

# PROMOTION TOOLS APPLIED BY POLISH INVS ON FOREIGN MARKETS

*Lidia Danik*

*Warsaw School of Economics, Poland*

*Katarzyna Kowalska*

*Warsaw School of Economics, Poland*

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## *Abstract*

*Marketing capabilities are argued to be one of the critical capabilities of International New Ventures (INVs) facilitating their early internationalization. Although companies from post-transformation Central and Eastern Europe Countries are active and successful participants of the global market, their marketing capabilities were not subject to the complex studies yet. This paper addresses this research gap and aims to identify the types and importance of the promotion tools applied by INVs from this region. It presents the results of the multi-mode method (CATI combined with CAWI) study of 297 Polish small and medium INVs. It shows, that they rather do not apply a very diversified set of promotional tools. The most common tools applied by them on the foreign markets are trade fairs and exhibitions, internet advertising, PR, personal sales and Internet tools other than Internet advertising, with the most importance given to PR. The most differentiated set of promotion tools is applied by companies operating both on the B2B and B2C market.*

**Keywords:** INVs; Promotion tools; Marketing capabilities; Central and Eastern Europe Countries; B2B; B2C.

## **1. Introduction**

Small and medium-sized enterprises (SMEs) are commonly considered crucial engines for growth, job and wealth creation. During the recent decades, several phenomena, such as globalization processes, technological development and increasing heterogeneity caused important market changes which affected SMEs behavior and ability to compete in the international arena (Bocconcelli et al, 2018). Those changes are also applied to SMEs that internationalize rapidly soon after their foundation known as International New Ventures, the development and activities of those highly performing SMEs that participate actively in cross-border trade represent nowadays an optimistic and contemporary trend for international business (Cavusgil & Knight, 2015).

Although the phenomenon of INVs internationalization has attracted academic and practitioner interest, the scholars around the world have focused mainly on INVs from

developed countries. Little is known about newly born international firms operating in post-transformation economies, such as Central and Eastern Europe (CEE) countries that after 1989 have abandoned an economic system based on state ownership and a centralized control of production, starting the construction of free-market economy. After joining the European Union many of them, including Poland, have been on track toward the level of Europe's most advanced economies and now are experiencing the emergence of new ventures, including global startups. They are also important for emerging countries in terms of innovation generation, creation of new products and the development of own business models that contribute to wealth and jobs creation (Baranowska-Prokop & Sikora, 2017; Nardali, 2017).

Despite its dynamic economic and technological development, this part of Europe has been neglected as a source of marketing science development and is grossly underrepresented in the literature. The scarcity of studies refers also to marketing capabilities (Martin et al., 2017) and especially, the promotion and sales tools used by INVs to support sales and speed up their international expansion.

The present article aims to fulfill this research gap and to identify the types and importance of promotional and sales tools used by INVs from CEE post-transformation countries, taking as example INVs from Poland. The choice of the article and selecting Polish INVs was also motivated by previous studies of Polish INVs that revealed their lack of promotional effectiveness including shortcomings in using non-standard forms of promotion (Danik & Kowalik, 2015).

## **1. Literature review**

### ***1.1. Marketing challenges faced by INVs***

The emergence of companies that internationalized just after creation is closely linked to the internationalization of SMEs and over the last decades has attracted both academic and practitioner interest. This type of firms is known as INVs (McDougall, Shane, & Oviatt, 1994), global start-ups (Oviatt & McDougall, 1995), born globals (Knight & Cavusgil, 1996; Madsen & Servais, 1997) and instant internationals (Preece et al, 1999). According to Knight (2015), INVs are companies that undertake international business at or near their founding. They are characterized by a high export share in total turnover (over 25%) reached within the first years of internationalization, wide geographical scope of expansion, and so-called global vision and international experience of their managers. The INVs are also known by their international business commitment, superior international business networks, offering high-value goods and flexibility to adapt to evolving environmental conditions (Rialp et al., 2005).

Although INVs are positively associated with high innovative skills, including an ability to access effective R&D and distributions channels (Madsen and Servais, 1997), they face continuous uncertainty and huge internal and external challenges connected with survival and success in foreign markets. Luostarinen and Gabrielsson (2002) defined four types of challenges: financial, sales and marketing, research and development (R&D) and managerial that INVs need to overcome. According to Rennie (1993), those challenges are due to the lack of resources, management transition issues, financial access, market information and lack of innovation in their business. Their markets often are characterized by high growth and turbulence (Nardali, 2017) and they must compete with well-established and trusted firms with an international reputation and established brand names which are depositors of trust and market acceptance (Mort et al, 2012). In terms of newness, INVs are unknown entities to potential customers which often translate into a lack of trust in their abilities and offering.

Although marketing is considered to be of utmost importance for the success of the SMEs and a major driver of performance among INVs firms, INVs are experiencing marketing challenges that cannot be dealt with the general marketing perspective (Mort et al, 2012).

Nardali (2017) stated that new ventures have distinct characteristics that distinguish them from larger, more established organizations, highlighting that newness and small size they encounter in their marketing efforts must be considered. Also, the turbulent environment triggers marketing challenges related to limited information available for marketing planning and marketing decisions, very low predictability of market and unstable relationships with crucial partners (Gruber, 2004). Lack of innovative marketing techniques is also one of the internal obstacles encountered by the INVs on the way to their success (Luostarinen & Gabrielsson, 2006). According to Luostarinen and Gabrielsson (2006), INVs underestimate marketing resources needed to enter into global markets. The other possible factors are connected to the late hiring of the sales and marketing people. This is why the INVs are challenged to establish internal structures and processes by defining new roles and tasks which, due to resource scarcities and lack of experience in marketing, is a demanding task.

It is also worth noting that marketing planning in Central and Eastern Europe countries is relatively not developed (Hooley et al, 1996). Kobylanski and Szulc (2011) stated that SMEs in CEE are usually implementing marketing actions only on a small scale. They are influenced by the owner/manager's marketing skills, knowledge and attitude, but due to organizational limitations, those activities tend to be very simple, intuitive and not coordinated. SMEs approach to marketing is entrepreneurial and reactive. Many decisions are made in an intuitive way, rather than based on the information. As stated by Kowalik (2015) Polish-based INVs have more individualized and flexible approach to clients which is emphasized as an important competitive tool. Because of the small size of the organization and limitations regarding finances and personnel, young companies seek a high degree of effectiveness and efficiency in the marketing efforts, developing low-cost creative solutions (e.g. guerilla marketing) to produce a strong impact on the marketplace (Gruber, 2004).

### ***1.2. Marketing Capabilities of INVs***

To overcome those marketing challenges, it is important to develop marketing capabilities (MCs) and tools. MCs play a major role in INVs development and are suggested to be key drivers of the accelerated internationalization of highly performing global SMEs (Weerawardena et al., 2007). According to Day (1994), they can be considered as the skills and competences the firm possesses that help it to understand changes taking place in its markets, together with those that enable it to operate more effectively in the marketplace. MCs were defined by Day (1994) as the integration processes designed to apply the firm's collective knowledge, skills and resources to the market-related needs of the business, enabling the business to add value to its goods and services, adapt to market conditions, take advantage of market opportunities and to meet competitive threats. According to Ripolles & Blesa (2012), those competences are related to market information gathering, sharing and dissemination, launching successful new products and customer and supplier relationships development. The INVs with marketing capabilities are able to develop expertise that allows them to confront new information and challenges in a more timely and opportune manner. By developing them, the firms will be able to identify and carry out the changes their business opportunities require in order to meet better the demands of their foreign customers.

MCs are firm-specific and can represent knowledge diffusion within a country or region (Cortez & Johnston, 2018). Weerawardena et al. (2007) argued that the most critical capabilities in INVs internationalization and international performance include a market-focused learning capability, internally focused learning capability, networking capability, and marketing capability. Such capabilities in combination with superior qualifications of company founders (such as having an international entrepreneurial orientation, a general learning orientation, and prior international experience) allow INVs to develop high-value-added products and services

that facilitate early internationalization. Vorhies and Morgan (2005) identified eight specific market capabilities with impact on firms': pricing, product development, channel management, marketing communication, selling, market information management, marketing planning and marketing implementation. According to Francioni, Pagani and Castellani (2016), the role of marketing-related factors is addressed mainly by the availability of marketing capabilities and adoption of ICT (Information and Communication Technology)/web technologies for access and interaction in foreign markets. Falahat et al (2018) highlighted that emerging market INVs with an entrepreneurial orientation and networking capability are more likely to develop a robust marketing strategy. These capabilities are strongly associated with superior performance in foreign markets. Zhou et al (2012) stated that INVs need to deploy marketing capabilities to support choices about how the venture will compete to reach target customers and achieve desired goals.

### ***1.3. Promotional tools used by INVs***

Marketing strategies are implemented through segmentation, targeting and positioning. Marketing as tactics/methods focuses on the use of marketing mix known as 4 P's: product, place, price, promotion and it is related to the implementation of marketing strategy (Reijonen, 2010). The selection of international marketing strategies and its implementation using, among others, promotional and sales tools is one of the most difficult tasks for the INVs. According to Martin et al (2017), promotion capability can be considered as the skills and accumulated knowledge which exporters use to effectively deliver marketing messages.

Sending offers and personal sales are one of the most important tools applied by the INVs. As INVs are small in business scale dealing with a small number of international firms and partners, so they prefer to use personal contacts to manage their relationships with important customers instead of impersonal marketing through mass promotions. They rely more on personal networks than well-organized sources of customer information (Kim et al, 2011) and in many companies, INVs business is built on the positive nature of the staff and customer interactions and relationships (Gilmore, 2011). Moreover, the ability of the owner/manager to have meaningful dialogues and interactions with customers is often the unique selling point of the business (Stokes, 2000).

Such interactions with customers rely on word-of-mouth communication (WOM) which are considered the most influential ways of promotion and consist of informal, person-to-person communication (Stokes, 2000). Despite its weakness related to non-controllability and self-limiting to the boundaries of the networks, it suits well companies with limited resources (Reijonen, 2010), such as INVs. It can also be considered as a source of innovative ideas (Stokes, 2000). According to Reijonen (2010), the survival of a firm is often dependent on sales, so that, marketing activities in small firms are commonly related to selling processes. Taking into account that start-ups and SMEs generally have small budgets to spend on promotion, they need to promote their business by word of mouth and other below the line activity.

Companies also rely on referrals, recommendations, certificates and awards won in contests which boost their visibility, credibility and legitimacy. The INVs firms demonstrate a number of techniques to enhance it, including prizes, international accreditations, participation at international conferences and seminars or media recognition used to authenticate their products (Mort et al, 2012). It is worth highlighting that having a network of overseas customers increases credibility not only at the international level but also at the domestic level (Francioni et al, 2016).

Participation in trade fairs and exhibitions is perceived as one of the main tools helping not only to close the first contact with potential clients, winning sales leads, promoting the company but also managing the relationships and gaining a good reputation (Falay et al, 2007).

Sponsoring is related to financial or in-kind support of an activity and is used primarily to reach specified business goals. It has primarily been used in connection with sports stars, sporting events and teams, but it is becoming more widespread in relation to cultural and other events (Hansen & Scotwin, 1994). As a promotional tool, sponsoring can include sponsorship of press rooms, an international lounge, a speaker or VIP room, an awards reception, educational programs and others. It helps to enhance the INVs image, shape consumer attitudes and raise brand award. It can be also used to drive sales and showcase product attributes.

Taking into account that INVs internationalize their products and services in different countries, with different cultures and different languages, the "culture-of-origin" plays a crucial role to understand publics' behaviour, affects the way in which communication is conceptualized and constructed in global public relations (Rittenhofer & Valentini, 2015). Cross-border public relations (PR) can be viewed as an implicit part of their everyday approach to building and sustaining business relationships.

International trade is also boosted by the internet, virtual proximity to markets and cost reductions related to business transactions. The possibility to connect the world anywhere and at any time gives entrepreneurs from emerging markets a great opportunity to participate in the global markets (Martin et al, 2017). Technological and scientific developments in the ICT sector in the last years have penetrated the business arena, changing the ways firms organize, manage their resources and implement communication activities and promotional tools (Bocconcelli et al, 2016). INVs seek innovative combination and recombination of resources in the use of online marketing and strategic publicity (Mort et al, 2012). The inclusion of ICT and web technologies by INVs can be considered as factors facilitating the expansion in foreign markets. ICT tools, such as company websites, online videos, documents and social network tools serve as a very important communication and sales tool and can be a very useful way for SMEs to expand their marketing activities because of its cost-effectiveness and possibility to reach a wider or specific target market. Its adoption and proper use is still constrained by the characteristics of the owner/manager, the organizational culture and available financial resources (Bocconcelli et al, 2016).

According to Gilmore et al. (2007), e-marketing activities allow entrepreneurs to advertise their products and services more widely at less expense. The INVs can use e-mail as a marketing tool to raise awareness of promotional activities which help them to decrease the costs of printing materials, such as catalogues and glossy brochures. Digital marketing may be helpful also to collect information about potential foreign markets and enhance their credibility and visibility by creating a professional image with an efficient website. Sinkovics et al. (2013) analyzed the drivers and performance of two approaches to supporting export marketing using the internet: the internet as an alternative or a substitute to a physical market presence and the internet as a sales channel. His research showed the positive relationship between online channel support and export performance, but no relationship between the adoption of the internet as an alternative to a physical presence and export performance. Social networks also play a mediating role in the relationships between inward and outward internationalization, helping to speed up the process and make it more profitably (Nardali, 2017). Companies also claim to have high-quality distribution partners responsible for the sales in foreign countries who were carefully chosen, well-trained and managed under a great attention.

Networking is used by INVs as a promotional tool to develop a range of alliances and collaborative partnerships. It is also helpful to connect to lead markets, contact foreign customers, suppliers and distribution channel representatives (Nardali, 2017) and can also be viewed as a way to overcome the scarcity of resources (Bocconcelli et al, 2016). According to Martin et al (2017) sales service capabilities enable firms to use pricing skills to respond quickly to customer changes, so it is important to attract and retain personnel that could provide INVs

pre-and-after sales technical support, availability, expertise and quality. INVs should strongly invest in marketing capabilities centered on promotion, along with service based on sales and distribution.

#### ***1.4. Differences between B2B and B2C promotion***

Selling products and services to consumers is driven by desires, needs and emotions, while businesses are often motivated by more logical and rational considerations, such as price, business relationships or time-saving.

SMEs and INVs operating on both B2B and B2C markets use different types of promotion and sales tools. As the B2B buyers require often much more information and individual approach than B2C customers, the promotional tools involving personal communication, such as personal sales or trade fairs, are used more frequently on B2B than on the B2C market, whereas advertising is perceived to be more important in the B2C companies. Also, in online communication more attention is paid to relationship building with B2B customers, therefore, instruments such as online events and product demonstrations are popular, whereas B2C marketers prefer online display advertising and sales promotion (Jensen, 2006).

Regarding marketing strategy and according to Cortez & Johnston (2018), B2B segments are more important to INVs than B2C segments, since these can be reached with more limited marketing budgets than traditionally globalizing companies have.

## **2. Research questions**

Taking into consideration past research, we can suspect that Polish INVs may tend to use rather a low cost (due to limited resources) and not very advanced (due to limited marketing competencies) promotion tools. Moreover, we expect some differences in the application of promotional tools depending on the type of markets (B2B vs B2C) the companies operate on. However, our literature studies do not provide us basis to formulate hypothesis regarding the type of promotional tools applied by Polish INVs in their international marketing activities. As this subject was not studied before, our study has an exploratory nature. The aim of this study is to answer the following research questions:

- R1: Which promotional tools are applied by Polish INVs on the foreign markets?
- R2: What is the perceived importance of the promotional tools applied by Polish INVs on the foreign markets?
- R3: What are the differences in the application of the promotional tools on the foreign markets depending on the type of the customers?

## **3. Sample description and data collection method**

The data was collected between 31 January and 23 February 2018 using the multi-mode method that consists in combining the CATI (Computer Assisted Telephone Interviews) and (CAWI Computer Assisted Web Interviews) which allows taking advantages of both of them. The CATI method guarantees a high level of interview standardization and minimalizes the interviewer effect on data gathered. It enables to reach the respondents on high managerial positions and provides them with a feeling of bigger anonymity than in the face-to-face interviews. This method allows to enhance the data quality and to reduce the interviewing time. The questionnaires coding and entering data into the computer are eliminated in this case (Malhotra 2010, p. 213). Moreover, the costs of this method of data collection are relatively low. The advantages of CAWI are: allowing the respondent to see the questionnaire, making

the questions easier understood, low costs, quick access to partial data, lower risk that the respondent will make a mistake, anonymity of the respondents (Wójcicki, 2012). Combining CATI and CAWI method allowed us to avoid the most important deficiencies of each of them, i. e. potential problems with understanding the question (some respondents need to see the question on the screen, which is not offered in case of "pure" CATI, some other require additional explanation from the interviewer, which is not possible in case of "pure" CAWI), overuse of "Don't know" option, which is typical for CAWI or not using it, even if it would be justified in a given case, what can happen in case of CATI (Porritt & Marx, 2011) and not answering the e-mail request for participating in the study or discontinue to fill in the questionnaire, what is more common in case of CAWI.

The GUS (Polish Central Statistical Office) database combined with the Bisnode database updated at the end of 2017 and containing information about companies operating in Poland served as a sampling frame. The firms were drawn out of the population of 8750 existing and active Polish firms with 10-249 employees and belonging to the Industrial Processing (Manufacturing) sector of the Polish Classification of Activity. A randomized algorithm in the software for telephone surveying was used to draw the respondents, by an external market-research agency, which also conducted the interviews. The interviews began with screening questions eliminating companies not fulfilling the criteria described below. Among the companies meeting our preconditions, the response rate was 78.4%.

The firms in our sample were selected using the following criteria: manufacturing companies incepted after 1997, not being a result of a fusion or takeover, never being a subsidiary of a foreign company, having at least 25% export share in total sales. The respondents were persons responsible for the cooperation with foreign partners, mainly sales/export/marketing directors or firm owners. Sometimes also sales/export/marketing managers. These respondents were chosen, as they were expected to be most knowledgeable about the studied topics. Such a use of single key decision-makers and other individuals possessing the most comprehensive knowledge about the internationalization process is such as CEOs, managing directors or senior managers is widely adopted in the studies on INVs and international entrepreneurship (e.g. Rialp et al., 2005, Mort and Weerewardena, 2006).

The final sample comprised 297 companies. Half of them were established between 1997 and 2000 and only a few of them were incepted after 2009 (3%). Most of them (93%) had exclusively Polish capital. 146 firms were small companies with 10-49 employees and 151 employed 50 and more people. Only 9 companies reached the average sale over 10 Million Euro (Table 1).

Table 1 – Size of the companies under study (number of companies)

		Average sales (Million Euro)			Total
		0-2	2-10	10-50	
Number of employees	10 - 49	72	74	0	146
	50 - 249	1	141	9	151
Total		73	215	9	297

Source: Own elaboration.

150 of the companies under study sold their main products on the B2B market only. 81 were active both on the B2B and B2C market whereas only 66 companies were operating on the B2C market exclusively. Most of the companies started exporting within 1-3 years from inception, however about ¼ of them went abroad in the first year and 26% after 3 years from

being established. About half of the sample (131 companies) internationalized intensively reaching 25% export share in total sales within the first 3 years from inception (Table 2).

Table 2 – Type of market and internationalisation speed (number of companies)

Type of market		Time to reach 25% export share in total sales		Total	
		Up to 3 years	Over 3 years		
B2B	Time to start exporting (years from inception)	Up to 1 year	36	14	50
		1-3 years	35	29	64
		Over 3 years	0	36	36
	Total		71	79	150
Both B2B and B2C	Time to start exporting (years from inception)	Up to 1 year	11	4	15
		1-3 years	24	21	45
		Over 3 years	0	21	21
	Total		35	46	81
B2C	Time to start exporting (years from inception)	Up to 1 year	8	2	10
		1-3 years	17	18	35
		Over 3 years	0	21	21
	Total		25	41	66
Total	Time to start exporting (years from inception)	Up to 1 year	55	20	75
		1-3 years	76	68	144
		Over 3 years	0	78	78
	Total		131	166	297

Source: Own elaboration.

#### 4. Results and discussion

The companies under study were asked to reveal the five most important promotional tools applied in the international markets and to indicate their importance starting with 5 = most important.

All the respondents indicated at least one such tool with public relations being most frequently perceived to be the most important one (21.5% of indications), closely followed by trade fairs and exhibitions (20.2% of indications). Nobody perceived sponsoring to be the most important promotional tool on the foreign markets (Table 3).

Three of the companies under study did not mention any more promotional tools. The first of them promoted their products only at the trade fairs and exhibitions, the second one applied Internet tools other than Internet advertising (i.e. social networks) and the third one was using promotional tools other than listed in the questionnaire.

The promotional tools most frequently mentioned to be the second in importance by the remaining companies were again fair trade and exhibitions (20.2% of indications) followed by Internet advertising (18.2% of indications) and public relations (13.5% of indications).

Table 3 – Ranks of the promotional tools

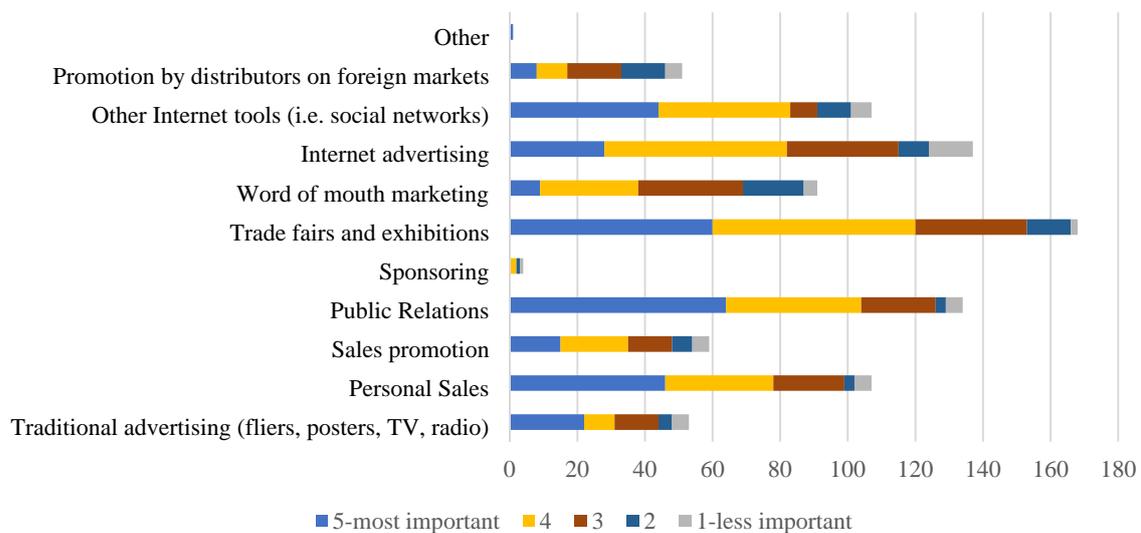
Promotional tools	Rank									
	1st		2nd		3rd		4th		5th	
	No	%	No	%	No	%	No	%	No	%
Traditional advertising (flyers, posters, TV, radio)	22	7.4	9	3	13	4.4	4	1.3	5	1.7
Personal Sales	46	15.5	32	10.8	21	7.1	3	1	5	1.7
Sales promotion	15	5.1	20	6.7	13	4.4	6	2	5	1.7
Public Relations	64	21.5	40	13.5	22	7.4	3	1	5	1.7
Sponsoring	0	0	2	0.7	0	0	1	0.3	1	0.3
Trade fairs and exhibitions	60	20.2	60	20.2	33	11.1	13	4.4	2	0.7
Word of mouth marketing	9	3	29	9.8	31	10.4	18	6.1	4	1.3
Internet advertising	28	9.4	54	18.2	33	11.1	9	3	13	4.4
Other Internet tools (i.e. social networks)	44	14.8	39	13.1	8	2.7	10	3.4	6	2.0
Promotion by distributors on foreign markets	8	2.7	9	3	16	5.4	13	4.4	5	1.7
Other	1	0.3								
Total	297	100	294	99	190	64	80	26.9	51	17.2

Source: Own elaboration.

190 respondents perceived at least 3 marketing tools to be the most important, 80 indicated 4 important marketing tools and only 51 respondents admitted that 5 marketing tools are important for them on the international market.

Figure 1 shows the results of the analysis of the promotional tools ranking and Table 4 - descriptive statistics of all the promotional tools mentioned by the respondents (the scale in the descriptive statistics reflects the place in the ranking).

Figure 1 – Number of companies applying given promotional tools on the foreign markets and the importance of these tools



5=most important, 1=least important among top five applied promotional tools  
Source: Own elaboration.

Table 4 – Most important promotional tools on foreign markets – descriptive statistics for the whole sample

Promotional tools	n	Min	Max	M	SD
Traditional advertising (fliers, posters, TV, radio)	54	1	5	3.72	1.32
Personal Sales	106	1	5	4.05	1.08
Sales promotion	57	1	5	3.58	1.24
Public Relations	134	1	5	4.16	1.02
Sponsoring	4	1	4	2.75	1.50
Trade fairs and exhibitions	169	1	5	3.96	0.99
Word of mouth marketing	91	1	5	3.23	1.02
Internet advertising	137	1	5	3.55	1.17
Other Internet tools (i.e. social networks)	107	1	5	3.98	1.17
Promotion by distributors on foreign markets	51	1	5	3.04	1.22
Other	1	5	5	5	-

Source: Own elaboration.

Among all the promotional tools, the trade fairs and exhibitions seem to be the most popular ones (see Table 4). One of the reasons for attaching such a great significance to this promotional tool could be the characteristics of the sample. Half of the companies under study is operating only on the business to business market, on which trade fairs and exhibitions are one of the most important promotional tools, as they allow to meet the potential clients in person and present the product advantages. However, a more thorough analysis shows that this explanation is not correct. Companies operating only on the B2C market and both on the B2B and B2C market tend to take advantage of trade fairs and exhibitions even more frequently than companies operating only on the B2B market (taking into consideration their share in the whole sample) – see Table 5 and Figure 2.

One can explain the popularity of trade fairs and exhibitions by their multi-functionality. They serve not only as the promotional tool but also allow to gather the market knowledge and to meet existing customers, existing and potential intermediaries and other network partners. It can be therefore one of the most efficient marketing tools applied abroad. As the sample consists of Small and Medium Enterprises (SMEs) it can also not be excluded, that the companies under study do not possess resources allowing them to apply the costlier promotional tools.

The second popular marketing tools is Internet advertising. This tool is not as frequently perceived to be the most important promotional tool as trade fairs and exhibitions, PR, personal sales and other Internet tools, however altogether the companies under study tend to use it very often as a tool complementary to the more important ones.

The third frequent but perceived as the most important one by the companies applying it is Public Relations. Such a high place of this tool is rather surprising as using it requires quite a deep knowledge of the foreign local media. Efficient use of PR can be therefore a sign of high marketing competences of the companies under study. On the other hand, similar to the promotional tools discussed above PR activities can be conducted without the high costs involved, therefore it can be applied by SMEs.

Both the Internet tools other than advertising and the personal sales are also ranked very high by the companies applying them. Social network promotion is again a very cost-efficient marketing tool. It is popular both on the B2B and B2C market. The personal sales, in turn, are almost inevitable in case of more complex products, especially those manufactured or custom-

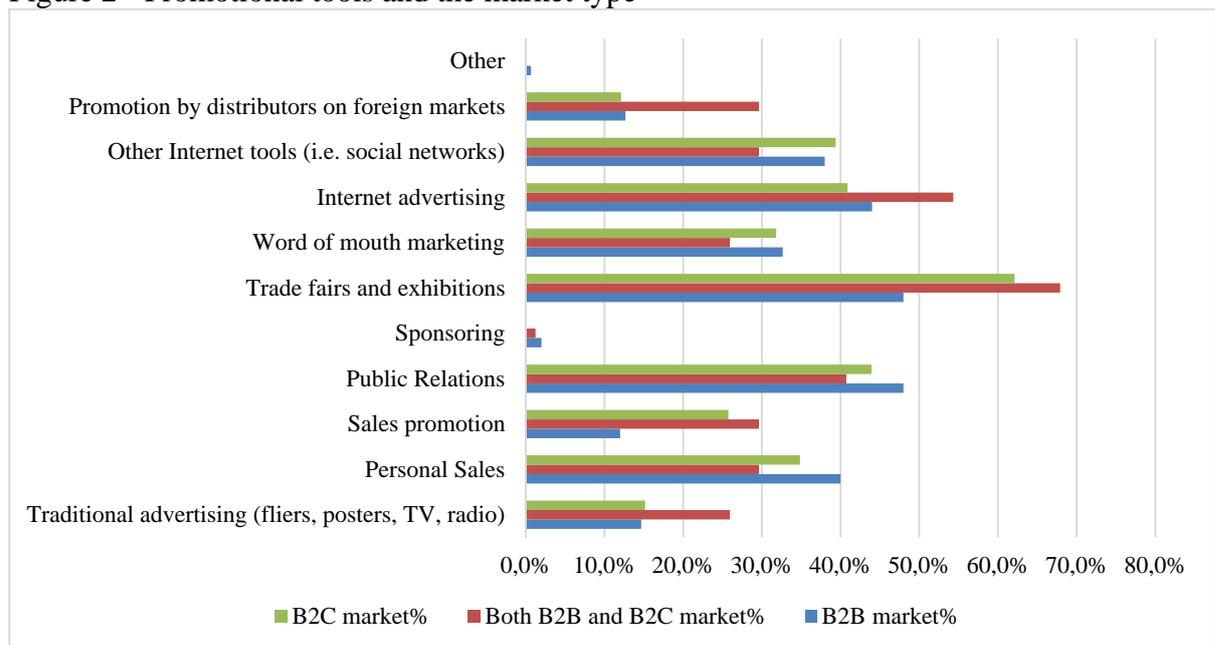
made in a non-series process in response to a specific order, therefore it is more common on the B2B market (Table 5).

Table 5 - Promotional tools and the market type – cross table

Promotional tools	The main product is sold on the						Total (number)
	B2B market N =150		Both B2B and B2C market N=81		B2C market – N=66		
	Number	% N	Number	% N	Number	% N	
Traditional advertising (fliers, posters, TV, radio)	22	14.7%	21	25.9%	10	15.2%	53
Personal Sales	60	40.0%	24	29.6%	23	34.8%	107
Sales promotion	18	12.0%	24	29.6%	17	25.8%	59
Public Relations	72	48.0%	33	40.7%	29	43.9%	134
Sponsoring	3	2.0%	1	1.2%	0	0.0%	4
Trade fairs and exhibitions	72	48.0%	55	67.9%	41	62.1%	168
Word of mouth marketing	49	32.7%	21	25.9%	21	31.8%	91
Internet advertising	66	44.0%	44	54.3%	27	40.9%	137
Other Internet tools (i.e. social networks)	57	38.0%	24	29.6%	26	39.4%	107
Promotion by distributors on foreign markets	19	12.7%	24	29.6%	8	12.1%	51
Other	1	0.7%	0	0.0%	0	0.0%	1

Source: Own elaboration.

Figure 2 - Promotional tools and the market type



Source: Own elaboration.

In order to test which of the companies under analysis apply a more diversified mix of promotional tools, we've introduced an index representing a number of tools used by a given company and then conducted a univariate analysis of variance. A one-way between subjects ANOVA was conducted to compare the effect of market type on the differentiation of the promotion tools applied. There was a significant effect of market type on the number of tools applied by the companies under study at the  $p < .05$  level for the three market types [ $F(2,294)=4.017$ ,  $p=0.019$ ]. Post hoc comparisons using the Bonferroni procedure indicated that the mean score for the B2B market ( $M=2.9$ ,  $SD=1.1$ ) differed significantly for both B2B and B2C market ( $M=3.3$ ,  $SD=1.1$ ). However, the number of the promotion tools applied by the companies operating exclusively on the B2C market ( $M=3.1$ ,  $SD=1.1$ ) did not significantly differ from the number of promotion tools applied by companies operating exclusively on the B2B market or on both B2B and B2C market – see Table 4.

Table 6 - One way ANOVA results

Type of market	Levene Statistic		N	M	Std. Deviation	Std. Error	95% Confidence Interval for Mean		Min	Max
	F	Sig.					Lower bound	Upper bound		
B2B	.611	.544	150	2.93	1.06	0.09	2.76	3.10	1.00	5.00
Both B2B and B2C			81	3.35	1.05	0.12	3.11	3.58	2.00	5.00
B2C			66	3.06	1.14	0.14	2.78	3.34	1.00	5.00
Total			297	3.07	1.08	0.06	2.95	3.19	1.00	5.00

Source: Own elaboration.

The companies operating both on the B2B and B2C market seem to apply the most diversified promotion mix closely followed by the companies selling their products on the B2C market exclusively whereas the B2B promotion tools are least diversified. These differences can be explained by the market conditions. The companies selling their products to the different types of clients have to use both tools typical for the B2B and B2C market, and the companies operating on the B2B market only may limit their promotional activities to the small range of tools allowing them direct communication with their clients. However, although the observed differences are statistically significant, they are not very big. For all of the groups, the average number of tools is about 3.

The t-Student test did not reveal any significant differences between the companies internationalising intensively directly after their inception and other companies regarding the application of promotion tools.

## 5. Conclusions and implications

The marketing tools applied mostly by Polish INVs on the foreign markets are trade fairs and exhibitions, internet advertising, PR, personal sales and Internet tools other than Internet advertising. Sponsoring is hardly applied by INVs on their foreign markets. Promotion by distributors, sales promotion and traditional advertising are also not very common. Although trade fairs are the most popular tools, Public Relations is perceived as the most important one. Companies operating both on B2B and B2C markets apply the most differentiated set of promotion tools on their foreign markets. They use trade fairs and exhibitions, Internet

advertising, promotion by distributors and traditional advertising more frequently than companies selling their main products exclusively on B2B or B2C markets. PR and personal sales are more popular in case of B2B companies than companies operating on B2C or both B2C and B2B markets, whereas companies selling their products to B2C customers only apply Internet tools other than Internet advertising (i.e. social networks) more frequently than other companies.

With this study we contribute to the call for more research focused on INVs from Central and Eastern Europe which until now have been underrepresented in the literature.

As discussed above Polish INVs tend not to use very diversified promotional tools what may be an indicator of their limited promotional competencies. These limits seem not to concern the tools requiring good relationship building competencies such as fair trades and exhibitions and PR and the Internet promotion tools. Therefore, we would suggest Polish policymakers invest in training programs for Polish exporting SMEs allowing them to enhance the missing competences, what could boost their international growth.

## 6. Limitations and future research

The study is the first one investigating the application of promotion tools by Polish INVs. Although the results are limited to companies originating in Poland, we cannot exclude that they refer also to firms from other CEE countries or generally, to INVs, therefore we propose to repeat it on the samples from other countries. It would also be advisable to compare the results with the sample of SMEs not achieving the 25% of export in their total sale or the companies, which do not export at all.

Conducting the statistical analysis, we have encountered some limitations resulting from the scale applied to investigate the ranking of the importance of promotion tools. Although this scale corresponded with the study objectives and allowed us to answer the research questions, we would suggest applying a Likert type scale describing the importance of each promotional tool in the future studies. It would allow more sophisticated statistical tests.

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