwork. While they were preparing the assignments, they were informed about using guidelines, company web pages, videos describing a specific product/service innovation, links to blog posts, news pages and similar web sources, interviews published in magazine articles, journal articles and sample case studies.

Furthermore, I added a note for students suggesting them to "review and use as many resources as you can, that are available to you - even on the Internet. Browse, search for solutions, see different options and evaluate them critically. The main goal of your study is to use your skills in real life/work situations and not just to get a diploma." The aim of putting this note was triggering students to think about examples from work life they mostly experienced. Also, each team member was asked to prepare a short self-evaluation report including the definition of the role in the team, cooperation with other team members, content that have been devoted particular attention to, and potential

problems and dilemmas that have been encountered during the preparation of the assignment.

At this point, I need to explain some reflexive insights about myself and my experience when preparing for the course. I was studying my thesis about open innovation at that time. I was quite familiar with innovation literature, but I had not had any experience in teaching innovation. Also, I had never experienced being a part of such an international project before this EU project. My work as a research and teaching assistant included some kind of teaching in my daily work routine but it basically included courses such as Introduction to Business etc. Actually, this was an exciting experience for me, so I was enthusiastic about finding proper resources, preparing assignment structure and a presentation for the course. On the other hand, I can say that I was not quite reflexive for "who am I as a lecturer" and how to orient students to be reflexive when thinking about innovation. Also, innovation is taught mostly adopting a pragmatic approach. While I was not specifically focused on effectiveness, the preparation process for the lecture and the structure I built lacked reflexive thinking.

During the course, which lasted for one week, first I gave a lecture and then waited for students to submit their assignments. The lecture, which was given on 24th February 2020, was almost one hour. I can say that it was quite a "typical innovation course". For instance, I showed some cartoons in relation to concepts covered as well as formulas such as "(creative ability) = intellectual abilities, knowledge, style of thinking, personality, motivation, and environment" I was trying to turn a course "from boring to a relatively fun and clearly understandable''. There were 20 teams, 19 submitted their assignments. I must state that the assignment review process has been quite an experience for me. The participants submitted cases covering both popular companies such as Tesla, Amazon, Airbnb, IKEA, and some relatively lesser-known companies such as Beyond Meat. I was also a mentor for some teams to prepare their capstone projects. Some of them were quite interesting and tackled societal challenges. I was (and still is) interested in sustainable living and experienced some issues regarding practising it in my country. I had had an experience pitching my "green entrepreneurship" idea to a jury including three academics, so that I was aware of such topics. However, I can say that given the time duration and well-structured literature gave me a comfort zone to stay there.

After the course, triggered by personal and societal changes, I began to think about myself, academia, teaching, publishing, and issues related to the world in general. Through embracing reflexivity, I shall explain insights and thoughts based on the questions Cunliffe (2004, 749) suggested.

I was reading books, articles and listening to some critical management scholars in conferences at that time point of my life (which I go deeper by now). For instance, the book *Against Intellectual Monopoly* (Boldrin and Levine, 2008) proposes that intellectual monopoly is not necessary for innovation and as a practical matter is damaging to growth, prosperity and liberty through theory and example. Similarly, open innovation scholars explained how to innovate in a more distributed, decentralized, and

participatory way (Dahlander and Wallin, 2020) but many of them studied it from the perspective of profit maximization and such. However, few of them tackled societal challenges by asking questions such as how open innovation might accelerate the coordination of business and other activities in the face of societal challenges (McGahan, Bogers, Chesbrough, and Holgersson, 2021). The authors mentioned Sustainable Development Goals (SDGs) and the initiative of Open Covid Pledge firms that started to offer free licenses to their IP for the purpose of fighting the pandemic.

These issues had an impact on me and triggered me to think about "how can I define my position as an academic and an educator?", "was there anything I took for granted?" and "what would I do differently?" It is not easy to answer these questions. As a person who was writing a PhD thesis about open innovation in relation to product development, I realized that I focused on business outcomes in relation to productivity etc. The reason for this is mostly the epistemological community I was working with. At some point, as mentioned above, I started to think outside of the mainstream strategic management research, then I decided to become an academic questioning the underlying mechanisms rather than asking the same questions over and over again and publishing accordingly.

I also started to gain some degree of self-awareness and decided to be an educator who includes critical thinking and ethical understanding in the courses I might be responsible for in the future. In line with this, I realized that I took innovation theory for granted and did not change the way it is represented in the literature. I am not stating that we should drop all the heavy concepts in relation to innovation. It is quite the contrary. The concepts are a big part of the course topic. For any lecturer who teaches innovation, it is necessary to go deeper in these concepts. Yet, as aforementioned by Hutter et al. (2015), innovation should be considered including what social actors do with regards to knowledge, discourses, actions, social systems, and institutions. My lecture lacked this understanding, so I taught some kind of "a typical innovation course". For instance, I asked students to think of themselves as "a prospective company/innovation manager" Later on, I thought that while it was a pragmatic approach, it lacked a broader perspective.

As the process of curriculum design for the program was very well structured beforehand because it was a part of the EU project, there was some flexibility to construct the course content. However, it would be true saying that the well-structured nature of the program put me in some kind of comfort zone. It is important to state that "we are likely squarely in our comfort zone as organizational scholars, but we need to roll up our sleeves" (Howard-Grenville, 2021, 256). If it is for now, I would have done it differently. For instance, I would argue whether technological advantage is the only way to make excessive profit, every profit made means creation of new value and new value is produced by technological innovation. In doing so, I would suggest different resources for the course and give different assignments that challenge students to think beyond the current framework.

The experiences of lecturer 2: concepts of leadership

Concepts of leadership was designed as one of the four parts of main course titled as 'How to communicate in international business setting' which was the first course of the micro master program and aimed to provide participants with understanding of the dynamics of business organization in the globalized and intercultural environment, which requires knowledge and skills in teamwork, project management and leadership. By supporting the purpose of the main course, my part of 'Concepts of leadership' aimed to explain the meaning of leadership, traits of a leader, leader versus manager, the art of motivating and inspiring others to create the best versions of leadership. It was expected that participants would gain an understanding of the concept of leadership, differences between leaders and managers, and the art of motivating and inspiring others.

Before the course: Academics usually would like to feel free while they design the curriculum of their courses, however, on the other hand, they may prefer a little bit structured by an authority in a restrictive way. The process of curriculum design of the program was a very clearly determined process for lecturers. The thing that provided the exact determination was its being an EU project. Because these kinds of projects have a restricted and clear format regarding the content, sample, expectations, etc.

Cunliffe (2016) recommended to academics to think about 'who to be' rather than 'what to do' for their teaching experiences. Actually, this micro master program reinforced this questioning of 'this is for who' properly. Other lecturers and I were aware that this project was aimed to present an online learning opportunity for university graduates who have difficulty accessing these kinds of educational means. In other words, the target audience was one of the most important sides which make the project more valuable and of course acceptable by the reviewers. So, while designing my week of the course, I had thought of answers to these questions such as 'what does an international participant expect from this program?', 'why would they like to be here?', 'which factors motivate them to join this project?' and so on. I had mostly lecture experiences with only national students for more than ten years. Just for one time, I gave a course with a similar international group three years ago. So, this was just my second practice. This might cause a lack of skill to prepare a curriculum for an international audience for myself as a teacher.

In addition to this, it is obvious that my previous academic research and publications shaped the point of view regarding this type of new course. I usually study pragmatic approaches on leadership, not critical ones. I focus on analysis of leadership types, popular leadership subjects and their emerging conceptual context as well. My academic knowledge that I have gained so far triggers me to put forth some assumptions in a pragmatic way. So, I had explained respectively what leadership and leadership traits are, what differences between a manager and a leader and which behaviours that motivate and inspire followers on the webinar. I supposed that students would elaborate on these topics in such a determined way. Here, my thoughts on designing the content were clearly a reflection of my previous knowledge. Today, I think critically I would put some critical leadership perspectives to the content and ask questions 'who is the real leader?' and 'to what extent are current definitions of

leadership adequate?' and therefore we, all students and I, would have a deeper understanding of leadership.

As a learning material, participants were asked to read some basic resources. In my opinion, it is vital firstly to apply basic readings to understand any concept. I also recommended additional readings and videos to provide a practice-based understanding to participants. As an output of reflective thinking, I could add some films, novel parts, autobiographies, etc. to the list of the subsidiary learning materials to embody leadership, a soft and abstract concept to learn difficult.

In my course, the participants had two assignments: one individual and one team. This was mandatory for the curriculum by the project committee, but the content was flexible. Firstly, participants were individually asked to answer the question 'If you were a leader, how would you motivate your subordinates?'. Afterwards they analysed motivational behaviours of the leader and the team members in their intercultural team. Seemingly, the content and style of assignments reflects my previous experiences regarding teaching leadership. As a faculty member, I have lectured a Leadership course for junior students who study Business Administration bachelor for a couple of years. I gave a variety of homeworks including not only imaginative and hypothetical but also supporting practical basis. Naturally, experiences and feedback from former years of a lecturer affect the design of any new courses in the same field. Likewise, I followed a similar method at this course, it made the course more familiar to me and even applicable and manageable.

During the course: The lecture was held on 11th February 2020 by using an online meeting software. The course had a one-hour webinar which consisted of my video, my voice and also a PowerPoint file. The webinar was a little bit of a one-way conference without too much interaction with students. I would ask some open-ended questions in the first minutes of the course. These would be 'what do you think leadership is?', 'who would you describe as a leader', etc. From a critical perspective, I think that such a noninteracting situation stems from my level of the foreign language. It was hard to teach something in a foreign language for myself although courses with similar content in my native language seemed easier to me. Therefore, I do not think that is a pedagogical deficiency for me since my face-to-face and online courses with national students are really interactive and participative and I have relatively very good teaching scores among faculty members. The other reason for lack of interaction may be online education.

Every lecturer had the responsibility not only to teach their own course but also provide tutorship for participants during the week. The task involved rapid responses to emails from students, helping them to make their assignments, motivating them to submit the assignments on time, and so on. For one week, I had received many emails and replied to them as soon as possible and reminded the deadlines of assignments a few times to all participants. From reflexivity thinking, this actually refers to the relational side of the reflexivity (Cunliffe, 2004). The level of frequency of correspondence with students may impact on the lecturer's emphatic level for students. From my experience, I have really

learned what students have from my expertise and what they expected from my course. The process of active and online tutorship made me more empathetic and more understanding to participants and even more 'relational' based.

After the course: On the basis of Cunliffe's (2004) suggestion which explained reflexive thinking through 'existential, relational and praxis' subcategories, I have some thoughts about my experience of this course. First of all, I thought about what kind of a leadership lecturer I am and the distance between actual and idealized lecturer kinds of mine. What can I do to close the gap? What kind of additional readings make me different? What is my academic eye? These questions were about where I positioned and developed myself at teaching leadership. Secondly, more experience with related participants would make my course part more qualified, more empathetic and more understanding. Considering students as interactive members during the course week helped me to understand exactly their expectations from a leadership course. Furthermore, feedback from participants gave proper directions to me about the evaluation of the course. Lastly, academics usually assume to fulfil their lecture roles by grading students. However, from a reflective thinking, self-feedback is very significant to make next teaching activities more beneficial and ethical. I considered how I behave ethically, whether I evaluate the assignments fairly, accountability of my course and level of self-awareness. I believe that such questions in my mind through reflexive thinking would make me a better teacher for next lecture tasks.

4 Conclusion

Reflexivity includes thinking and evaluation of our own practices. In this way, we as academics and educators, put a light on our own beliefs, understandings, and habits by having some degree of critical consciousness both of ourselves and also of the impact we are having in the lives of others. We are a part of a larger community including students, peers, university administrators, epistemic communities etc. Mostly, we accept the passive role imposed on us just like students do the same and we adapt to the world as it is. However, when we adopt reflexive thinking we start to see different points of view, think more critically, and focus on ethical issues, underlying mechanisms, actions, interpersonal relationships, power dynamics and so on. Human beings are not static, we constantly change. Even though we need some kind of a structured framework when we teach, the most important issue is giving answers to questions such as how we understand ourselves with the environment and how we relate to it as well as understanding our desires and expectations regarding our role as educators. In this study, we tried to tackle these issues by adopting reflexivity and interpreted our own experiences of teaching innovation theory and leadership. In doing so, we focused on existential, relational and praxis aspects of being reflexive and tried to present what we learned through the process.

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Chapter 16

Promoting Value-Based Communication Approach in Digital Training Program

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Abstract: Digital learning is an increasingly developing technology structured to get students involved in the process of learning independently. In this chapter, the effectiveness of digital learning systems with respect to teacher-student interaction and educational process through value-based perspective is examined. The EU Erasmus+ project "Internationalization at Home through Online Micro Masters and Virtual Mobility" and its digital training program Micro Master1 is taken into consideration. More specifically, the study includes students' feedback and comments, which were provided after completing three courses and capstone project within Micro Master1 training program from January to July 2020. In total, 110 students responded to the evaluation questionnaire, which was made available on Google Forms *platform and disseminated after each course.*

Keywords: communication climate; digital learning; internationalization at home; learning management system; value-based communication.

1 Introduction and literature review

The concept of value has penetrated all social institutions, which we frequently encounter in our daily lives. It may be argued that values are formed as a result of various social relations and are maintained through the interaction of social institutions and individuals. The concept of value may be applied within corporate climate, which separates an organisation from others and influences the behaviours of individuals in it. Collective beliefs that create communication climate are related to 8 communication factors: supportiveness, being people-oriented, participation in decision-making

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processes, trust, responsibility, credibility, transparency and neutrality, high performance objectives. All these factors also demonstrate a value-based perspective in a positive organisational climate.

Similarly, educational process also creates its own organizational climate. The climate created by the European Union (EU) to promote educational mobilities and cooperation is very important. In this climate teachers and students are adapted to the specific educational process and environment, communicating, and collaborating with each other, creating course contents, collecting course materials, identifying individual and team assignments, establishing the Learning Management System (LMS). Teachers and online tutors have a great role as creators of a positive learning environment.

Distance learning is an increasingly developing technology structured to get students involved in the process of learning independently. This system utilizes electronic technologies for communication between students and teachers separated in space (location), time, or both (Razik and Swanson, 2010; Silverthorne, 2001, qdt. in Beketova, Leontyeva, Zubanova, Gryynukhin, and Movchun, 2020, 2). In education system, an online tutor or teacher acts as a leader who guides and manages students at all levels. With respect to the type of education teachers may also manage student teams as well. Management is a process of making right decisions, even though they may not satisfy the majority of participants engaged in learning (Judge et al., 2002, qtd. . in Beketova et.al, 2020, 2). A leader assumes the responsibility to unite the group members and direct them according to assigned objectives. At this point a leader or a teacher enables that student in distance learning participate in decision making and solution - finding processes (Beketova et.al, 2020, 2). Digital learning is using new communication technologies to connect learners, potential learners, teachers, researchers, research founders, IT professionals in LMS for the online courses contents management and in virtual field for using management systems to control educational processes in a flexible ever-changing network organization (Pankowska, 2006, 29).

In this study, the effectiveness of digital learning systems with respect to teacher-student interaction and educational process through value-based perspective will be examined. In the framework of KA203-Strategic Partnerships for Higher Education (HE), the EU Erasmus+ project "Internationalization at Home through Online Micro Masters and Virtual Mobility" will be taken into consideration. The digital training project that this study is based on is aimed to develop and implement two internationals online Micro Master programs, which have been provided by a virtual campus of four HEIs – Istanbul University (Turkey), Institute of Communication Studies (Macedonia), DOBA Faculty of Applied Business and Social Studies (Slovenia), and Vytautas Magnus University (Lithuania). The 6-month specializations have provided deep learning in the specific career fields of (1) Entrepreneurship Ecosystem and Innovation Strategy and (2) Digital Communications and Marketing. The Micro Master1 has equipped students with knowledge and competencies relevant for the international labour market while ensuring a competitive advantage for their professional success or advance of their career. Virtual mobility and collaborative online learning enrich the international experience and intercultural understanding of students from different European

countries. Game-based learning has been used as an innovative teaching method capable of offering key skills and information regarding different subject matters while incorporating collaborative learning and learning by doing. The Micro Master1 credentials can be recognized by all four-project partner HEIs as a part of formal education.

The project aims to improve the quality of education through Internationalisation of Higher Education at Home and virtual mobility. It envisions the following objectives through which its aim will be achieved:

- To create a new model of internationalized teaching and learning in a virtual environment that drives employability and public participation.
- To enhance individual's potentials to effectively enter an inter-connected, cross-cultural labour market in a digital era.

While all partner HEIs have already introduced some elements of internationalisation of their study programs, they all need to make additional steps to achieve a long-term goal of internationalizing their study programs and mobility for all students. The diverse experiences, approaches, and cultural backgrounds of the partner HEIs are ideal for mutual learning and for introducing innovations in their educational approach.

Coming into e-Education domain a person is involved in psychological contract – unique and informal set of rules and conditions. A special, unwritten agreement exists among students and teaching staff. It covers expectations concerning non-material aspects of educational processes. The focus is on relations not on transaction of buying or selling educational services, although breaking the psychological contract can have economic consequences. Students expect transfer and creation of new knowledge, evaluation of knowledge, opportunities to create trust (Lewis, 1985 qtd. . in Pankowska, 2006, 32). They expect assurance that the educational process will be successful. Teaching staff expects that students will behave according to the pre-specified rules and that they will be creative in a cognitive educational process.

1.1 Student-centred approach in digital learning

Changes in economy (globalization) and in technology (e.g. the fourth industrial revolution, artificial intelligence, information explosion) have impact on higher education and new approaches to teaching (innovative pedagogies such as open education, MOOCs, augmented reality, virtual reality, online learning, mobile learning, intelligent tutoring systems, gamification, simulations, digital storytelling, lifelong learning) have to be developed and applied in order to response to the increasingly diverse future needs of 21st century workplace and consequently of new generations of learners. Education in the 21st century is characterized by the following development tendencies (Bregar, Zagmajster, and Radovan, 2020): education takes place everywhere, in different places, in different forms, circumstances, far from just in the classroom; learners are increasingly taking on the role of organizer of education; learning is a lifelong process that takes place at different times and is not only linked to educational institutions; learning takes place in learning communities, which can be

formal and informal in nature; learning is no longer teacher or the institution centred. The education system and the role of the teacher have to transform themselves for the future (Ally, 2019).

In order to achieve the UN Sustainability goal 4 (»quality education for all«) digital technologies will be spread and used for learners in remote and difficult to access locations with lack of infrastructure, teachers will be trained to use digital technology to teach virtually (Gaskell, 2018). A student-centred approach (SCA) and student-centred learning (SCL) will be applied, not the teacher centred approach. Learning and teaching should be designed and carried out in such a way that the learner will be an active creator of knowledge and the teacher a guide and moderator/ facilitator in this process.

Education of the future will be self-organizing, students will decide where and when they will learn, and it will be supported by technology (Chai and Kong, 2017). In the future students will satisfy their information needs by the increasing use of digital technology, by use of open educational resources (OER). According to Cronin (2017), open education practice (OEP) will become the norm. Their digital skills must be comprehensive and inclusive (Guo, 2018).

OERs, together with MOOCs, are today the most recognizable and pervasive element of the open education movement. OERs were initially defined as learning, teaching or research material that is publicly available on any medium or has been published with an open license allowing free use, or for other purposes depending on the type of license used. The use of OER for commercial purposes has not been ruled out in this definition (Atkins et al., 2007, 4, qtd. . in Bregar et al., 2020). Learners will have to learn, re-learn and update learning continuously due to the exponential explosion of information (Huang, 2018) and big data. To teach effectively and successfully in the world of artificial intelligence and robotics teachers have to adapt to the challenges of the fourth industrial revolution.

1.2 Value-based communication in digital learning

Lecturers and students who will come together within the scope of Online Distance Learning Education (DLE) need to be prepared for the culture and climate of this education system. This culture is an understanding of education based on a value-based approach. Being value-based is first related to person focus. This study is about a SCA. Three main criteria for value-based communication in DLE include governance, trust, and student focus:

Governance

- Students' participation in the educational process.
- Clarity (educational process in terms of content, expectations regarding workload – assignments, assessment criteria).
- Transparency (evaluation of assignments and providing feedback).
- Accountability (online tutors, teachers, and students).

Trust

- Providing continuous information / feedback (among tutors, lecturers, and students).
- Giving priority to quality in education with respect to webinars, preparation of study materials and communication styles with students.
- Reciprocity: Meeting needs and expectations in the context of the principle of reciprocity in student-teacher communication and based on mutual satisfaction.
- Dialogue: Continuous dialogue between students- lecturers.
- Interaction.
- Assuming Responsibility.
- Conformity with Ethical Standards: Compliance with ethical standards within the scope of the course project in speeches and correspondence (European Union, 2019).

Actions Pertaining to SCA

- Meeting the needs of teachers and students: Meeting the cognitive, cultural and social needs of students. Current, understandable, rich content and systemically prepared literature on the subjects they want to study, as well as providing examples for implementation, not just theoretical. Creating social sharing areas where they can interact and develop themselves with the support of teachers and in collaboration with other students from different cultures. Creating spaces where they can express themselves online and on different social media platforms and discuss their problems.
- Qualified Teaching Personnel, learning materials and LMS system.
- Quick Response from teachers or online tutors to students related to their assignments.
- Research (developing new and more effective teaching methods etc.).
- Technical Value: Optimum output with available sources.
- Personal Value: Proper Care for the Fulfilment of Students' Expectations.
- Social Value: Enabling the engagement of students related to the topics on education process by means of their evaluations providing motivation for students to constantly improve themselves. Continuous information, updates to students and teachers on social media platforms and LMS, to be informed about changes in a timely way.

Addressing the education process in a value-based approach to distance education requires developing a positive relationship with students and also among teachers. Students of different cultures who come together within the scope of online digital education create a small society among themselves. This small society has its own culture and climate. The working teams of students develop and use a common language, perspective, and forms of action begin to form. Students expect successful accomplishment of educational goals. It is very important that program managers and teachers pay attention to the process of implementation and to the communication process, with accent on communication style. Since values exist within the culture as a

concept, a value-based education system requires a SCA where governance and an environment of trust is created. A prerequisite for ensuring an environment of trust is the preparation of teachers and online tutors for educational process in online environment through preparatory meetings, research, development of goals, content, anticipation of possible challenges, risks, obstacles to personal development that students should achieve in the program. The quality, flexibility, and effectiveness of the communication that teachers and students establish with each other is very important for the creation of this culture and climate.

Values, as part of both individual and cultural belief systems, give us the opportunity to gain insights regarding what motivates students. Therefore, to provide institutions with much needed information about the value profile of the distance-learning student, it is essential that research on student values is performed. This information could help create and implement programs aimed at increasing student success and decreasing student withdrawals (Tejeda –Delgado, Millan, and Slate, 2011, 119) from the program.

Another important point about being value-based is to ensure student participation in the courses. Special accent is given to the time spent on studying the course materials, on preparing assignments and best utilization of LMS.

A significant challenge with ODL courses is large number of course participants dropping out. Multiple reasons have been identified for low ODL retention rates – students' difficulties in effectively balancing educational, work, and personal commitments; their frustration with technical difficulties; and low self-efficacy along with learning self-regulation. Research indicates that perhaps the most significant issue is a lack of students' engagement with ODL environment (Martin and Bolliger, 2018 qtd. . in Starr-Glass, 2020, 126).

However, engagement is commonly identified by specific facets that can be observed in students' and in their relationships with the learning environment. These facets can be conceptualized as independent but, in most learning contexts, they co-exist, co-mingle and overlap (Sinatra et al., 2015 qtd. . in Starr-Glass, 2020, 126):

Affective engagement: A degree to which learners are motivated by perceived value and utility (present and future) of the learning material, a sense of pride/passion in learning and anticipation of expectancy of success.

Behavioural engagement which involves the extent to which learners are actively involved in their own academic conduct – in their course work, their educational program and institution in which they are enrolled.

Cognitive engagement that relates to the level of psychological involvement, the desire to initiate and sustain learning activities, learner acceptance of higher levels of self-efficacy in demonstrating knowledge gains and the self-selection of mastery-goals as opposed to performance-goals.

Full participation of students in the process, which is an element of value-based view, will improve the quality and performance of the educational process, while a more

objective review and improvement of the philosophy, tactics and strategies of the system will be ensured. This is already part of the concept of governance.

According to Foucault (qtd. . in Jørgensen, 2004) value-based collaboration as a new form of governance resembles governmentality. Collaboration is controlled and guided by a set of rules such as procedures, traditions, norms, and standards. Moreover, collaboration functions as a matter of participating in language games through which social and organizational realities are structured (Adolpsen and Norreklit, qtd. . in Jørgensen, 2004, 87). Organizational and social realities are formed, negotiated, shared and changed through interaction and collaboration. Collaboration enables people not only to communicate, but also to maintain mutual understanding and perform daily life practices (Silverman and Jones qtd. . in Jørgensen, 2004). Value-based communication generally consists of being people oriented, quality, participation, sustainable communication, trust, transparency, conformity with ethical standards, continual research, susceptibility to needs, qualitative and quantitative as well as continuing education etc.

2 Methods

A quantitative research strategy by means of a structured questionnaire to collect data was applied. Online survey was selected to collect student feedback on the following topics: general evaluation of learning experience, assessment of knowledge and competences developed, quality of teachers and online tutors' work, as well as LMS.

In order to be included in the evaluation process participants of the program had to successfully accomplish the three 4 weeks courses and an 8 week's capstone project. In total, 110 students responded to the evaluation questionnaire, which was made available on Google Forms platform and disseminated after each course.

The study is based on students' feedback and comments provided after completing each of the three courses and after the capstone project from January until July 2020. The response rate for each course was between 25 % and 30 %, which should be taken into account in discussion and conclusions. The COVID-19 pandemic and quarantine which started in March and continued through the end of May 2020 was a force major which significantly affected the program. Due to the limited number of responses, only aggregated results for the whole Micro Master1 program have been analysed with IBM SPSS Statistics.

3 Results of students' evaluation

General evaluation of learning experience during Micro Master1 courses included the quality of organization of the course, course materials, assignments and LMS. Likert scale was used (scores from 1 to 5, 1 being the lowest and 5 being the highest). 91 % of students assessed positively the selected online learning platform and 54 % were

very satisfied with the LMS (Figure 1). LMS is an important tool for sharing course materials, it is a place to connect with and receive feedback from teachers and online tutors. LMS has been used extensively by students to discuss the assignments and projects, and to get immediate feedback to their questions. In this way, students' motivation, interests, feelings, and thoughts were monitored and guided during the digital learning process. Effective communication through the LMS created a safe and participatory environment of openness, transparency, reciprocity, and dialogue.

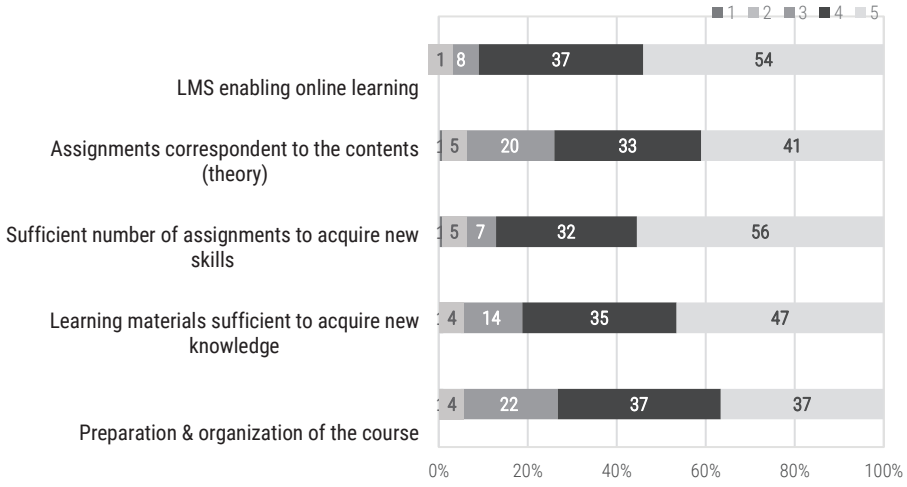

Figure 1. General evaluation of Micro Master1 courses. Source: own research.

82 %, respectively 88 % of students assessed the amount of study materials and the number of assignments (including projects) and activities sufficient to acquire and create new knowledge and skills. 74 % of the students agreed that assignments were well aligned with the courses' contents. It is important that study materials are application-oriented and well understandable, supporting individual and team efforts.

General assessment of knowledge and competencies developed within the courses of Micro Master1 is shown in Figure 2 for the following categories: professional knowledge and competencies, written and oral communication skills, information literacy skills, entrepreneurship and management, creativity, and innovation. Majority of students highly appreciated their knowledge and skills developed during the courses with the top scores for personal development, information literacy, as well as written and oral communication skills.

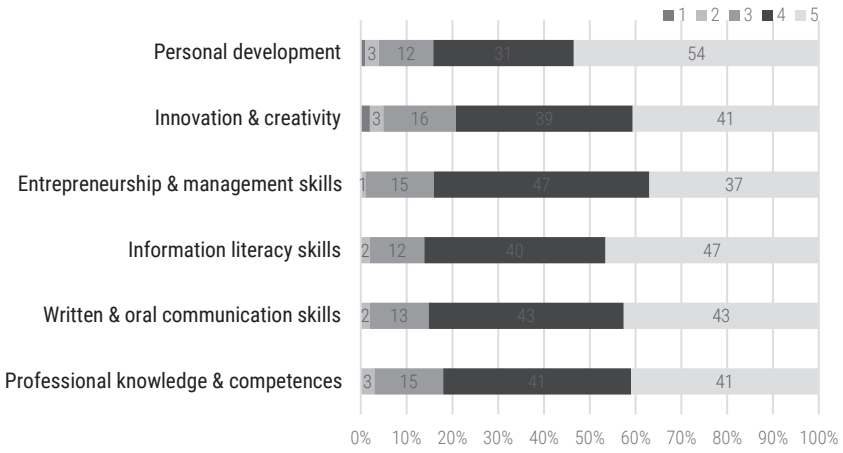

Figure 2. Assessment of knowledge and competencies developed in Micro Master1. Source: own research.

Teamwork has been an extremely important learning practice in the Micro Master1 curriculum. Intercultural communication, cultural differences, exchange of professional knowledge and skills, collaborative learning experience, also problem-solving skills were assessed by the students as the main benefits of the program. Despite many positive comments about the mixed teamwork experience, program participants also mentioned challenges like different levels of motivation and engagement, time management, English language skills, online communication tools, also the pandemic affected the quality of teamwork.

The study revealed that majority of students were very satisfied with online tutors facilitating the online learning process. Most of the students appreciated highly online tutors for their professional approach and assistance in providing timely information and communicating on their challenges (Figure 3).

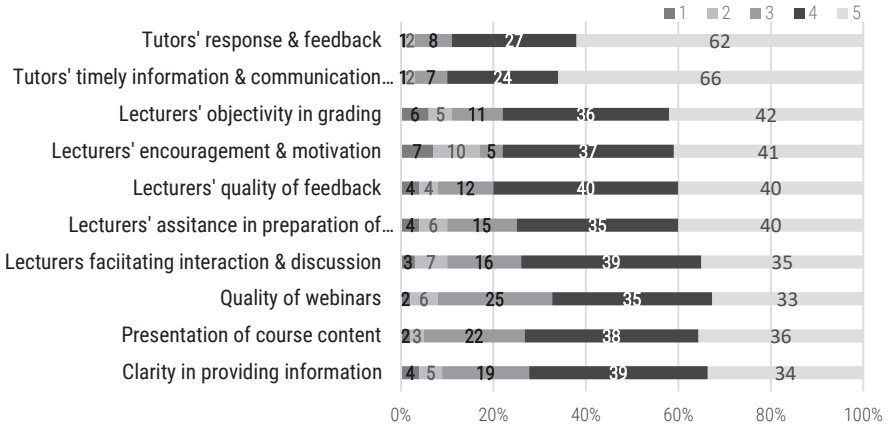

Figure 3. Evaluation of online tutors' and teachers work. Source: own research.

When asked about the teachers, majority of students assessed highly the encouragement and motivation, quality of feedback, interaction and discussion, objectivity in grading etc.

In general, the main strengths emphasized by the participants include relevance and quality of the program, intercultural communication, and collaborative teamwork, as well as online learning and professional development opportunity during the COVID-19 pandemic. Based on the main challenges that coincided with the COVID-19 pandemic and identified by participants, we can make some recommendations for improvement: greater coherence between courses, less theory and more examples, even more interaction with teachers and other participants in the program, even more feedback on achievements and grading.

4 Discussion

The concept of value has a long tradition in sociology, philosophy, and economics. It became very prominent by the end of the 19th century when the questions of societal differentiation and integration were addressed. The answer was seen in moral, social, and cultural values, rather than religious beliefs, as it was in the pre-modern society (Durkheim, 1973; Parsons, 1960 qtd. . in Von Groddeck, 2010, 72). As Talcott Parsons formulates: "Values in this sense are commitments of individual persons to pursue and support certain directions or types of action for the collectivity as a system and hence derivatively for their own roles in the collectivity".

One of the best ways to understand the cultural and organizational structure of the online education process and whether the education is value-based is to approach students' assessments of the elements involved in the education process that affect them directly. These assessments are excellent tools for finding out the elements that make up the ODL, such as ODL environments, instructors, designing learning space pedagogical approaches, course contents, materials, teachers and online tutors and forms of communication, the way lessons are thought, explanations of assignments and projects, and expectations from them, as well as philosophical tactics and strategies for licensing.

In our study, DLSs with respect to teacher-student interaction and educational process have been examined. Based on value approach, Micro Master1 training program has been studied in the context of three main criteria, namely governance, trust, and student focus. While addressing the governance issue in the digital learning environment, attention has been paid to participation of students, clarity, transparency, and accountability. The main program objectives were clearly explained, students' questions were answered during the webinars and in continuous online communication with teachers and online tutors. Instructions and requirements related to the assignments and projects, as well as evaluation criteria were clear. All the learning outputs determined at the beginning of the program (before the courses' contents were created) were considered in the context of knowledge transfer and creation and skills.

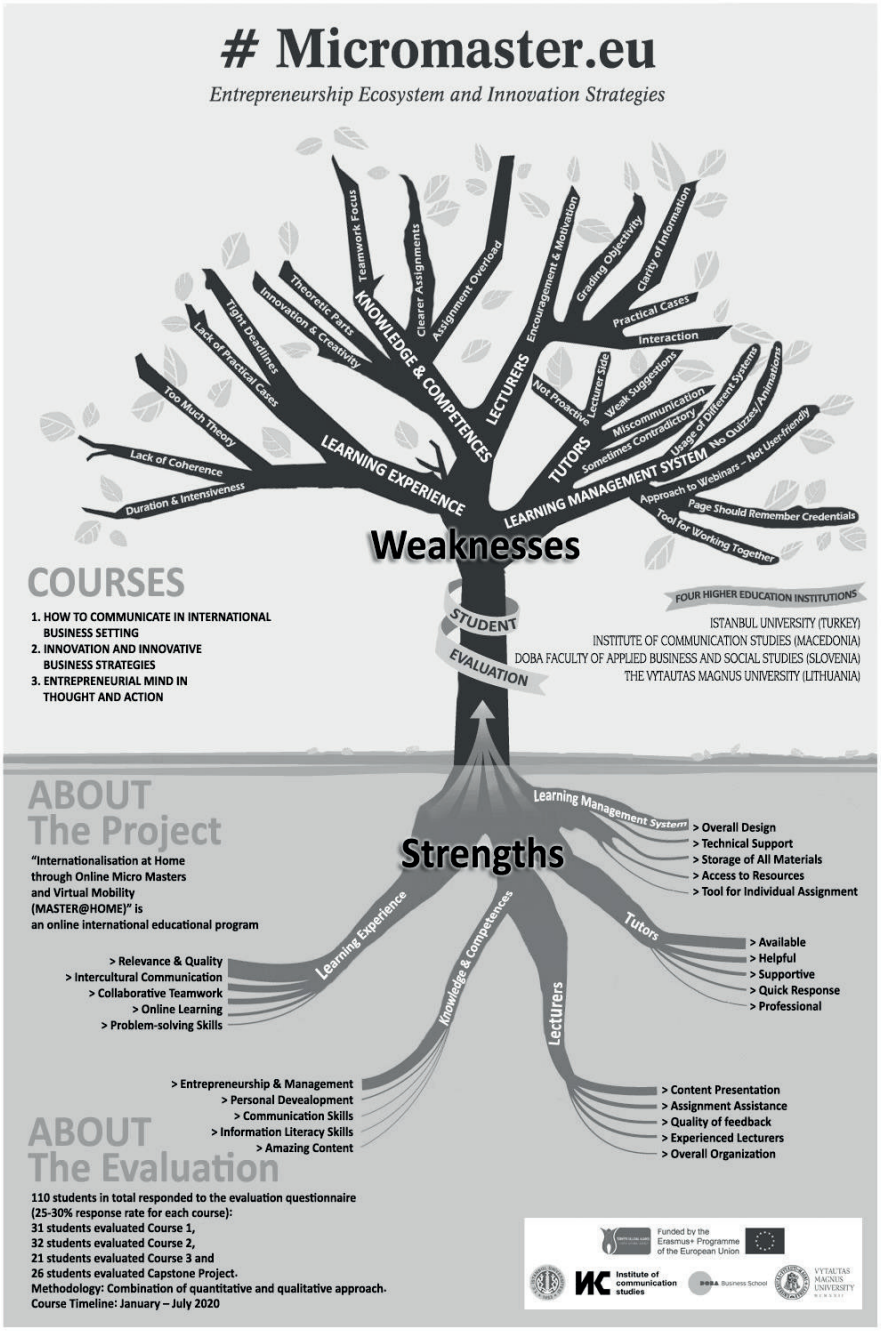

Figure 4. Result of Micro Master1 courses. Poster Author: Res. Assist. Dr. Ahmet Kadri Kurşun, Istanbul University Faculty of Communication

Students confirmed that they developed a continuous communication and received support related to any issues regarding teamwork or assignments during the entire program. This is where the environment of trust was created. In distance learning programs, communication style in the teams and professional writing are of great importance, because they encourage motivation and engagement in the LMS system. In the same way, innovation and creativity, ability to problem solving, flexibility, conflict resolution, critical thinking are critical factors in developing entrepreneurship and management skills. As for the personal development in the program with regard to self-initiative, positive orientation and continuous learning students scored very high for all the courses and capstone project. The respective aspects are essential for self-development, which can be considered as a value-based approach.

The power and impact of interaction between teachers and students is a key objective in the digital learning. This can be achieved through effectively crafted webinars, continuous and quality feedback and support, motivation, and encouragement of students. Webinars create an important digital learning platform for interaction between the teacher and the student, exchange ideas and expectations about the course. Position of the teachers was that weekly webinars were enough to share the theoretical frameworks and more detailed information and explanation of the assignments while forums were opened for students' questions and discussions all the time during the courses. Their position was that teams of students should change for each course, as this would add even bigger intercultural dimension, that as the program is a master level program, assignments should be more demanding and evaluation criteria at the higher level of expectations. On the other side students' opinion was that webinars would be more effective if being shorter and focused to assignments. They complained due to some changes made at the beginning of the course as adjustments based on evaluations of the previous course, as well as adjustments to the sudden pandemic outbreak. The Course 2, which coincided with pandemic outbreak, was the first course related to entrepreneurship and innovation, and according to their opinion it was too intensive, with too many assignments and too strict grading. Although Capstone project lasted for 8 weeks and was a team effort, some students found it difficult to face all the challenges. They expected even more empathy because of pandemic with regard to the grading system. They expressed their desire for even stronger interaction with the teachers – not only online tutors.

From a value-based point of view it is expected to collaborate, support, motivate in a positive direction and accomplish the goals. These are also elements of governance and trust. Students, who find themselves in an environment where they are trusted, supported, and constantly provided feedback, actively participate in both behavioural and psychological sense. After the experience with the Course 2, the Course 3 was adjusted**,** students worked on only one instead of three, but very complex assignment, consequently they evaluated the entire interaction very well (with a high ratio). The Course 1 as an introductory course referring to the teamwork and intercultural dimension has been assessed well, too. In assistance with the assignments and

projects, to make students understand the problem and help them resolving the dilemma during the preparation of the assignments, students evaluated Course 3 well and Course 1 very well.

In a SCA students expect immediate response to their questions and feedback to their assignments. The highest score was given to the Capstone project. Clarity and objectivity in grading reinforce trust between teachers and students. If students believe that teacher has not graded them correctly, they lose confidence in both the teacher and the program, and their active participation can be adversely affected. Grading is an important way of establishing a relationship between the teacher and the student as a method of evaluating the students. Evaluation criteria must be clear/ transparent. Majority of students very positively assessed objectivity in grading, as well as encouragement and motivation of the teachers.

In general, students want to work with teachers in a more interactive context. They prefer to work on examples, not as much on theoretical framework. On the other side teachers had to provide theoretical frameworks for the assignments as participants came from very different backgrounds. Students expect teachers to take even a more open, feedback-providing, and positive approach to courses, assignments, and projects. With an assignment-oriented approach, it should be revealed exactly what is expected of the assignment and evaluation criteria should be even more detailed. All courses and the Capstone project were evaluated positively, but Course 2 raised the most complaints and got the lowest scores from all the courses. On the general level students liked the approach of the teachers, the way they lectured and the professionalism of discussion and immediate response to their assignments and projects, but on the other hand some webinars were evaluated very theoretical, feedback as inadequate, and some teachers introduced too little empathy into communication.

Online tutoring is very important, and it is a strategic task to monitor students 24/7, to solve their problems, to answer their questions instantly, and to help and guide them with a positive attitude. In fact, tutorship is a position that encourages student participation the most and drives students to understand educational process psychologically.

There were mixed feelings about the teamwork. Despite many positive comments about the intercultural teamwork experience, participants mentioned challenges like different levels of motivation and engagement of team members, especially with the outbreak of pandemic, time management, different levels of English language skills, use of online communication tools.

5 Conclusions

Lessons learned from the implementation and evaluation of the Micro Master1 program have been all considered and taken into account in final preparation and implementation of the Micro Master2 program, which started in September 2020 and will finish in spring 2021.

The needs and expectations of the students should be taken into account in such an educational program. Students should be included in the program using the elements that make up a value-based perspective, and the educational process should be maintained in this way. Students should adopt the program, contribute, and participate actively, behaviourally, and psychologically in the educational process. This is the only way an effective, qualified, and value-based training program can be improved. In this respect, according to the evaluation of the courses in Micro Master1 program, the courses (especially Courses 1 and 3 and the Capstone project) were generally planned and implemented with a value-based perspective. However, within the scope of the program, of course, there are elements that need to be corrected and improved. Accordingly, some tactical errors have been identified within the student and value-oriented approach within the strategic planning of the program and steps have been taken to address them instantly. Final evaluation results have shown that from the beginning until the end of the Micro Master1 program there was a positive development.

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Chapter 17

Internationalization at Home Beyond the Core of Europe: Insights from an Online Micro Masters Programme

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Dejan Andonov*** | Pedja Ašanin Gole****

Abstract: This study evaluates internationalization at home (IaH) as a means for bridging the 'mobility gap' in countries, which are outside the core of Europe. It draws on the experience of two six month long international Micro Masters programmes, which were conducted jointly within the virtual campus of four higher education institutions (University of Istanbul in Turkey, Institute of Communication Studies in North Macedonia, DOBA Faculty of Applied Business and Social Studies in Slovenia and Vytautas Magnus University in Lithuania) in the period between 2018 and 2021. Relying on insights from a survey questionnaire (students: n = 153) and representative semi-structured interviews (students: n = 17; lecturers: n = 9), it applies the Updated Kirkpatrick Model in order to assess the utility and effectiveness of IaH in a previously unexamined context. It argues that, by effectively delivering IaH, the Micro Masters programmes have contributed towards addressing the 'mobility imperative' in countries that fall outside of the core of Europe. As a result, they represent examples of the ways in which online education can be used as a tool for bridging the inequality gap in the provision of a more equally distributed internationalised higher education across Europe.

Keywords: international higher education; mobility gap; online education; virtually mobility.

1 Introduction and literature review

The extraordinary development, diffusion and adoption of Information and Communication Technologies (ICTs) in the past 40 years has had profound, multidirectional and exponential implications on social relations and communications

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globally. As a result of this tectonic shift, various social practices, interactions, and exchanges have started to utilize and rely on the new possibilities presented by the various advancements in the digital realm. In line with such changes, paradigmatic shifts have also been observed in higher education (HE), as electronically supported learning and teaching that relies on the Internet has offered new avenues and tools for teacher/student interaction. Thus, higher education has started to be delivered either entirely or partially over the Internet, combining traditional face-to-face classes, with online learning resources and methods. The integration of digital platforms, methods and tools within the educational system has brought about new possibilities compared to traditional face-to-face education (Stern, 2004). At the same time, it has opened up the need to assess the utilities and functions of online education in addressing higher education weaknesses, gaps and needs. Online education has thus been purported to bring several benefits to the higher education process including: the possibility to provide high quality education to anyone with an Internet connection, flexibility of online learning and teaching, reduction of the cost of higher education, as well as its use as a professional development tool (Li and Irby, 2008). An additional benefit has been the possibility to use it as a facilitator of the internationalisation of higher education (IoHE), conceptualised as a process whereby cross-cultural challenges are addressed, deliberative pedagogies are developed, and the curriculum and the broader higher education experience is enriched to encourage individual and collective agency and engagement with the complex challenges facing society (Shaffer, Longo, Manosevitch, and Thomas, 2017). Many universities in Europe now consider internationalisation to be their strategic priority. The imperative to deliver IoHE has come in response to the on-going globalization of labour markets and societies, as well as the growing need to develop international and intercultural knowledge, skills, and experiences for all students, in preparation for the knowledge-based economy, and their integration within the global labour market (Kottmann and de Weert, 2013). This prioritization of IoHE follows the actions by the European Commission, which in 2013 published '*European Higher Education in the World*', a communication that is calling for the development of more comprehensive internationalisation strategies to promote mobility and cooperation between universities, EU member states and non-EU countries, and to enhance the overall quality of European education (Robson and Wihlborg, 2019). At the same time, students also seem to acknowledge its value. A survey among young Europeans aged between 15 and 30 years shows that more than 90 % of them consider it important to have opportunities for mobility experiences (European Commission, 2018). Moreover, according to the *Erasmus+ Higher Education Impact Study* (2019), over 70 % of former Erasmus+ students say that they have a better understanding of what they want to do in their future careers when they return from abroad. 80 % were employed within three months of graduation and 72 % said their experience abroad helped them get their first job.[9]

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[9] *The Erasmus+ Higher Education Impact Study surveyed 77,000 out of the two million students and staff in higher education who undertook a learning, training, or teaching period abroad with the new Erasmus+ programme between.*

However, in spite of the broadly accepted benefits of internationalisation, not all European Universities have managed to integrate it to the same extent within their educational strategies and policies. The results from the fifth global survey of the International Association of Universities suggest that not all institutions prioritise internationalisation (Marinoni, 2019). This unevenness in the adoption of internationalisation across Europe implies the uneven distribution of its benefits, such as quality of teaching, learning and research, enhanced experience and understandings of staff and students, and improved cross-cultural understanding, inclusion, and social justice (Robson and Wihlborg, 2019) This suggests that unequal access to IoHE has emerged as a contributor to overall inequalities in higher education (Marinoni and De Wit, 2019). It has indeed been shown that IoHE in its narrow form of student mobility is highly unequal, for two reasons. The opportunities for international mobility for collaboration and knowledge exchange are available to a relatively limited number of students (Shiel and Jones, 2016). Only about 2 % of the world student population can benefit from a period of study abroad. Moreover, the global flux of mobile students is highly unbalanced, with clearly identifiable sending and receiving countries and therefore a transfer of skilled human capital from some countries to others (Marinoni and de Wit, 2019). Such adversely unequal relationships have also been observed by the educational authorities of the European Union (EU) apparent in a substantial imbalance in credit, degree and staff mobility between different countries in Europe as well as the disproportionate rate of inflow of foreign students by attractive and influential countries from the European core (Börzel and Langbein, 2019).[10] For instance, four countries, the United Kingdom, Germany, Russia and France, host more than half of the student mobility in Europe (Major Trends in Student Mobility in Europe, 2020). In 2017, the most popular destinations for international students in the EU were the United Kingdom (almost 180 000 new permits issued in 2017), followed by France (just above 80 000 first permits issued in 2017) and Germany with just about 40 000 first permits (European Commission, 2018a). In contrast to them, countries from the Central, Southern and Eastern (semi-)peripheries of Europe have lagged in terms of attracting foreign students although the numbers are increasing in certain EU member states (de Witt, Hunter, Howard, 2015). One reason for this is that degree-seeking students from the European (semi-)periphery have been confronted with financial and socio-economic barriers to accessing international higher education. The access to some mobility grants and loans made available through EU projects such as Erasmus Mundus, have not been sufficient to counteract obstacles such as high-income inequality, high tuition, living, study and travel expenses, as well as personal circumstances. As a result, more than 50 % of students in Europe have been deemed to be non-mobile (Souto-Otero, et al., 2019). All of these factors combined act as barriers to physical student mobility disproportionately affecting students who come from countries that fall outside the European core. This in turn influences their employment prospects, since there is a strong association of international academic mobility with

[10] *According to the World Systems Theory categorization the following countries belong to the European core: Austria, Belgium, Denmark, France, Germany, Italy, Luxembourg, Netherlands, and Sweden.*

career success (the 'mobility imperative'); conversely unequal access to mobility/migration opportunities is correlated with limited employment opportunities (Bilecen and Van Mol, 2017). 64 % of employers consider an international experience as important for recruitment and on average 92 % are looking for transversal skills (Souto-Otero et al., 2019). Therefore, the unequal access to mobility contributes towards the reproduction of inequalities and 'social difference within the globalizing higher education system' (Findlay, King, Smith, Geddes, and Skeldon, 2012, 119).

In view of this, it is all the more necessary to understand the utility and functions of Internationalisation at Home (IaH) in addressing the 'mobility imperative' for the non-mobile majority of the Higher Education (HE) community. IaH is defined as the use of advancements in technology in order to enable individuals to gain international and intercultural mindsets without necessarily going abroad (Beelen and Jones, 2015). Utilizing the possibilities offered by advancements in ITCs it aims to deliver a curriculum which integrates international and intercultural dimensions to students within domestic learning environments (Beelen and Jones, 2015). In order to internationalise the outlook and mindsets of the majority of students who are not internationally mobile, IaH employs virtual mobility and collaborative online learning as the new tools for an international experience at home, as well as for fostering cooperation and exchange between students and staff in a virtual classroom (Beelen and Leask, 2011, 5; Ball, 2015, qtd. in Lim, 2016). In view of the opportunities presented by IaH, physical mobility has started to be viewed as just one element of the internationalization of higher education. At the same time, it has called for the examination of the ways and extent by which IaH can effectively address the 'mobility gap' in Europe.

2 Higher education mobility outside the core of the EU: Lithuania, Slovenia, Turkey, and North Macedonia

The central objective of this study is to contribute to this area of inquiry, by exploring the effectiveness and utility of the IoH delivered through two 6 months long international online Micro Masters programmes conducted in the period between 2018 and 2021. The programmes were jointly conceptualised, managed and conducted within the virtual campus of four higher education institutions. Two of them are from EU member states (DOBA Faculty of Applied Business and Social Studies in Maribor, Slovenia and Vytautas Magnus University in Kaunas, Lithuania); two are HE institutions from countries candidates for EU membership (University of Istanbul in Turkey and the Institute of Communication Studies in North Macedonia). The common characteristics of the four countries, which host the HE institutions is that they fall outside the core of Europe, which is otherwise referred to as its (semi-)periphery. Beyond this they each have distinct characteristics in terms of the internationalisation of their higher education, staff, and student mobility, as well as the digital access on which IoH depends.

In Lithuania, the outbound mobility ratio for Lithuanian students is 8.8, with 10,395 mobile students abroad. The inbound mobility rate is 5.3 with 6300 mobile students hosted in the country. The first three countries of origin of foreign mobile students in Lithuania are Belarus, India, and Ukraine (European Migration Network, 2018; Repeckiene, Kvedaraite, Stanikuniene, and Zvireliene, 2016). In Slovenia, foreign students represented 6,3 % of all students in 2019, an increase from the 4.5 % observed in 2018[11] (Flanner, 2019; Share of international, foreign and all students enrolled by field of education, 2018). The outbound mobility ratio for Slovenian students is 4.2, with a total of 3195 mobile students abroad. The inbound mobility rate in Slovenia is 4.5 with 3420 mobile students hosted (Global Flow of Tertiary-Level Students, 2020). The large majority (around 73 %) of foreign students come from Southeast Europe. In Turkey outward student mobility in Turkey is very low, with an outbound mobility rate of 0.6, and a total of 47,546 mobile students abroad. The inward mobility rate is 1.7 with 125,138 mobile students hosted in the country (Share of international, foreign and all students enrolled by field of education, 2018; Global Flow of Tertiary-Level Students, 2020). 50 % of all foreign students in the country come from Syria, Azerbaijan, Turkmenistan, Iran and Afghanistan. In North Macedonia, the total number of mobile students abroad is 5704, with an outbound mobility rate of 9.5. The inward mobility rate is 5.2 with a total of 3096 mobile students hosted in the country (Global Flow of Tertiary-Level Students, 2020; Macedonian State Statistical Office, 2018). The largest numbers (42 %) come from Turkey.

Table 1. Student mobility rate in the four countries studied and some of the countries from the "core of Europe"

	Inbound mobility rate	Outbound mobility rate
Lithuania	5.3	8.8
Slovenia	4.5	4.2
Turkey	0.6	1.7
North Macedonia	5.2	9.5
Germany	10.0	3.9
France	8.8	3.8
UK	18.3	1.6

Source: Global Flow of Tertiary-Level Students, 2020.

Although the quantity and the type of mobility and internationalisation is diverse across the four countries, their common characteristic is that they all lag behind when compared to countries from the European core such as the UK, Germany and France where the share of international students is 18,3 %, 10 % and 8,8 % respectively. This suggests that the four countries can benefit from measures which aim to decrease the so-called 'mobility gap' (Brooks, 2018) both by increasing the quantity and the quality of internationalisation of HE.

[11] *Most of the foreign students come from South Eastern Europe.*

3 Two international Micro Masters programmes as a case study of IaH outside of the core of the EU

The EU has been at the forefront of efforts aimed at improving IoHE. The official EU strategy states that "universities need to have comprehensive strategies that go beyond mobility and encompass many other types of academic cooperation such as joint degrees, support for capacity-building, joint research projects and distance learning programmes. Universities also need to prepare for 'internationalisation at home' for those 80-90 % of students who will not be mobile" (de Witt et al., 2015). As a result, the internationalisation of the curriculum and learning outcomes for all students is in the process of becoming mainstreamed at the national and institutional level in most European countries. A recent example of efforts aimed at achieving internationalisation by facilitating and stimulating cross-border student flows, is the higher education project within the EU Erasmus+ project "*Internationalization at Home through Online Micro Masters and Virtual Mobility*", implemented in the period 2018-2021. The project consists in the development and implementation of two six-month international online Micro Masters programmes:

(1) the Entrepreneurial Ecosystem and Innovation Strategy, and
(2) Digital Communications and Marketing,

implemented jointly within the virtual campus of four higher education institutions: University of Istanbul in Turkey, Institute of Communication Studies in North Macedonia, DOBA Faculty of Applied Business and Social Studies in Slovenia and Vytautas Magnus University in Lithuania. The aim of the overall project was to improve the quality of higher education through internationalization at home and virtual mobility.

3.1 Development and implementation of the international Micro Master programmes

The two International Micro Masters programmes targeted students wishing to complete a specialisation in entrepreneurship, management, communication and/or marketing in order to advance their education or career. Their aim was to improve the quality of education through IaH and virtual mobility in order to allow non-mobile students to benefit from an international curriculum at home. It thus envisioned the following objectives:

(1) To create a new model of internationalized teaching and learning in a virtual environment that drives employability and public participation.
(2) To enhance individual's potentials to effectively enter an inter-connected, cross-cultural market in a digital era. IaH was thus integrated in the planning, conceptualization, implementation, and impact of the programmes.

A mixed team consisting of twenty lecturers from the four partner higher education institutions (HEIs) and nine members of the Consortium Board were involved in the development of the study curriculum. The preparation of the curriculum began with

small-scale desk research, whereby all lecturers within their own academic disciplines determined the most relevant topics and latest trends that should be incorporated. During a collaborative training event, lecturers from all four HEIs presented the findings and elaborated on their proposals for the content of the curriculum, the teaching methodology and the course syllabuses. After a careful analysis of the industry and the education requirements, a review by the Consortium Board and the project management team, the joint curriculum for the two programmes was finalized. It was thus agreed that the two Micro Masters will consist of six subjects, as well as two Capstone projects. Finally, it was decided on the objectives and intended results of the programmes, the teaching methods and learning materials, student assignments and projects as well as the methods for evaluation student performance.

The EC's recommendation was followed in developing a "comprehensive internationalisation strategy" that includes cooperation and partnerships and "the internationalisation and improvement of curricula and digital learning" (European higher education in the world, 2013, 4). Thereby, the focus was placed on constructing a virtual campus, allowing virtual mobility for students who would otherwise be immobile due to family or work commitments, financial, social, or professional constraints or who are constrained by disability. A holistic approach was followed in devising an Internationalized Virtual Education Model, aimed at the internationalisation of all the elements of the online Micro Masters, from the content of the curriculum and the learning outcomes to the management and support services for the programmes, to the teaching and learning in an international environment at home. The intention was to facilitate the cooperation between students and lecturers from different European countries, allowing them to gain international experience and intercultural understanding. A set of virtual components and ICT supported activities, through a fully ICT supported learning environment were organised at institutional level and were used in enabling Virtual Mobility and Collaborative Online Learning in order to encourage real time peer-to-peer intercultural communication, as well as to enrich the international experience and intercultural understanding (Boaretto, Op de Beeck and Volungeviciene, 2015; Achten, Op de Beeck, Van Petegem, 2011). The virtual environment enabled the interaction with the same group of people over a period, which built mutual understanding and trust, allowing for the exploration of underlying assumptions, beliefs, values, and social norms held by the international students and lecturers. In the virtual mobility programmes, the groups embarked on a learner-led collaborative learning process as an intercultural group. This allowed for multi-layered learning that does not solely rely on the programme curriculum, but also draws from doing and learning together as a group. Offering alternative ways to learn and communicate online in diverse groups enabled students to reach out to peers they have never made contact within their own communities, which increases the students' ability to interact and work with peers from different cultures, and will improve their adaptability, communication skills and intercultural competences.

A Learning Management System (LMS) was developed in order to support virtual mobility, students´ engagement and learning, and collaboration with foreign peers and

lectures. Moreover, it was used to assist both students and lecturers to use effectively a dynamic set of teaching and learning tools, and to work together by delivering a best-in-class cloud productivity system. For instance, during the webinars, the lecturers were available to students for feedback, answers to questions related to the preparation of individual weekly assignments. The LMS also allowed students to complete all assignments in international mixed teams. In addition to the teaching and learning materials (in different formats, including e-textbooks, articles, videos, text files, slides etc), eight Open Educational Resources (OERs) were developed. The OERs were produced as videos and were open and free for use under open licenses for education and training purposes. They focused on entrepreneurial, business, and transferable knowledge and skills, that promote active learning, allow student-centred learning and preparation of students for the labour market and society. Active Project Based Learning (PBL) was followed in all the phases of the project, i.e. initiation, implementation, and completion in order to engage students in investigation of authentic problems (Blumenfeld et al., 1991, 369). The learning materials were structured on the basis of group work and collaborative assignments, including small group discussions, group quizzes, group presentations, informal partner work, and peer editing activities.

3.2 Internationalisation at home

Employing IaH as the main strategy for conducting the two Micro Masters, the project entailed several elements of internationalisation in the context of higher education. The project placed a significant emphasis on the role of both the lecturers and the administrative staff in internationalizing the education programme successfully and provided a blended capacity building for staff to ensure their effectiveness in a transnational and intercultural environment. An important aspect of internationalisation was the base of 20 lecturers who came from 4 different countries: North Macedonia, Turkey, Lithuania, and Slovenia. Ten different lecturers participated in the first programme: 1 from Lithuania, 4 from Slovenia, 3 from Turkey and 2 from North Macedonia. In order to ensure internationalisation lecturers from all four HEIs were included in implementing each of the courses. The second internationalisation aspect pertained to the diverse structure of students enrolled in the virtual campus who came from 9 different countries: North Macedonia, Turkey, Slovenia, Lithuania, Bosnia and Herzegovina, Croatia, Serbia, Nigeria, and China.

4 Methodology

The study draws on insights from both students and lecturers obtained through a survey questionnaire, which collected a total of 153 questionnaires from the students enrolled in either of the two Micro Masters programmes. Additionally, it is based on semi-structured interviews with lecturers (N=9) and students (N=17). The so-called *Updated Kirkpatrick Model* is used for framing, analysing, and evaluating the training outcomes. Kirkpatrick's model stresses evaluation on the levels of reaction, learning, behaviour,

and results. Thus, the effectiveness of the training programmes is assessed at the following four levels:

(1) response/reaction of the trainee to the training experience,
(2) the learner's learning outcomes and increases in knowledge, skill, and attitude towards the training experience,
(3) the students' change in behaviour and improvement (whether the learning transferred into practice in the workplace), and
(4) results,

which assess the ultimate impact of training and determines if the Micro Masters had a positive impact on the trainees (Bates, 2004). In view of the focus of the present inquiry on IoH on the (semi-)periphery of Europe, we add it as an extra layer under Level 4. Thus, the effectiveness and results of online instruction are evaluated also in relation to the criteria of IaH. Due to the addition, we refer to the model as the Updated Kirkpatrick Model.

5 Results

5.1 Response/reaction of the trainee to the training experience

Several questions from the survey questionnaire (n=153) aimed to assess the reaction of the trainee to the training experience. Most of the student expressed satisfaction were with several aspects of the Micro Masters programmes: a) the preparation and organization of the courses (Figure 1); b) the adequacy of the study materials (Figure 2); c) the assignments, activities and/or projects for acquiring new skills (Figure 3); d) correspondence of the assignments to the curriculum (Figure 4); e) the learning management system (LMS) (Figure 5). The students had the most positive assessment of the LMS system (69 % satisfaction rate), which is an important indicator for the effectiveness of the online environment. Overall, the answers obtained within Level 1 of the Kirkpatrick Model portray a predominantly positive student reaction to the training experience.

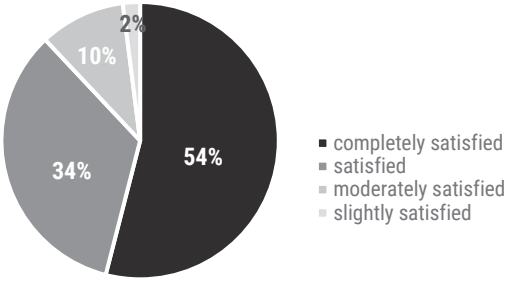


Figure 1. Satisfaction with the preparation and organization of the courses.
Source: own research.

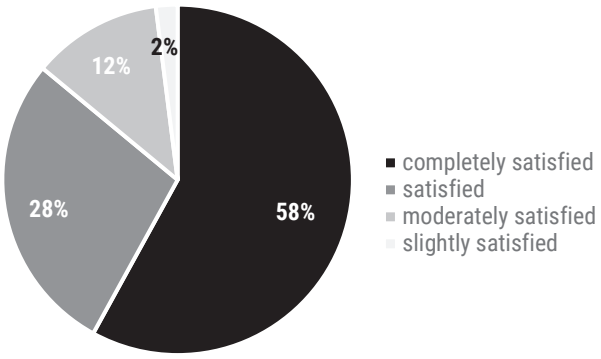


Figure 2. Satisfaction with the materials made available (books, articles, videos etc.) for acquiring new knowledge. Source: own research.

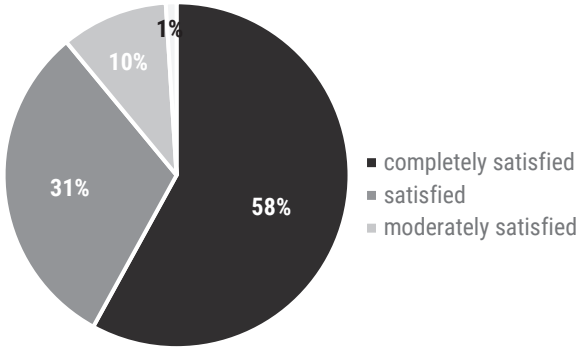


Figure 3. Satisfaction with the assignments, activities, and/or projects for acquiring new skills. Source: own research.

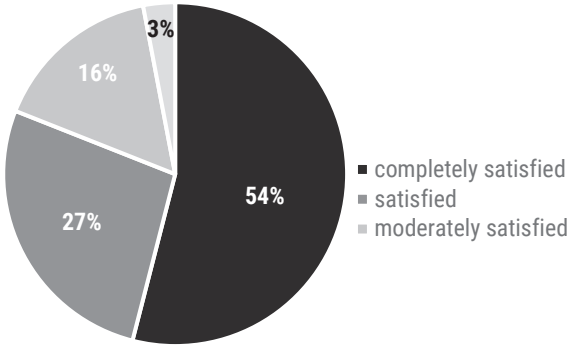


Figure 4. Satisfaction with the correspondence between the homework and the lessons. Source: own research.

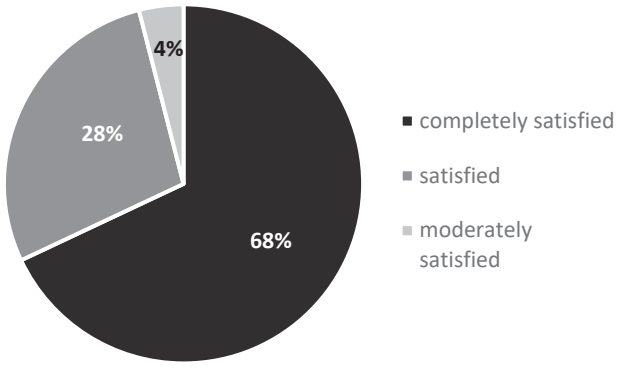


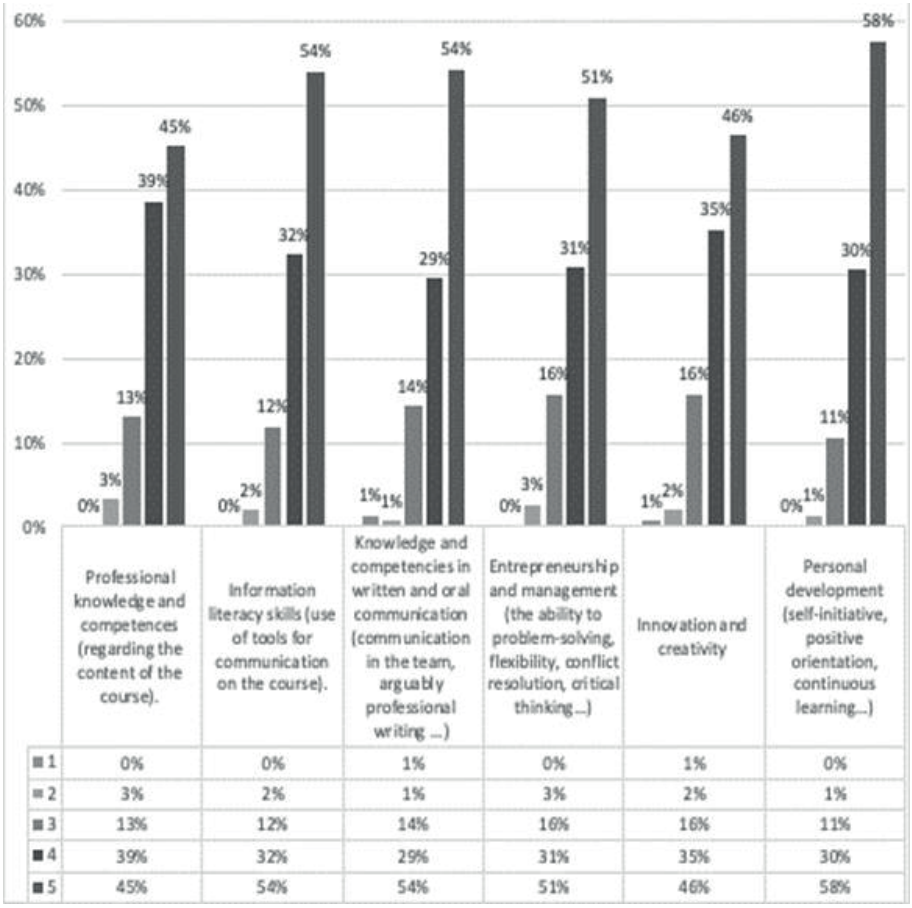
Figure 5. Satisfaction with the LMS for online learning.
Source: own research.

5.2 The learner's learning outcomes and increases in knowledge, skill, and attitude towards the training experience

In order to evaluate Level 2 of the Kirkpatrick model, we relied on a combination of answers from the survey questionnaire and the semi-structured interviews with students. Specifically, in the survey the students were asked to assess the levels of competence and knowledge developed as part of the course. As seen in the table below, the students feel a high level of competence. Among the expressions obtained, the most pronounced participation is in the expression of personal development, where 58 % have expressed a high level of satisfaction. Considering that all other skills and abilities are a part of the personal development process, it is seen that a sufficient perception of success is achieved. 45 % have declared a high level of development of them of professional knowledge and competences; 54 % highly assess their information literacy skills as well as their knowledge and competence in written and oral communication.

As part of the semi-structured interviews, 17 students answered if the Micro Masters improved their skills and knowledge and if so which skills and knowledge areas in particular. All 17 students reported improvements in both their skills and knowledge as a result of the programmes. With regards to the obtained skills they have emphasized improvements in the following: team management and team work, international teamwork, organisation in team settings, distribution of tasks, project management skills in the field of digitalization, digital marketing strategy, social media marketing and influencer marketing, time management, punctuality, online communication, work under pressure, leadership, delegation, networking and planning and improved English language competencies. With regards to the obtained knowledge students have reported improvements in theoretical and applied knowledge in the area of digital communication and marketing, methodologies in the field of business development from business idea evaluation phase till implementation phase and communication,

knowledge about different cultures and gained experience in working with people from different cultures and backgrounds.



	Professional knowledge and competences (regarding the content of the course).	Information literacy skills (use of tools for communication on the course).	Knowledge and competencies in written and oral communication (communication in the team, arguably professional writing ...)	Entrepreneurship and management (the ability to problem-solving, flexibility, conflict resolution, critical thinking...)	Innovation and creativity	Personal development (self-initiative, positive orientation, continuous learning...)
1	0%	0%	1%	0%	1%	0%
2	3%	2%	1%	3%	2%	1%
3	13%	12%	14%	16%	16%	11%
4	39%	32%	29%	31%	35%	30%
5	45%	54%	54%	51%	46%	58%

Figure 6. Assess the knowledge and competencies developed in the course (Answers on question "How do you assess the knowledge and competencies that you have developed in the course?"). Source: own research.

Below are three examples of the answers given by students from three different countries enrolled in the Micro Masters:

- Student from Turkey: "As a person who had no education in the field of communication and marketing, the programme has helped in providing me with the theoretical knowledge, as well as an opportunity to apply this knowledge through the assignments. Also, my team-work and interpersonal skills have been improved by working with a team from different countries."
- Student from Lithuania: "Before this course, I considered myself as a "solo player". Honestly, I did not like to work in a team. With this course, but maybe also thanks to

our team, I definitely improved my team management skills. Although my education background is in communications, I lacked marketing knowledge, and this course gave me insides in it."

- Student from North Macedonia: “I have gained moderating skills and time management skills. I have also improved my knowledge about different cultures and gained experience in working with people from different cultures and backgrounds. As for strategic communication, I have gained a lot of knowledge about digital marketing and communication. I can say that Micro Masters provides knowledge and skills to people to start working on a real campaign in real life.”

5.3 The students’ change in behaviour and improvement (whether the learning transferred into practice in the workplace)

In order to address Level 3 of the Kirkpatrick Model, we relied on the answers obtained from the Semi-structured interviews with both students and lecturers.

In the lecturer group, 7 out of 9 lecturers stated that they strongly agreed with the statements: "The lectures and assignments have allowed the students to accomplish the results foreseen in the curriculum" and "The assigned topics were in accordance with the students' capabilities for completing the assignments". The remaining 2 lecturers agreed with both statements although they did not agree as strongly as the other 7 lecturers. Secondly, lecturers were asked to evaluate the students' work. 6 of the 9 lecturers stated that the course definitely contributed to the professional development of the students, and 2 lecturers stated that they thought that it contributed, 1 lecturer was undecided. When asked to what extent the students fulfil their goals in their homework or not; 5 of the lecturers stated that they received the absolutely necessary answers, 2 of them stated that the answers they received were sufficient. 1 lecturer stated that they are undecided about this issue. The biggest concern shared by the lecturers was that the students failed to make sufficient use of the resource made available during the course.

In order to obtain the student’s perception with regards to the utility of the course to be transferred in the workplace, the following question was asked as part of the semi-structured interviews: “In your opinion, have/will the Micro Masters benefit your future career advancement? If so in which way? What specific knowledge did you acquire in the micro master that you used in practice?” Six out of the 17 students interviewed have already seen benefits in their career. They describe them as follows:

- Student 1: “So far, I have used the skill of building consumer personas in one career event where we had a case analysis of a product.”
- Student 2: “The skills I improved during the Micro Masters I already put in practice in my daily job”.
- Student 3: “All the knowledge gained over the project already helps me in my professional career, and it will help me expand into digital marketing related fields in the near future.”

- Student 4: “I have used the digital communication tools which we use in the programme in my current organization where I am responsible to gain information and report the data to upper levels. I have transferred this knowledge to my colleagues, and we have better communication now."
- Student 5: “In the current tech company I am working in, I successfully initiated a cloud-based project and currently I am leading it. During the business plan preparation, the courses I took helped me to receive funding for the project.”

The remaining 11 students are optimistically confident that the skills and knowledge obtained in the Micro Masters will benefit their future career advancement. Below are several of the student answers which illustrate this:

- Student 6: “It will help in my future career, as I am getting more projects I can work on. I've learned a lot about digital communication, which I'm going to use in my future project.”
- Student 7: “My opinion is that it offers future career advancement in certain fields as a starting point if you prefer to change career or focus on the existing one.”
- Student 8: “I’ve benefited already and truly believe that the gained knowledge can enhance my future career. Each of the courses helped me to grow intellectually and professionally.”
- Student 9: “I am on the eve of changing my work and I think the programme/s will guide me doing the change in a better way. Most probably after the Micro Master I will be in a work where processes are totally digital“.

5.4 Results including the ultimate impact of training and whether the Micro Masters programmes achieved successful internationalisation at home

Level 4 was accounted for with a combination of insights from the survey (N=153), the semi-structured interviews with both students and lecturers.

The lecturer's perspective revealed mostly positive but also some negative aspects of the experience. 3 lecturers stated that all of the online resources were used, 4 lecturers stated that some of the online resources were used in the homework preparation process, 1 lecturer stated that the resources provided were not used. 7 out of 9 lecturers stated that they did not have any problems with on-line communication and coordination. One of the lecturers stated that a meeting should be held half-way through the course so that the advancement of the students can be discussed by the lecturers, and the process will be clearer for lecturers. Another stated that he had no problem with communication, but that more explanatory information should be given to students and educators. All lecturers stated they communicated frequently with the students via the proposed program (Microsoft team) and LMS, and also via email. All 9 lecturers emphasized that students had improved their cultural understanding by the end of the course. According to the lectures the students have obtained a range of other skills such as: taking responsibility for team management, building international networks, learning from each other, skills such as leading, brainstorming, data mining, and

developing commentary skills. It is noted that all achievements are further developed in the intercultural communication process.

From the perspective of the lecturers, the biggest problem faced by the students was the ability to work under time pressure and their communication skills. It is also seen as a problem that students have a different educational and cultural background. One of the lecturers stated that it is not a problem to have a different educational and cultural background and that the problem stems from personality. A few lecturers have stated that there are individuals who do not feel responsible and sometimes cannot be reached. This refers to different personality emphasis. However, different personalities were not observed as a big problem throughout the training. When asked to evaluate The Learning Management System, the most important criticism of the lectures about the system is that the system does not provide sufficient interactive communication between educators, students, and tutors.

From the perspective of the students, the situation is as follows. When the students are asked whether the system is suitable for online education, it is seen that 105 out of 153 students (69 %) find the system absolutely sufficient, 42 of them (27 %) find the system sufficient and only 6 students are undecided. Among the questions answered by the students, the most positive feedback is for the system.

In order to assess the students' perception of the international experience offered as part of the Micro Masters the following question was asked during the semi-structured interview: "Do you find that the Micro Masters has provided you with an international experience? If so in which way?" All 17 students without an exception agreed that the programme provided them with an international experience. Moreover, they agreed that this was one of the Micro Masters' strongest aspects. The most representative answers are presented below:

Students from Turkey:

- "Everyone in the team contributed with their (cultural) background and working/studying experience."
- "That is the best part of this course. I met very interesting people, with different understandings, cultures and habits."

Student from Lithuania:

- "I've always worked in "Western European" environments in which budgets were never a problem. The reason why I enrolled in this course was to see how other parts/cultures of the continent work, and I have to say that it was so fun to see/hear all the great ideas, and how the solutions were always on point and creative."
- "It mostly provided me with the insightful knowledge of working in the international team, when having the different international experience, we all have different expertise to share with one another."

Student from Slovenia:

– “I adore the fact that the programme is international and that we are part of mixed teams. I think this works perfectly. We have different ideas, backgrounds, and meeting new people is always good. Same goes for lecturers from different countries. Through networking we could get additional contacts and maybe even some joint projects. “

Students from North Macedonia:

– “Yes, I had the opportunity to work in a mixed team and it was challenging at the beginning but once we set some ground rules the cooperation went flawless. After 12 successful assignments and one ongoing Capstone project, I can say that we became friends and already discuss private topics as well. Unfortunately, due to the pandemic, we cannot meet in person, but maybe one day…”
– "It makes you feel that you belong to an international community! “It's teamwork, with students from many countries, with different backgrounds - cultural and professional. but not everybody has an experience in communication nor marketing, so it makes it more difficult for communication. In a way it gives an international experience in terms of communicating with people different than I am, it provides first-hand information about the different countries of the team members, it makes me do wider/international research on different topics related to the programme."

Finally, students were asked to evaluate the advantages and disadvantages of online education. The following question was posed: “In your opinion, what are the benefits and downsides of virtual/online education in comparison to face to face traditional education?” The students emphasized the benefits of virtual/online education. Some did not find any downsides of online education:

– “More people can benefit from this kind of learning. I would not have been able to join it if it had been organized in a face-to-face setting. Due to family, work, also health issues and financial reasons it would not be possible to travel (also due to COVID-19 today).”
– In my opinion, I do not see any downsides. There are a lot of advantages; saves time, you are free to schedule your own time, you can focus more, you get a chance to meet interesting people, less stress. If you have any questions, you can send an email to your mentor. I am aware that the social element is missing, but the technology is so advanced that most of the time you don't even notice it.”
– “The benefits are great. Online approach allows building an international experience (international professors and team members) in an easy way. I don’t see any downsides in comparison to face-to-face education.”

The majority of students recognised the benefits of online education but also acknowledged the importance and value of traditional face to face interaction:

– “The biggest benefit is that we don't have to risk our health by going out, and there's more flexibility in terms of scheduling. It is also more comfortable, especially when you have a lot of work, and it makes studying and working with people from different parts of the world possible. On the other hand, the main disadvantage is that as a

result of the absence of human face-to-face contact, it's harder sometimes to convey what we truly mean, and it makes communication generally harder."
- "Online education is cheaper and time-saving, but we lack human contact. Non-verbal communication is a very important segment of any cooperation."
- "For me, the whole online programme is really OK, except for the fact that sometimes we have to spend more time writing emails to explain and define the problem. If it is a face-to-face education, those problems can be solved within a few minutes."
- "I think online learning is a great alternative for working people. The advantage is accessibility and independent organization of time, while the disadvantage is the lack of socialization."

For one student the downsides were more prevalent than the benefits, but was still appreciative of the opportunity in the context of the coronavirus pandemic:

- "I prefer to be in face-to-face contact with people rather than online. There were times when I had difficulty expressing myself online. Despite all this, we are struggling with the pandemic worldwide. That's why I am very happy to receive online training in this time frame."

6 Discussion

In view of the results discussed above, the Micro Masters programmes successfully enhanced the capacities of the four partner HEIs to further develop internationalisation of higher education at home (IoH), and to integrate international and intercultural learning outcomes into the curriculum for all students; Help them overcome challenges of credit and degree mobility imbalances and institutional cooperation, stemming from substantial differences in higher education systems, procedures and funding; Foster collaboration between education and industry.

Nonetheless, the potential of IoH to address the mobility gap should also be examined in the context of the disproportionate digital access in different countries. For instance, Slovenia is ranked on the very high 9th position (out of 157 countries) on the Digital Access Index for 2020 (Digital Access Index, 2020) whilst Lithuania is ranked 36th. The two non-EU countries North Macedonia and Turkey are ranked 57/157 and 67/157 respectively (Digital Access Index, 2020). The Digital Access Index (DAI), a new index, which measures the overall ability of individuals in a country to access and use new ICTs. This has repercussions over the ability of students from different countries to access IaH.

7 Conclusion

Advancements in ITCs have brought about numerous new possibilities to offer a more equitable international higher education. Viewing IaH as one such possibility, this paper

has examined its utility and effectiveness as well as its capacity to reduce the "mobility gap" in Europe.

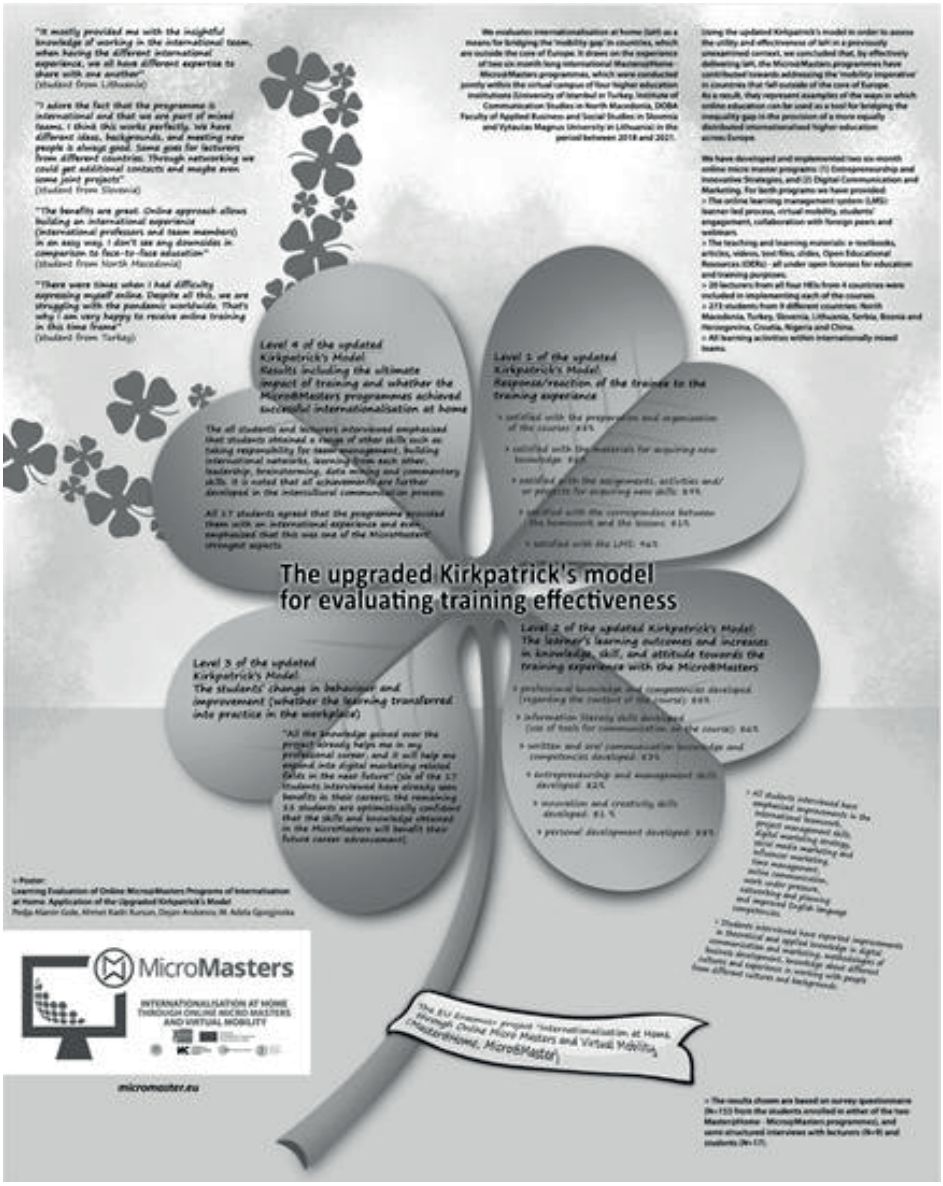


Figure 7. Poster presentation of the effects of internalization at home within both Micro Master programs using the upgraded Kirkpatrick model. Poster Author: Res. Assist. Dr. Ahmet Kadri Kurşun, Istanbul University Faculty of Communication.

Taking the case study of the Erasmus+ project consisting of two 6-month Micro Masters programmes, which were jointly conducted by a Lithuanian, Turkish, Macedonian and a

Slovenian Higher Education Institutions, it examined the utility of IaH in countries outside the core of Europe. The analysis, which utilised the Updated Kirkpatrick Model, demonstrated that the two Micro Masters have effectively addressed all four levels, including the internationalisation aspect. Thus, it can be deemed to be an example of a useful and a successful international educational platform, which offers a possible pathway towards reducing the mobility gap between the European core and its (semi) peripheries in ways which also improve the quality of education in these geographies. The importance of this inquiry is all the more pronounced by the coronavirus pandemic, which has both reduced mobility and has intensified the reliance on online education in delivering international higher education. When planning for the future IoH has to be considered also in the context of two limitations. Firstly, the majority of students prefer a combination of online and face-to-face education. Secondly, online education is not equally accessible, as it depends on differential access to digital resources and varying digital literacy across countries. These factors act as intervening structural hurdles which restrict the potential of IaH. Therefore, whilst it can be concluded that IaH can contribute towards reducing the "mobility gap" in Europe by providing effective international education, its differential and comparative impact and utility across national contexts is yet to be investigated. Nonetheless, the example of the two 6-month Micro Masters programmes demonstrates an overall positive outcome and a successful example of an international HE collaboration which utilizes and confirms the benefits and effectiveness of IaH.

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Chapter 18

Learning Evaluation of Online Micro Masters Programs

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Abstract: In this chapter, we evaluate the effectiveness of the implementation of the three-year EU Erasmus+ online project Internationalization at Home through Online Micro Masters and Virtual Mobility (2018 – 2021). We used the New World Kirkpatrick Model as an analysis framework to evaluate the effectiveness of both Micro Master curricula. Qualitative methods (online surveys, semi-structured interviews, and analysis of primary data) were used for data collections. We found that the curriculum of both Micro Master programs was highly valued and shifted participants' perceptions. Participants identified enhanced knowledge and skills that could be applied to different facets of their work; increased confidence in their ability to execute tasks on their job; and intention to use the content in their future job.

Keywords: learner's learning outcomes; learning transferred into practice; online learning experience; ultimate impact of training.

1 Introduction

Four higher education institutions from four countries (University of Istanbul, Turkey; Institute of Communication Studies, Skopje, North Macedonia; DOBA Faculty of Applied Business and Social Studies, Maribor, Slovenia, and Vytautas Magnus University, Kaunas, Lithuania) launched the EU Erasmus + project Micro Masters: Internationalisation at Home through Online Micro Masters and Virtual Mobility – Turkey, Macedonia, Slovenia and Lithuania (2019). The three-year project (2018-2021) was aimed at young graduates up to the age of 35 with the aim of deepening their knowledge in the field of entrepreneurship and innovation and (digital) communication and (digital) marketing, in order to help them in their future careers and their successful

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entry into the labour market. The purpose of this chapter is to evaluate the preparation and implementation of a project by using the New World Kirkpatrick model.

1.1 Insight into the project Internationalization at Home through Online Micro Masters and Virtual Mobility

This EU Erasmus+ project consists in the development and implementation of two six-month international online Micro Masters programmes:

(1) Entrepreneurial Ecosystem and Innovation Strategy, and

(2) Digital Communications and Marketing,

implemented jointly within the virtual campus of four involved higher education institutions. The Micro Master learning programs was developed in jointly by twenty lecturers from four partner higher education institutions and nine members of the consortium committee. When preparing the curriculum, the most important topics and the latest trends were taken into account, and three content modules and one capstone project were included in each individual Micro Master program. Prior to the start of the implementation of Micro Master projects, a common teaching methodology, evaluation criteria for assessing the work of participants within individual modules and also capstone projects were determined.

For the needs of the implementation of Micro Master programs, the included higher education institutions took care of the infrastructure - virtual campus (learning management system, teaching materials - freely available scientific and professional articles, gamification, open educational resources, etc.), recruited participants in their countries, appointed lecturers' individual modules, etc. Within the individual modules, lecturers from all four countries conducted interactive webinars, and at the end of the modules they reviewed and evaluated the tasks of the participants and assessed them with school assessments. The biggest challenge for the participants was the preparation of a capstone project at the end of each Micro Master program, in which they had to find and justify a concrete solution for a specific business problem of a specific organization in internationally mixed teams. Participants had eight weeks to prepare each capstone project. Each capstone project was evaluated by three lecturers from different countries.

Both learning programs were attended by 358 participants from 9 different countries: Bosnia and Herzegovina, China, Croatia, Lithuania, Nigeria, North Macedonia, Serbia, Slovenia, and Turkey. Of the 121 participants in the first Micro Master program ("*Entrepreneurship Ecosystem and Innovative Strategy*"), 82 successfully completed the program. 191 participants of the second Micro Master program, successfully completed this program (out of a total of 237 program participants). The success rate of the participants in both programs is 76% (the ratio between the registered participants and those who passed all the modules and the capstone project).

1.2 New World Kirkpatrick Model (NWKM)

The research design was guided by the theoretical framework outlined in the New World Kirkpatrick Model (Kirkpatrick and Kayser Kirkpatrick, 2016), suited to understanding if training programs deliver the "relevant knowledge and skills to the participants and the confidence to apply them on the job" (ibidem, 5). This model is one of the most popular approaches and it is a globally recognized (Ardent Learning, 2020) method for the evaluation of training or learning outcomes. The model assesses both formal and informal training methods and consists of four levels of measuring the effectiveness of learning programs:

- Level 1: Reactions (focusing on participants' perceptions of learning activities; the degree to which participants find the training favourable, engaging, and relevant to their job engagement, relevance, satisfaction).
- Level 2: Learning (measuring knowledge and skills acquired by participants during learning activities; the degree to which participants acquire the intended knowledge, skills, attitude, confidence, and commitment based on their participation in the training (knowledge – »I know it«; skills – »I can do it right now«; attitude – »I believe this will be worthwhile to do on the job«; confidence – »I think I can do it on the job«, and commitment – »I will do it on the job«)).
- Level 3: Behaviour (the degree to which participants apply what they learned during training they are back on the workplace; this level consists of *critical behaviour* (the few, key behaviours, that the primary group will have to consistently perform on the job to bring about targeted outcomes), *required drivers* (processes and systems that reinforce, monitor, encourage, and reward performance of critical behaviour on the job), and *on-the-job learning*) and
- Level 4: Results (training outcomes for the organization; the degree to which targeted outcomes occur as a result of the training and the support and accountability package) (Kirkpatrick & Kayser Kirkpatrick, 2016).

Level 1 and 2 of the NWKM provide data related to effective training and measure the quality of the program. Level 3 and 4 provide data related to training effectiveness, which is typically the type of data that stakeholders find valuable.

2 Method

Data were collected using a qualitative approach. According to these levels, we tested the consistency of the findings with the help of several data sources using methodological triangulation:

- two satisfaction surveys - at the end of the first and at the end of the second Micro Master program (participants N=153),
- post-curriculum semi-structured interviews with participants (N=17) and lectures (N=9),

– analysis of primary data - learning outcomes of participants in learning programs (successes were assessed with school grades).

Triangulation (validation of data through cross verification from more than two sources) tests the consistency of findings obtained through different instruments and increases the chance to control, or at least assess, some of the threats or multiple causes influencing our results (*Triangulation*, 2020).

3 Results and discussion: empirical test of the NWKM

3.1 NWKM level 1: reaction

Applying level 1 of the NWKM as a framing tool, data were organized according to how satisfactory, engaging, and relevant the participants found the training.

In the online surveys conducted on both Micro Master learning programs, participants assessed their own satisfaction with individual elements of the programs and with the programs as a whole (on the Likert scale from 1 - I am not satisfied at all, to 5 - I am very satisfied). We list only the percentage of participants who answered the question about satisfaction with individual elements of the learning program with a score of "5" on the Likert scale from "1-strongly disagree" to "5-strongly agree":

– Satisfied with the preparation and organization of the courses: 88 %.
– Satisfied with the materials for acquiring new knowledge: 86 %.
– Satisfied with the assignments, activities and/or projects for acquiring new skills: 89 %.
– Satisfied with the correspondence between the homework and the lessons: 81%
– Satisfied with the LMS: 96 %.

In the interviews, respondents indicated that the session topics were interactive and real-life examples were provided.

3.2 NWKM level 2: learning

In level 2 of the NWKM, evaluation efforts focus on participant learning; this was measured through changes in knowledge, skills, attitude, confidence, and intention to use (commitment) knowledge. Learning data tells us whether the people who take the training have learned anything. Specifically, it helps you answer the question: "Did the training program help participants learn the desired knowledge, skills, or attitudes?" (Peck, 2019).

The evaluation of this level of the Kirkpatrick model was performed by an online survey between participants and a formal assessment of the tasks of the participants of Micro Master projects and a survey among the participants after the end of the implementation of each program.

In online surveys conducted on both Micro Master learning programs, participants rated their own learning outcomes and increases in knowledge, skill, and attitude toward the training experience with the Micro Masters. We list only the percentage of participants who answered the question about the acquired knowledge with a grade of "5" on the Likert scale from "1-strongly disagree" to "5-strongly agree":

- Professional knowledge and competencies developed (regarding the content of the course): 88 %.
- Information literacy skills developed (use of communication tools on the course): 86 %.
- Written and oral communication knowledge and competencies developed: 83 %.
- Entrepreneurship and management skills developed: 82 %.
- Innovation and creativity skills developed: 81 %.
- personal development developed: 88 %.

Each Micro Master program consisted of three modules and a final capstone project. Within the individual modules, the participants prepared team assignments, which were prepared within mixed international teams. Participants who passed all three modules within each Micro Master program positively (with school grades) team-made a capstone project at the end of the program. Each team had its own mentor, a higher education teacher from one of the participating higher education institutions, and the team-made capstone projects were evaluated by three higher education teachers from different higher education institutions or countries.

For the successful completion of an individual program, it was necessary for the participant to positively complete all requirements, i.e., three learning modules and a capstone project. Out of a total of 358 registered participants in both programs (121 registered participants in the first Micro Master program and 237 registered in the second Micro Master program), 273 successfully completed the program (82 participants in the first program and 191 participants in the second Micro Master program).

3.3 NWKM level 3: behaviour

Representing one of the most crucial steps in the Kirkpatrick Model, Level 3 measures whether participants were truly impacted by the learning and if they are applying what they learn. Assessing behavioural changes makes it possible to know not only whether the skills were understood, but if it is possible to use the skills in the workplace. Level 3 evaluation data tells us whether people are behaving differently on the job as a consequence of the learning program.

We determined this level of evaluation with the help of semi-structured interviews conducted with both participants in learning programs (n=17) and lecturers (n=9).

The most typical answer was offered by one of the participants in the interview: "*All the knowledge gained over the project already helps me in my professional career, and it will help me expand into digital marketing related fields in the near future*". Six of the 17

participant interviewed have already seen benefits in their careers; the remaining 11 participants are optimistically confident that the skills and knowledge obtained in the Micro Masters will benefit their future career advancement.

All the students and lecturers who were interviewed emphasized that students obtained a range of other skills such as: taking responsibility for team management, building international networks, learning from each other, leadership, brainstorming, data mining and commentary skills. It is noted that all achievements are further developed in the intercultural communication process.

This level analyses the differences in the participant's behaviour at work after completing the program. Assessing the change makes it possible to figure out if the knowledge or skills the program taught are being used the workplace. All interviewed program participants reported positive shifts in entrepreneurial, digital communication and digital marketing skills and have emphasized improvements in the international teamwork, project management skills, digital marketing strategy, social media marketing and influencer marketing, time management, online communication, work under pressure, networking and planning and improved English language competencies. Interviewed program participants have also reported improvements in theoretical and applied knowledge in digital communication and marketing, methodologies of business development, knowledge about different cultures and experience in working with people from different cultures and backgrounds.

3.4 NWKM level 4: results

Level 4 data is the most valuable data covered by the Kirkpatrick model; it measures how the training program contributes to the success of the organization as a whole. This level is dedicated to measuring direct results, the learning against an organization's business outcomes as the key performance indicators that were established before learning was initiated.

Prior to the implementation of this EU Erasmus+ program, we planned for each individual Micro Master learning program that all obligations of each program would be completed by 80 participants. As mentioned above, a total of 358 participants applied for both learning programs, of which 273 participants passed all the requirements positively. In both curricula, we exceeded the planned goals.

All interviewed participants agreed that the programme provided them with an international experience and even emphasized that this was one of the Micro Masters' strongest aspects.

4 Conclusion

Relying on insights from a survey questionnaire (students: n = 153), representative semi-structured interviews (students: n = 17; lecturers: n = 9), and the analysis of primary data - learning outcomes of participants in learning programs (successes were

assessed with school grades) and using the New World Kirkpatrick Model as an analysis framework, we found that the curriculum of both Micro Master programs was highly valued and shifted participants' perceptions. Participants identified enhanced knowledge and skills that could be applied to different facets of their work; increased confidence in their ability to execute tasks on their job; and intention to use the content in their future job. Overall, we found consistently high levels of satisfaction across the four levels of the NWKM, in relation to the effectiveness of the training, the quality of the program, the effectiveness and internationalisation of the training as well as its applicability to the organization and to the workplace.

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From reviewers' opinions

Rapid technological, geostrategic, and economic and social changes present many challenges for researchers worldwide, where entrepreneurial, communication and marketing knowledge is becoming an important market raw material and a condition for comprehensive social development. The present multidisciplinary monograph through an introductory and eighteen important scientific articles which follow presents a valuable scientific contribution in the field of social sciences and an essential contribution of researchers from four countries involved in the EU Erasmus+ project Micro Master to the general development and transfer of new, proper knowledge in business, entrepreneurial, communication, and marketing sphere. All texts are content-related and structured, up-to-date, and understandable, transparent, and convincingly written. Using different methods of the scientific apparatus, the authors contextually summarize international studies from relevant fields at different levels. These are intertwined with original theoretical and empirical studies by participating authors, which are explanatory and affirmative. Contributions in the monograph reflect the changes in the business and social environment brought about by the digital and cyber society, particularly regarding the increased complexity of processes that require a multi and interdisciplinary approach in entrepreneurship, communication, and marketing. The added value of this monograph to this EU Erasmus+ project, which will be primarily valuable for researchers, students, and start-up entrepreneurs, is in the detailed evaluation of the project and its two six-months Micro Master learning programs for young graduates at the beginning of their entrepreneurial journey.

Prof. Dr. Vito Bobek
University of Maribor, Faculty of Economics and Business, Slovenia

The topics in the monograph entitled Entrepreneurial and Communicative Mind in Action reflect the questions we ask ourselves in everyday life which is completely conditioned by the level of development of information - communication technology and new media. The monograph sensitizes the reader to the importance of the two key competencies - entrepreneurship and digital skills. The titles have an informative and analytical dimension. The authors' pluralism and comparative approach confirm global tendencies and the global market that faces the same challenges: types of marketing, security, as well as problems such as hate speech, political barriers, etc. This is a fresh work that deals with current social developments caused by the COVID-19 crisis that highlighted the importance of digital society and digital communication. The digital services (trade, education, services) in the pandemic significantly affected the social environment. It is likely that the positive benefits will be rapidly applied and will mean a benefit in many social aspects, especially in the economy and business, which are becoming extremely technologically defined. This monograph is easy to read and interesting for both professional audiences and the general public. The monograph is based on fresh and reference sources that treat the problems on a theoretical and

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empirical level. These analyses confirm the global tendencies and the need for a global view of the future at the philosophical, political, economic, and legal levels.

Prof. Dr. Jasna Bacovska
University of Ss. Cyril and Methodius - Skopje Law Faculty Iustinianus Primus, North Macedonia

Entrepreneurship, communication, and marketing are among the most affected areas by technological improvement. Changes in the practical field also affect academic research, and the need for new studies in the academic field. In the monograph, which was prepared with the contributions of the authors from four countries as an output of the Erasmus+ project Micro Master, it is possible to trace the changes in entrepreneurship, communication, and marketing. These all eighteen studies are up to date, clear, improving the field of social sciences. This monograph, which was prepared as a result of the Erasmus+ project, creates qualified value which will lead for those who are interested, especially researchers and students.

Assoc. Prof. Dr. Nihal Kocabay - Şener
Istanbul Commerce University, Faculty of Communication, Turkey

In *Entrepreneurial and Communicative Mind in Action*, the contributors combine and explore a broad range of topics that impact upon brand recognition and reputation as well as brand-customer relations. By doing so, the volume explores not only the challenges but also the multiple opportunities for entrepreneurs to take their ideas forward. The contributors are successful in focusing on the recent technological developments and societal changes as well as the latest trends in the various sub-disciplines of communication and marketing. That is, of course, vital in today's fast-changing environment. The scope and nature of the volume makes it a potentially important and useful tool not only for the practitioners – entrepreneurs – but also to university faculty teaching diverse subjects across communication and business programs. Another benefit of the volume is its international scope, with the contributors providing diverse perspectives and truly international examples. Simultaneously, the volume works somewhat against the grain – while similar books usually focus on and draw experience from Western Europe and North America, here the geography is shifted towards Southern and Northern Europe, thereby contributing to the existing knowledge in an important way. The contributors themselves are, clearly, of a high calibre and are able to combine global issues and trends with local expertise really successfully. Overall, then, the volume is to be recommended for publication.

Lect. Eugenija Kungienė
LCC International University, Lithuania

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