

Marketing and Finance: Synergy of Knowledge and Innovation

An Overview of Advances and Challenges in Integrated Business Management

Workshop assignments of students Marketing and Market
Communication Program at Krakow University of Economics

Edited by
Janusz Nesterak & Anna Kołodko



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Introduction

In today's world, especially in developed economies, we are witnessing an overwhelming number of companies offering excellent products and services. However, due to the surplus of these offers in the market, the key to success lies in finding effective ways to reach potential customers. Simply having a good business idea and creating high-quality products does not guarantee that entrepreneurs will find buyers. Therefore, it becomes necessary to actively seek out and engage customers who will appreciate the offered products and/or services and decide to purchase them.

Marketing, broadly understood, is the tool that supports entrepreneurs in developing their businesses and plays a crucial role regardless of the company's size. Every business is established to generate profits and financial benefits, and these can only be achieved through effective sales. Marketing not only supports sales but also brings a range of other benefits essential for growth and maintaining competitiveness in the market. Through marketing, we can convey key information about our products and services, increasing brand awareness and recognition among a wide audience of consumers. Daily marketing activities allow companies to educate the market about the benefits of their offerings, leading to more informed purchasing decisions. Effective marketing fosters interactions with customers, which subsequently builds relationships and increases their loyalty to the brand.

Moreover, well-thought-out marketing activities help shape a positive company image, which is crucial for building trust and credibility in the market. Adequate and well-directed promotional activities directly influence sales growth, creating a solid foundation for achieving profits. Through well-planned marketing strategies, companies can discover new markets, customer segments, and opportunities, paving the way for further business development. Marketing actions provide feedback to the business, and marketing data analysis delivers valuable insights that support business decision-making processes. It is also worth noting that marketing helps companies stay afloat: in a dynamically changing market, marketing helps businesses adapt to new trends and customer expectations, which is essential for their survival.

Lastly, treating marketing as a long-term effort, companies can expect that effective marketing actions lead to business growth, contributing to the development of the entire industry by introducing innovative solutions and raising standards. This, in turn, benefits consumers who are eager to return to high-quality products and services, thereby contributing to the growth of an established brand in the market through increased purchase volumes.

Therefore, in today's highly competitive world, marketing is the tool that not only supports sales but also builds lasting relationships with customers, strengthens the company's reputation, and enables continuous development and adaptation to changing market conditions. As Philip Kotler once said, marketing is the art of finding ways to win for our products. Applying appropriate marketing strategies allows not only to survive but also to succeed in business.

This monograph is dedicated to the posters created by students who successfully completed the "Corporate Finance" course at the University of Economics in Krakow in the 2023/2024 academic year. They have illustrated their knowledge of the intersection of finance and marketing acquired during the lectures led by Prof. UEK dr hab. Janusz Nesterak in graphical form through posters. They created a collection of mini-masterpieces delving into the critical intersection of finance and marketing, highlighting how financial strategies and considerations impact marketing outcomes.

Starting with the financial aspects of marketing, such as budgeting and financing, to measuring the return on marketing investments, these posters provide a comprehensive insight into the financial mechanisms underpinning successful marketing campaigns. Topics explored in this collection include the significance of effective marketing budgeting, sources of financing, and the financial impact of high-profile advertisements like those during the Super Bowl.

Additionally, through this collection, one can observe how marketing strategies influence financial performance, emphasizing the role of key performance indicators (KPIs) in tracking and enhancing marketing effectiveness. The posters also illustrate the integration of financial considerations in public relations activities and the calculation of return on marketing investment (ROMI), offering valuable tools and perspectives for both marketers and financial managers.

Further posters focus on the **strategies and marketing trends** driving effective marketing in today's dynamic environment. Highlighting contemporary marketing trends, the effectiveness of various marketing tactics, and strategic decisions shaping brand success, the authors investigate the profitability of influencer marketing, providing readers with insights into how brands leverage influencers to expand their reach and engagement. The students also comment on the most important aspects of branding in the 21st century, emphasizing the importance of maintaining a strong and consistent brand identity, and marketing budgets and strategies used by selected companies, offering case studies and best practices.

Subsequent topics in this collection explore the role of influencer marketing in promoting major brands like Coca-Cola, demonstrating real-world applications of these strategies. Modern and very topical green marketing and its implementation by various companies highlight sustainable practices and their impact on brand perception. Other posters discuss the effectiveness of referral marketing and methods of funding marketing campaigns, providing a comprehensive overview of modern marketing strategies.

Technological innovations in marketing are another group of posters emphasizing cutting-edge technological achievements transforming the marketing landscape. Today, apart from traditional marketing, which still finds application, the main focus is on integrating new technologies into marketing strategies, showing how these innovations support increased efficiency and customer engagement, leading to a competitive advantage. A special mention is given to the innovative Polish mobile payment system BLIK, a technology revolutionizing payment methods. In addition, the posters present new technologies in marketing, including the world of digital capital, such as cryptocurrencies, and how they change financial interactions in marketing. They also explore the multifaceted nature of marketing issues in the finance sector and the synergy created at the intersection of finance and marketing, challenges associated with the anticipated global GDP decline, and the potential of a cashless world. Moreover, the topic of credit score assessment by artificial intelligence and its implications for both marketers and consumers becomes a significant subject for critical discussions among marketing students.

Another important thematic thread presented in this intriguing collection of posters is the **complex dynamics of the market and consumer behaviour**, informing how various external and internal factors shape consumer behaviours and strategic decisions of companies. Moving on to international finance and the world of currencies, the authors illustrate how global financial trends influence marketing strategies. The financing of event marketing and its impact on consumer engagement, as well as success stories of companies like InPost and their innovative approach, follow the modern development of enterprises. The influence of social media marketing on consumer behaviour, challenges and opportunities related to encouraging young people to invest in the stock market, and the dynamics of the sports sponsorship market in Poland are as alive as ever, and the most current topics concerning Polish and international enterprises.

Through **case studies and specific examples** illustrating practical applications of marketing theories and strategies, the posters emphasize real-world scenarios and lessons learned from successful marketing campaigns. They reveal the marketing and financial success of WK DZIK, providing an in-depth analysis of their strategies and results. The phenomenon of Black Friday is analysed, showing its impact on consumer behaviour and sales.

In the context of **workplace performance**, the young marketers focus on the importance of efficiency in the workplace and the role of financial liquidity in maintaining healthy business operations, showing how financial management in the workplace contributes to overall efficiency and success.

Marketing and market communication are fundamentally important for the **finances and controlling** of enterprises, creating an integrated management system that optimizes profits and operational efficiency. The feedback loop between finance and marketing and market communication creates synergistic effects, allowing companies to efficiently manage their resources, optimize costs, and maximize revenues. Ultimately, strong cooperation between these areas leads to sustainable development and long-term business success – a fact well conveyed by the students in their posters this year.

We invite you to immerse yourself in this fascinating collection of posters by young marketing professionals, ambitiously presenting important issues at the heart of today's enterprises. These budding professionals, at the start of their careers, demonstrate a deep understanding of how marketing and finance intersect in everyday business reality, bringing profits to their owners and growth to their employees and entire industries, actively contributing to the overall economic growth.

Prof. **Janusz Nesterak** & mgr **Anna Kołodko**

Krakow, August 2024

Part I

Financial aspects of marketing

Accounting Liquidity

Accounting liquidity is a company's ability to pay current obligations.

Lack of accounting liquidity can lead to difficulties in debts servicing, loss of financial ability and even bankruptcy.

Factors shaping accounting liquidity:

Short-term assets

Ability to transform assets and their components into money

Current liabilities

Accounting liquidity is a key component of a company's financial management and requires attention from both management and financial analysts. Good accounting liquidity management can help minimise financial risk and maintain business stability.

Preventing accounting liquidity loss requires a systematic approach and a focus on different areas of corporate financial management:

- **Effective working capital management:** control of inventory levels, shortening customer payment terms, negotiation of favourable payment terms with suppliers
- **Prudent investment planning:** avoiding excessive expenditure, planning investments with the actual needs of the company, various sources of financing
- **Efficient allocation of resources**
- **Systematic control of financial statements**
- **Maintenance of financial reserves for unforeseen events**

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IS A RESCUE FOR MARKETING BUDGET

Introduction

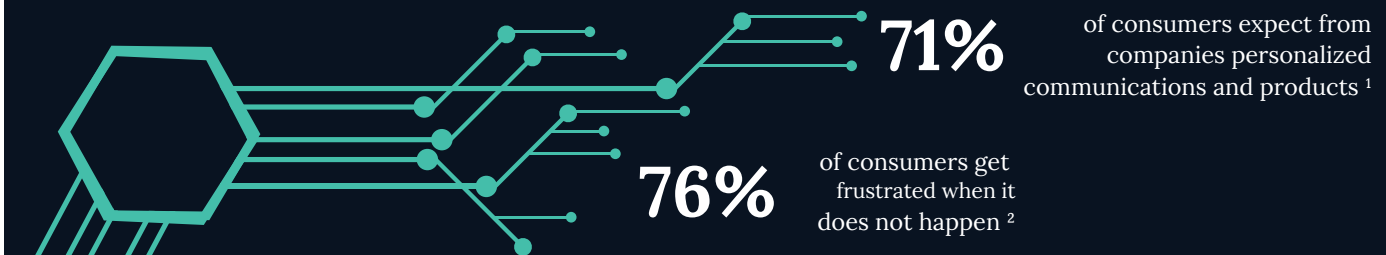
In the social marketing era, companies that extend personalized offers hold all the cards. For this reason, the market require fast and deep analysis. There is too much information to process at once for person or even a team. Is artificial intelligence a lifesaver for companies' budgets?

Research objective:

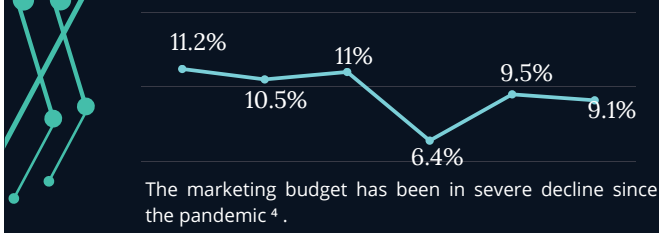
Analysis of Artificial Intelligence's capability in terms of improving company finances.

Methodology:

Secondary sources



It is not surprising that omnichannel personalization can achieve from 5% to 15% revenue increase across the full customer base ³. Marketing activities have a significant impact on the situation of companies.



That does not allow an in-depth analysis and personalization which each consumer require. 71% of CMOs from USA and Europe said they lack the budget and employees to fully execute their strategy in 2023 ⁵.

Because of it, using AI on a daily basis is a solution which will support the marketing budget. Due to ability to learn and analyse data will recognize the customers' preferences more effectively, forecast their requirements, thought process and provide more personalized offers than today. What is more, AI enables for example create chatbosts or virtual assistants that speak every language in the world, so also the language of consumer. Furthermore, AI can be used internally. Industrialization of AI makes a promise to support people in the process of data analysis (e.g. rate of convergence, demand, supply) and optimize prices.

Conclusions:

I will be widely used in enterprises because it can process more information in less time than people. This will allow companies to meet consumer expectations and optimize expenses.

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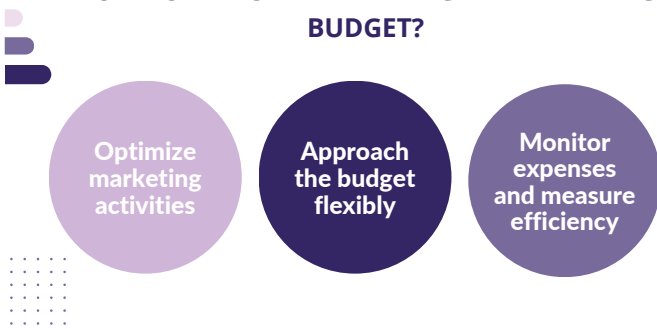
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 5. Press release - Gartner, Denver, Colo., May 22, 2023

EFFECTIVE MARKETING BUDGETING

MARKETING BUDGET

A marketing budget is the allocation of financial resources for marketing activities undertaken by a company, organization or individual. This is the amount that the company spends on promoting products or services in order to reach the target group and increase brand awareness or generate sales. The marketing budget can cover different types of expenses, such as: Internet advertising, public relations, e-commerce marketing, market research, design and production of marketing materials. The marketing budgeting process is strategic and requires taking into account many factors, such as available financial resources, market size or potential returns on investment. Companies must make appropriate balancing and distribute financial resources in a way that ensures optimal achievement of marketing goals. Budget monitoring and control are also important. It is also worth noting that the marketing budget which may depend on the size and industry of the company, as well as on specific goals and marketing strategy.

HOW TO EFFECTIVELY MANAGE A MARKETING BUDGET?



HOW TO CALCULATE THE MARKETING BUDGET?

The marketing budget can be calculated by multiplying the company's revenue by the percentage of revenue allocated to marketing. For B2B companies, it is recommended to spend about **5-10%** of revenue on marketing, while for B2C companies, **6-12%** of revenue is recommended. Looking at the big brands:

- Coca-Cola - 8%,
- Pepsi Cola - 9%,
- NIKE - 13%
- Red Bull - 35%!

Before you plan your marketing budget, determine the percentage of revenue that you will allocate to marketing activities. First, count how much you spend on marketing last year, then see what the revenue share was. Verify if you are able to increase that budget (5% is the suggested minimum).

SUMMARY

Regularly analyzing and optimizing the budget is essential for achieving success in promotional activities and achieving a competitive advantage in the market. Every business, should plan marketing expenses, regardless of the size of the brand.

TYPES OF MARKETING BUDGET

- **strategic marketing budget** - such a budget includes all long-term activities aimed at building the brand's position in the market. It is he who serves the brand to increase its strength and build the desired image that will remain in the minds of the audience in the long run.
- **tactical marketing budget** - as the name suggests, it focuses on short-term, tactical actions aimed at achieving specific sales goals. These can be, for example, a monthly subscription to marketing tools licenses, or individual actions aimed at increasing traffic to the website, bringing customers to an online store, etc.

WHAT MARKETING BUDGET DEPENDS ON?

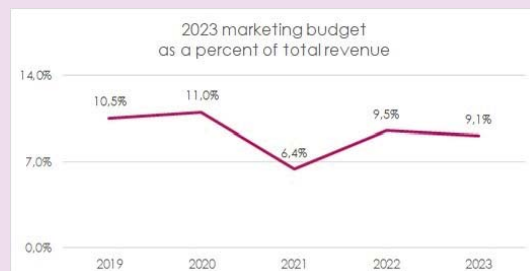
In business practice, the marketing budget depends on many factors that affect its shape and effectiveness, for example:

- **Marketing objectives:** Defining advertising and sales goals directly impacts the budget size.
- **Industry and market:** The industry type and market competitiveness can influence marketing needs and expenses.
- **Company size:** Larger companies typically have bigger marketing budgets due to their broader reach and scale of operations.
- **Marketing strategy:** Choosing a strategy, whether focused on content marketing, paid advertising, or social media efforts, affects budget allocation.
- **Product life cycle:** The stage at which a product is (e.g., introduction, maturity, or decline) determines marketing needs and financial investments.
- **Available resources:** The amount a company can afford to spend on marketing plays a crucial role in determining the budget.

Ultimately, the marketing budget results from analyzing these factors and making decisions based on priorities and the company's financial capabilities.

HOW MUCH IS SPENT ON MARKETING IN 2023?

In 2023 the average marketing budget as a percent of total revenue is slightly lower than in the previous year and amounts to 9.1%. This change is due to difficult macroeconomic situation and the associated increased inflation.

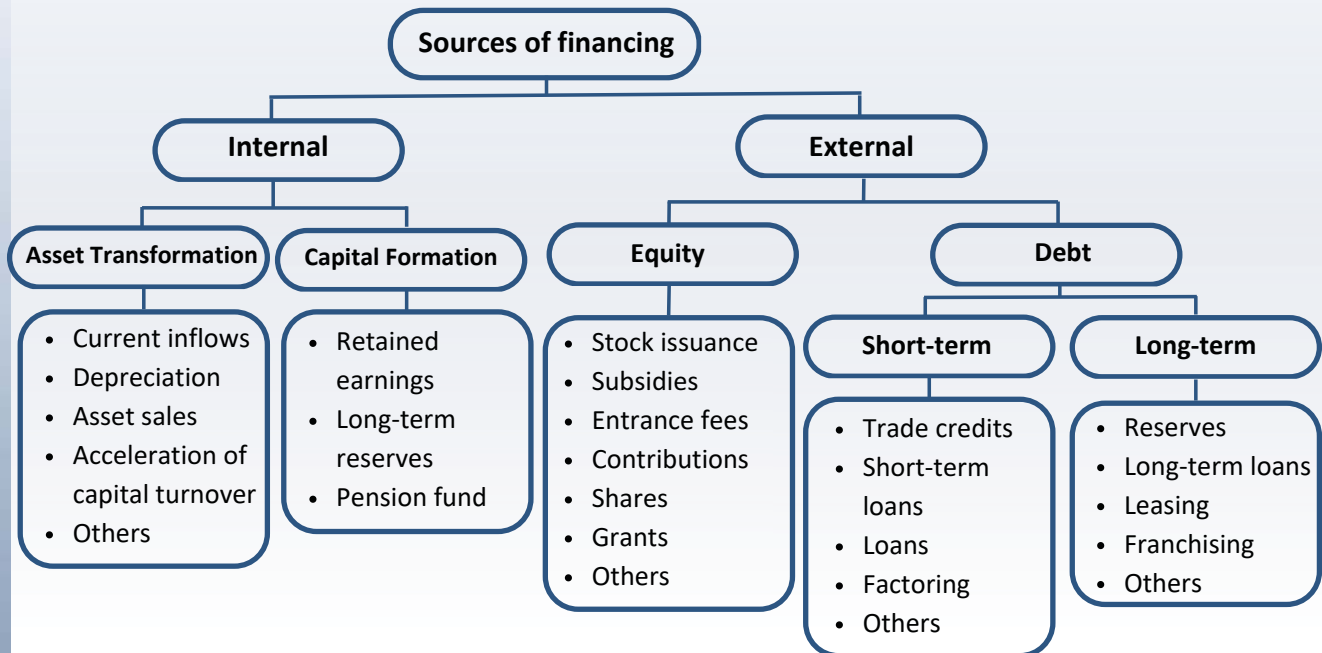


SOURCES OF FINANCING



Sources of financing

Financial resources received from external entities to enable the proper functioning of the unit, of which: subsidies, loans and credits, sponsorships, own funds and the others.



Effective financing

When talking about the financing structure, one often refers to the capital structure, the liabilities (the so-called right side of the balance sheet). In order to analyse the capital structure, it is necessary to calculate the values of financial ratios such as:

- total liabilities/equity,
- total liabilities/total assets,
- long-term (or short-term) liabilities/total assets,
- equity/total assets



We can distinguish two groups of theories for the analysis. The first is the **STATIC THEORY**, which gives a specific value for the capital required to finance the company, with the most important task being to identify the optimal structure. It is assumed that, through this theory, the business is looking for a target debt ratio. The second theory, called **DYNAMIC THEORY**, assumes the variability of the value of the capital that is necessary in the enterprise

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• FINANCIAL IMPACT ON BRANDS ADVERTISED ON SUPER BOWL •



The Super Bowl is one of the world's most recognisable and profitable sports events. For many companies, it is the perfect opportunity to represent their brand on a global stage. Let us consider, what real impact does brand representation at the Super Bowl have on a company's financial outcome?



Let us begin with how much will we pay for 30 seconds of advertising at the Super Bowl?

Year after year, the price of 30 seconds of screen time is increasing, however, there are many companies who, despite the high prices, are able to invest millions in advertisements because they can provide disproportionately greater profit. Over the last eight years, the price of those advertisements has risen by a staggering 61% and this year it stood at 7 million USD.

Price for 30 seconds commercial on Super Bowl



This year (2023), Super Bowl LVII took place on February 12, in Glendale, Arizona.



Commercials during the Super Bowl, have become so popular that some companies have decided to conduct a study on the increase in consumer demand for advertised products. The result of this analysis in 2023 was an increase in demand for certain products of up to 6.4%. Women had the greatest impact on this result, with a 21% increase in demand, while the Gen Z generation had the least impact, with a 1% decrease in demand. Among men, there was only a 1% increase in demand.

IMPACT OF SUPER BOWL ADS ON DEMAND



BEST-PERFORMING SUPER BOWL BRANDS



Super Bowl Advertising Winners Overall

- Michelob Ultra – 19% increase in demand
- Pepsi Zero Sugar – 18% increase in demand
- Frito-Lay PopCorners – 12% increase in demand
- Heineken 0.0% – 11% increase in demand

Google statistics on the day of the event revealed an increase in searches for products advertised at the Super Bowl which shows how it affected people. Here is an example of Pepsi's diagram.



The commercials presented at the event reach more than 100 million people. This is the best and shortest way to reach a huge number of people. The NFL organisation, despite investing heavily in the event, earns a huge amount of money from it. Very large incomes are also made by the artists performing during the half-time show, who surprisingly do not get paid to perform. The half-time show at the Super Bowl is a great reward for the artists and attracts an increase in audience reach, which results in an increase in income for those performers and their brands.

The impact of Rihanna's Super Bowl performance:

- ❖ 1 most-streamed artist globally
- ❖ 118,7 million viewers
- ❖ 17 songs in the Top 40 on Spotify
- ❖ Gained 3 million Instagram followers
- ❖ Searches for Fenty Beauty are up 833%

References:

www.prnewswire.com www.nbcdfw.com www.forbes.pl

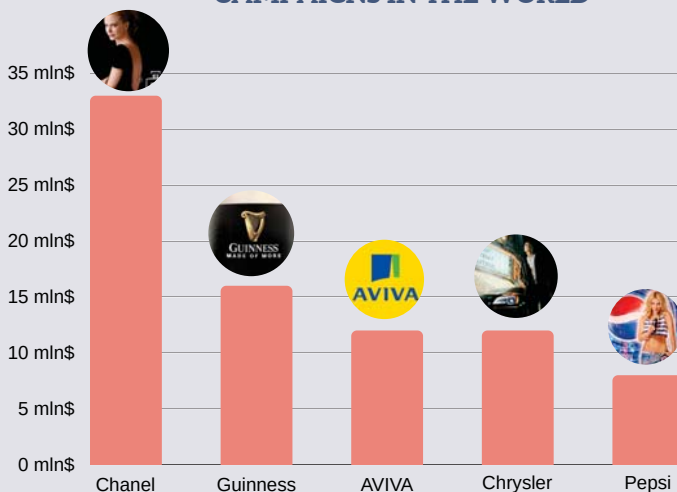
INTRODUCTION

Even if your business has great products, in order to gain new clients you need to introduce what you have to offer to them. Advertising is a proper way to do so. Established businesses benefit significantly from advertising, not just newcomers. It plays a crucial role in cultivating customer loyalty, shaping corporate image, and ultimately constructing an intangible asset known as goodwill.

COSTS AND STRATEGIES IN GLOBAL ADVERTISING CAMPAIGNS

Advertising campaigns worldwide vary in costs, largely depending on the engagement of global celebrities. Apart from their compensations, significant expenses go into the set, photography professionals, makeup artists, and graphic specialists. Major brands invest in impressive campaigns that highlight their leading position and capture media attention. These actions aim not only to reinforce their industry leadership but also to showcase to competitors and potential partners that the company is in a stable financial situation and can afford luxurious advertising.

THE MOST EXPENSIVE ADVERTISING CAMPAIGNS IN THE WORLD



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ADVERTISING CAMPAIGN INDICATORS

• ROI indicator

Return on Investment (ROI) is a popular profitability metric used to evaluate how well an investment has performed.

$$ROI = \frac{\text{Current Value of Investment} - \text{Cost of Investment}}{\text{Cost of Investment}}$$

• Degree of memorization

To calculate the degree of memorization, you determine the ratio between the individuals who remember your campaign and the total number of people who were exposed to it within the target population.

$$\text{Degree of memorization} = (\text{number of memorizations} / \text{number exposed}) \times 100$$

WAYS OF DEFINING YOUR BUDGET

I **AYCA Method** - Sets budget based on financial capacity. Suitable for new companies.

II **Competitive Method** - Budget based on competitive strategy. Effective with planned communication.

III **Turnover Percentage Method** - Budget based on company's financial results. Effective in real-time scaling.

IV **Share of Voice (SoV) Method** - Expenditures depend on market shares. For large companies.

V **Task Method** - Focuses on goal achievement. Effective for e-commerce.

HOW TO FUND YOUR CAMPAIGN?

- Self-Funding
- Bootstrapping
- Investment from Founders or Stakeholders
- Venture Capital (VC) Funding
- Crowdfunding
- Bank Loans
- Lines of Credit
- Angel Investors
- Corporate Sponsorship
- Grants and Subsidies
- Strategic Partnerships
- Digital Advertising Platforms

ROMI - RETURN ON MARKETING INVESTMENT

ROMI, also known as marketing ROI, is used to determine how much revenue was generated compared to how much was spent on marketing to generate that revenue.

$$ROMI = \frac{\text{Revenue from Marketing} - \text{Marketing Cost}}{\text{Marketing Cost}} \times 100\%$$



Revenue form Marketing = company's revenue - sales baseline because not whole revenue is earned because of a marketing investment, there's also a sales baseline that would be achieved without it

A ROMI should come to approximately 500 per cent, a fantastic ROMI would be near 1000 per cent. ROMI below 100 per cent is considered unprofitable



WHY SHOULD YOU MEASURE ROMI



- to estimate cost-effectiveness of marketing campaigns
- to help you decide whether to promote certain products or not
- to assess your chosen promotion strategy

WHY ROMI IS NOT ALWAYS EFFECTIVE

with some goods (for example real estate) decision making process is so long that ROMI becomes ineffective



in some campaigns sales are not the most sought outcome

brand image or brand awareness are not taken into consideration in ROMI

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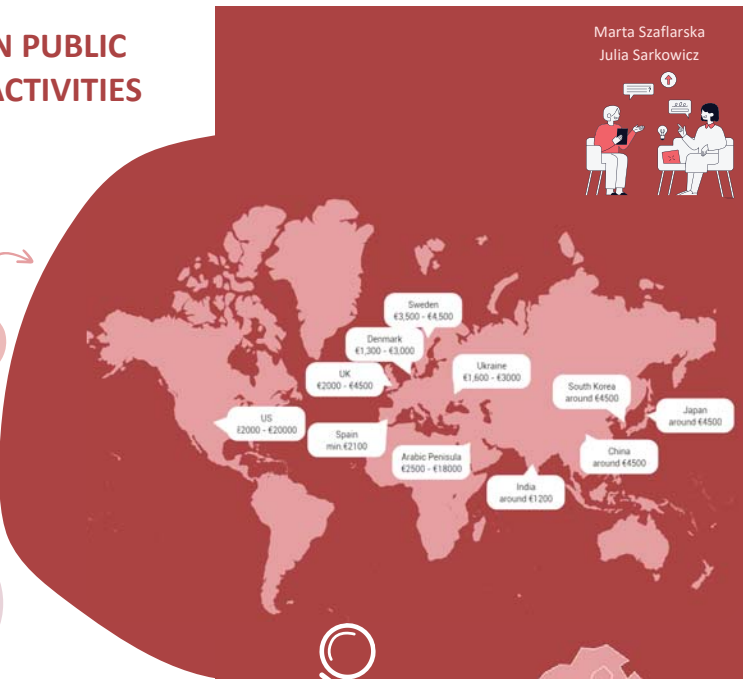
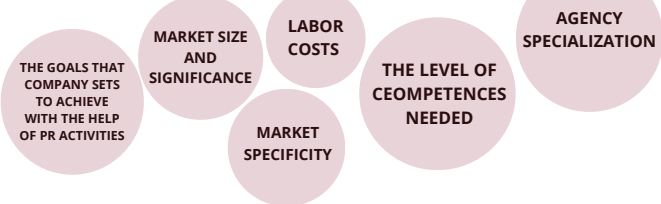
FINANCES IN PUBLIC RELATIONS ACTIVITIES



PR value statistics show that PR is 90% more effective in influencing consumers than advertising. A well-planned PR campaign plays a crucial role in increasing brand awareness and enhancing the public image of brands or products. PR is very important in marketing strategies and it is expected to grow as an industry in the future.

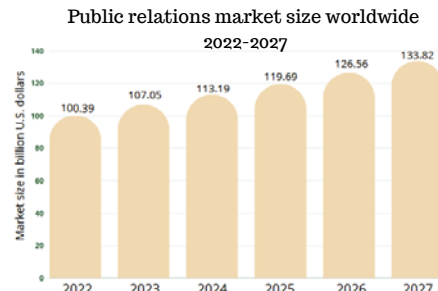
AVERAGE MONTHLY COSTS OF HIRING THE PR AGENCY IN VARIOUS COUNTRIES

The big question "how much does it cost to hire a public relations company?" has no one universal answer. Such a price depends primarily on the activities that a company would undertake as part of cooperation, but it also depends on the country or continent. The cost incurred by the company employing a PR agency will also depend on:

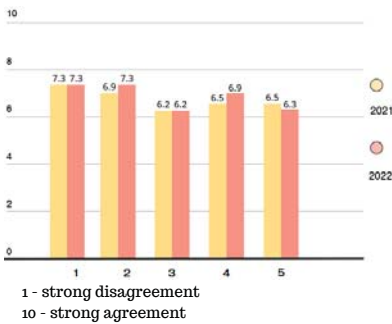


In order to accurately plan future decisions, financiers must observe a lot of data and draw conclusions from them. Here - knowledge of the PR market may play an important role.

The global PR market value is expected to amount over 120 billion dollars by 2027. According to calculations, the value of the PR market will increase more and more. This also happened in previous years, in 2016 the market was valued at \$14 billion and since then this number has been skyrocketing.



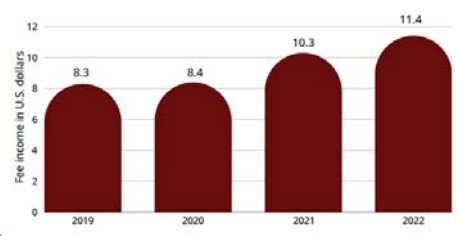
The map shows the average monthly costs that a company employing a PR agency must take into account in the event of long-term cooperation. Data is provided for medium and large enterprises, not the largest ones.



Thanks to various studies, we can see why knowing the PR market and its importance is useful for financiers. Below, 5 selected questions about perceived growth and opportunity in PR from a survey conducted by International Communications Consultancy Organisation in 2022 are presented. 271 PR professionals from Africa, Asia, Europe, America and the UK were surveyed.

1. I am optimistic about the growth of public relations market in my country.
2. Corporate CEOs in my country take corporate reputation seriously.
3. Marketers in my country are spending more money on public relations relative to communications disciplines.
4. The PR industry in my country operates ethically.
5. The PR industry is adapting new technologies at an appropriate pace.

Combined fee income of leading PR agencies in the US from 2019 to 2022 (billions US dollars)



EXAMPLE OF ORLEN COMPANY

Orlen Group's marketing costs increased last year from 320.52 million PLN to 410.83 million PLN, while their share of total sales revenues decreased from 0.357 to 0.2 percent. Orlen Group's expenditures on public relations (internal and external communications) reached 25.96 million PLN last year and their share of the corporation's total revenues - 0.013 percent. A year earlier it was 20.63 million PLN and 0.023 percent share.

	2022 (million PLN)	2021 (million PLN)	share in sales revenue 2022	share in sales revenue 2021
expenditure on marketing services	410 833	320 519	0.200%	0.357%
expenditure on public relation and social communication services	25 965	30 631	0.013%	0.023%
expenditure on management consulting services	68 578	57 440	0.033%	0.064%
expenditure on legal services	54 761	34 321	0.027%	0.038%
representational expenditure	2 934	2 738	0.001%	0.003%
SUM	563 071	435 649	0.274%	0.003%

References:
 1. ICCO World PR Report 2022-2023
 2. Data provided by Entrite - network of Public Relations Agencies
 3. Official data provided by ORLEN Report on representative expenses, legal services expenses, marketing expenses, public relations and social communication services expenses and consulting services expenses for the year 2022
 4. Data provided by Statista



How Key Performance Indicators impacts marketing and finances?

Understanding how Key Performance Indicators (KPIs) impact marketing and finances is crucial for successful business management. Knowing the impact of KPIs on marketing and finances allows a company to assess the effectiveness of its strategies, determining what works well and what needs correction. Understanding the relationship between KPIs and marketing and financial outcomes helps make informed decisions in developing and adjusting strategies, preventing decisions based on intuition or bias.



ROMI (Return on Marketing Investment)

A metric that measures the effectiveness of marketing campaigns, calculating the return on investment in marketing.



CAC (Customer Acquisition Cost)

The cost of acquiring a customer, calculated as the total cost of marketing efforts divided by the number of new customers.



ROI (Return on Investment)

The overall return on investments, encompassing both financial and marketing investments.



Average Order Value

The average amount a customer spends in each transaction. Marketing can influence an increase in average order value through cross-selling and up-selling strategies.



Payback Period

The time it takes to cover marketing costs and begin earning net profit from a customer.

LTV (Customer Lifetime Value)

The value a customer brings to a company over the entire duration of their relationship. Reflects the long-term value of a customer, crucial for financial planning.



Conversion Metrics

The value a customer brings to a company over the entire duration of their relationship. Reflects the long-term value of a customer, crucial for financial planning.



Purchase Frequency

The number of purchases from a single customer within a specific time period. This can reflect the success of marketing efforts in customer retention.



Cost per Customer by Channels

Comparing costs of acquiring customers through different marketing channels and evaluating their effectiveness from a financial perspective.



References: Harvard Business Review

Impact of Marketing Strategy on Financial Performance



Value-Based Marketing

Aligns activities with shareholder equity, integrating diverse dimensions and essential processes, influencing financial metrics.

Unlocking Financial Success through Strategic Marketing Can Be Done By:

Stock Prices Metric

A vital indicator based on efficient market theory, gauging the market's rational evaluation of a company's future earnings. It incorporates all available information for a comprehensive view of both present and future value.



Maximizing Quality Perception

- Establish a positive correlation with future business performance.
- Delve into quality measures that extend beyond current-term accounting standards.



Equity Marketing

It integrates financial theories, highlighting the interconnectedness of market and shareholder equity, with a focus on clear links to finance, assets, and shareholder value.

Strategic Expenditure

- Experience favorable market reactions with increased spending.
- Connect the dots between advertising impact and Return on Investment (ROI) for a positive stock market outlook.



Challenges and Considerations

- Adapting marketing strategies to diverse cultural contexts and global economic conditions.
- Adapting strategies to rapid changes in market conditions and competition.
- Balancing immediate gains with sustainable, long-term brand building.

Long-Term Impact Analysis

- Employ cointegration for a nuanced understanding of persistent positive impacts.
- Explore the enduring effect of advertising on market valuation over time.



Hodgson, Victoria Louise - "Linking Marketing to Shareholder Value in Listed and NonListed Markets" Published in 2004

Part II

Marketing strategies and trends

Influencer marketing is not just a trend, but a solid strategy that helps companies increase their visibility, build trust and increase sales.

In 2023, this trend will likely continue to grow, with brands becoming more willing to invest in influencers. However, the profitability of influencer marketing is not guaranteed. It all depends on the strategy the brand decides to adopt. If a brand is able to build strong, authentic relationships with influencers who are able to effectively communicate with their audiences, influencer marketing can bring significant benefits.



Advantages:

- increased brand visibility
 - authenticity
- the ability to reach a specific target group.

Disadvantages:

- high costs
- risk of negative perception
- difficulty in measuring effectiveness.
- Risk of losing trust toward the company

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<https://mycompanypolska.pl/artykul/ile-mozna-zarobic-na-instagramie/11363>

Comments

@xyz

How to make influencer marketing still work well:

- Micro-influencers – influencers with a smaller but more engaged audience are often perceived as more credible.
- Long-term cooperation – companies are increasingly choosing long-term contracts with influencers, which allows for building stronger relationships and better campaign results.
- Use of new technologies – the growing popularity of VR, AR or live streams opens new opportunities for influencer marketing.
 - Content personalization and creative advertising - adapting content to the individual needs and preferences of viewers.
 - Creating content that aligns with brand values
- Cooperation with influencers who have a similar target group

Where is the best place to promote yourself?

At this point, the best place is Instagram. Recently, as many as 1,800 campaigns have been launched here, of which as many as 94% were carried out on Instagram, and another 10% belonged to other platforms

Most companies allocate a special budget for such promotional activities, which increases every year. Taking into account the estimated increase in sales value in social commerce, it is definitely worth investing in campaigns with online creators. In 2020, global sales via social media were estimated at \$560 billion. The value of sales in social commerce reached USD 958 billion in 2022. Potentially reaching **\$2.9 trillion** by 2026.

The average monthly income of influencers ranges between **\$2,970** and **\$15,356** depending on the number of followers. The most popular users earn over one and a half million dollars per post.

Moreover, consumers' growing awareness of the manipulation and unreliability of some influencers may affect the effectiveness of this strategy. To summarize, influencer marketing will still be profitable in 2023, but only for those brands that are able to adapt to the changing environment.

Perhaps in the future they will lose the biggest Instagram stars in favor of smaller ones, but it will still be a very popular form of promoting their products, content and various services.



The most important aspects of branding in the 21st century

1

AUTHENTICITY

Customers increasingly value **authenticity** and **honesty** from companies. Embracing transparency and acknowledging imperfections are elementary in many cases. Building a brand based on **genuine** values, rather than just a passing trend, can yield **long-term** benefits.



2

ADAPTATION TO SOCIAL EXPECTATIONS

Companies **adapt** to **changing** social expectations and challenges gain customer trust. This involves actively participating in **relevant** conversations, with the intention to show **commitment**. Engaging with significant societal issues, such as **sustainable** development, **diversity**, and **inclusion**, can be **crucial**.

3

INNOVATIONMENT

In the era of **rapid** technological changes and **dynamic** markets, **innovation** becomes a key element of success. Companies that are **open** to new technologies and **capable** of adapting to changes can compete more effectively. Continuous evolution is necessary in a competitive market.



4

BRAND STORY

Narrating a **cohesive** and captivating brand story can help build an **emotional** connection with customers. Customers often **identify** with brands that have a great, **inspiring** history, therefore it may be hard to get the ball rolling without one.



5

ONLINE PRESENCE

In today's times, an online presence is **essential**. It is more than just existing - it requires **engaging**, **memorable** content. Companies must effectively manage their presence on **social media**, **websites**, and other online channels to **reach** their target audience.



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“Marketing Intelligence & Planning” - J Murphy 1988



MARKETING BUDGET AND STRATEGIES USED BY SELECTED COMPANIES

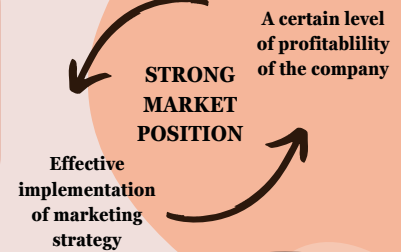
Karolina Bajor
Zuzanna Majdak
Sandra Hryniewicz

Every marketing decision in a company has its own financial dimension. Thanks to a well-prepared marketing strategy, potential customers are willing to buy the product and as a result increased revenues are generated. More funding allows us to expand our marketing activities, improve the tools for their creation and expand our broadcasting channels to reach broader audience. By managing those aspects in a sustainable way, the company has a higher chance to grow.

Variable costs elements

marketing
research product
policy
distribution
policy promotion
policy

Marketing budget is a summary of the costs allocated to marketing activities and the earnings that these activities generate in a particular period of time. R. Niestrój divides the marketing costs into two groups: costs related to the functioning of the marketing system, including fixed and variable costs, and expenses for its development. The earnings are a component of a certain market potential and a forecast created on the basis of revenue from the sales figures. To verify whether or not the actions that have been taken were effective we use the **Return on Marketing Investment (ROMI)**.



Marketing Information System

coordinated group of people, their actions, tools and procedures used to collect, process, analyze and gather information necessary to make marketing decisions

Coca-Cola

"Willingness to invest in development" is the slogan of the company's CEO. Despite its great recognition, the company still maintains very high spending on advertising – approx. \$4.2 billion. Since 2019, it has been using a three-brand system. It is a division of products into groups of leaders, explorers and contenders. Their careful observation by experts makes it possible to make the right decision on financing not only in the production sphere, but also in marketing. Entering 2023, they announced that they want to use promotion to deepen relationships with consumers. Also, learning from the difficult market situation related to the pandemic, enterprise announced a dynamic approach to marketing investments, that is the ability to withdraw from spending money in specific areas when necessary. The company uses AI and is heavily present online, what is more current digital marketing expenses account for 60% of Coca-Cola's marketing budget.



ŻABKA

In 2022 compared to 2021, the chain increased its investment in advertising by 35.9%, allocating PLN 248.7 million for this purpose. In its strategy, it mainly focuses on development and contact with customers. Strategies such as: the opportunity to pick up a parcel in Żabka, the stores being open on Sundays, ready-made lunches, special offers (2 for the price of 1) are aimed at attracting as many customers as possible. In addition, Żabka also focuses on collaboration with influencers (one with 25 influencers, for the Foodini brand, generated 5.5 million views). The chain of stores also operates on social media, e.g. on YouTube, creating a channel "Kumaty" with about 3 million views already. Żabka also runs a well-functioning app, where products are personalized and where customers can earn żapsy and prizes. The chain is also making TV commercials, focusing on the needs of customers, e.g. thirst, rather than on the products themselves.



NIKE

Nike's global dominance in athletic wear results from its exceptional marketing strategies, emphasizing brand building. The iconic swoosh symbolizes Nike's success in crafting a powerful brand through innovative marketing. By targeting diverse audiences, such as athletes and sports enthusiasts, Nike's campaigns like "Just Do It" and "Bo Knows" have become industry benchmarks, reinforced by athlete endorsements like LeBron James and Derek Jeter. In recent years, Nike transitioned from traditional TV campaigns to digital platforms, leveraging products like Nike FuelBand and Nike+SportWatch GPS. This shift allows cost-effective, direct engagement with the audience through online campaigns and social media, in contrast to previous expensive TV ads. Nike's digital strategy facilitates continuous interaction, exemplified by initiatives like a Twitter-powered billboard in South Africa, reaching a broader audience daily. This strategic pivot has proven effective in maintaining brand relevance and engagement.



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The Role of Influencer Marketing in the Promotion of Coca-Cola

Introduction

In the contemporary era, the role of influencers manifests itself through the effective shaping of consumer thinking and behavior. Within the context of product promotion, influencers encourage their communities to purchase specific products. Adherence to values such as joy, optimism, and authenticity forms the foundation for successful advertising campaigns. Influencers establish strong bonds with their communities through authenticity and transparency therefore, product recommendations from influencers are perceived as more credible and trustworthy than traditional forms of advertising. Influencers are often recognized for their creative approach to content, contributing originality and capturing the attention of audiences in an information-saturated world.

Research Methodology

Research Objective: The primary objective of the research is to identify the impact of influencer marketing on the promotion of Coca-Cola and understand how this form of collaboration contributes to building a positive brand image,
Research Method: Online Survey, Random Sampling ("Cawi"),
Online Surveys: Conducting surveys among Coca-Cola consumers to examine their awareness of influencer-led campaigns, brand perception, and potential changes in their purchasing decisions,
Research Tools: Online survey platform, such as Google Forms, for creating and conducting surveys.
Data analysis tools: Excel, for analyzing survey results.



76%

76% noticed that Coca-Cola prefers collaboration with influencers who have a large reach and are well-regarded and credible in their respective.

81%

81% emphasized the importance of selecting influencers whose values align with the brand's target audience, considering it a key factor contributing to effective communication and audience identification with the advertising message.

53%

53% of respondents believe that the audience of a particular influencer is more inclined to purchase Coca-Cola due to their idol's participation in the advertising campaign.

32%

32% of respondents stated that local influencers have a greater impact on sales than popular individuals from outside the country.

Conclusion

Influencer marketing plays a crucial role in promoting products, and Coca-Cola effectively utilizes this strategy to build a positive brand image. An essential part of an effective influencer marketing campaign for Coca-Cola is selecting influencers with values that align with the brand's target audience. The authenticity and transparency of influencers are key to building trust and consumer loyalty. Research indicates that influencer involvement significantly impacts the purchasing decisions of communities, leading to increased brand awareness, a positive brand image, and effective targeting of the intended audience. Collaborating with creative or cheerful creators allows for the creation of original advertising campaigns capable of capturing the attention and interest of consumers.

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What is Green Marketing?

The objective of green marketing is to improve brand perception. It ensures that the brand is perceived to have a positive environmental impact. Some of the strategies employed are as follows:

- Making eco-friendly products
- Using packaging that isn't harmful to the environment or is recyclable
- Reducing the environmental impact of production processes
- Investing in environmentally beneficial initiatives that align with the principles of corporate social responsibility (CSR)

Going green simply pays off and statistics confirm it

58%

have encountered exploitative advertising ecological motifs

49%

of employees believe that it saves money motivates companies to be pro-ecological

35%

of Poles fit into the pro-ecologically oriented Eco-Caring segment

74%

have a positive attitude towards advertising referring to ecology

Company examples

1. Ikea

The Swedish company is one of the leaders in the green marketing trend. Ikea not only promotes ecological ideas, but has been making efforts to make the company increasingly green for years. The brand's loud campaign involving recycling old furniture deserves praise, which in our opinion is a bull's-eye! Ikea uses almost 100% of wood from renewable sources, gives up on disposable products and even sells solar panels!

2. Nike

The brand has created the most ecological shoes in the world! She used used plastic bottles, T-shirts and leftover materials. One pair of shoes is not the brand's only step towards ecology - the production process itself has been changed to minimize waste and reduce the carbon footprint as much as possible. All this as part of the "Move to zero" campaign, which aims to reduce CO2 and waste in the long term.

3. Coca-Cola - an example of fake green marketing (green-washing).

Coca-Cola sent selected influencers and journalists empty bottles of the iconic drink with a label reading #wearechanging. The shipment was accompanied by a letter in which the brand asked the brand to sort waste responsibly and throw it into appropriate containers. The campaign to spread awareness about recycling would be successful if it were not for the fact that Coca-Cola produced plastic bottles especially for its needs, the sole purpose of which was... to end up in the trash. Inconsistency in message is a big disadvantage in marketing communication.

The impact of green marketing on company finances

The research has found that implementation of green marketing strategy improves firm performance by offering product differentiation, improves image and reputation, and increases the sales of green products. The finding of this study has proven that of pro-environmental policies and the employing of environmentally friendlier technologies can help firm to better implement green marketing strategy. The implementing green marketing strategy differentiates firms from other competitors. Firms to effectively fulfill green marketing strategies need use the unique and non-imitable strategies. The fact that firm performance improves in line with green marketing strategy signifies that the implementation can positively affect the sales of green cars, process efficiency, and energy saving. Hence, firms that are facing stiff competition should take advantage by implementing green marketing strategy.

Conclusions

Green marketing can be extremely effective when done correctly. According to LendingTree, an online loan marketplace, 55% of customers surveyed are willing to spend more on eco-friendly products and avoid less environmentally conscious companies. What's more, according to the World Wildlife Fund (WWF), the number of posts on Twitter related to nature and biodiversity loss has increased by 65% since 2016.

Referral Marketing

So you really like that brand. Their app is good - the UI effortlessly intuitive - your eyes glide across the screen, you can easily find that one feature you really need to find right now, and the loading speed is great. The price is fine, but it could be better. And you just love the product. But the other brand is great, too. And they offer free delivery! So now you're torn between two options - and what do you do in this situation? You call your **friend**.



Companies know this simple truth - we're social animals, leading our lives huddled together. And whatever dilemma arises - whether the berries are safe to eat, or which product is better, we tend to turn to each other for answers. Well, mostly. But the marketers thought of this too. **Referral marketing** is as simple as that - **one recommends and the other takes the suggestion**. The one asking has a lot to lose - what if the product he chose himself isn't as good as the other one? What if he wastes money? But the one referring has a sword of his own, hanging right above his head. If he recommends something and the other one doesn't like it, the blame falls onto him. And really, how high is the chance of two people having the same opinion? Something might go wrong and it would look like he recommended a bad product on purpose. So why refer at all?

The solution the companies came up with is a **reward** of some sorts. Either credit that can be used to purchase products/services, or other forms, such as a discount. Outside of referral marketing, there exists a much more organic market for recommendations - but the genius of the referral strategy lies in removing the sword balancing above the recommender, thus letting him do the company's job for them. The referral program is a fruitful marketing strategy - sharing opinions generates little to no cost for the business, yet yields a high reward - not only does the likelihood of conversion skyrocket, but **the customers acquired from the program are proven to have a 16% higher lifetime value than average customers**. Which means, in simplified words, that those customers will bring more revenue than any others.



Examples of Referral Marketing

Uber

The new, West Coast-based corporation swayed the masses with the promise of safety - and their marketers knew that there is nothing safer than having a friend recommend something to you. So they offered **free rides** - for the recommendee, after someone shares with them a code through Facebook, Twitter, WhatsApp, or through a myriad of other ways, and for the recommender - right after the recommendee's ride has ended. The strategy proved a huge hit for the company, and a wave of new customers flooded.

PKO BP S.A (General Savings Bank)

'Friendship and money is like oil and water', Mario Puzo once said. They don't mix. But not in the case of PKO - the old, trusty bank offers real money for referrals. **One can earn up to 1500 PLN - or roughly \$377**, deposited into their account, provided that the referendee successfully opens up an account. The Polish bank proved the impossible - finances and friendship do mix, especially when monetary rewards are on the horizon. *Or maybe because the monetary rewards are on the horizon?*

Paulina Zegadło
Agata Piaszczyńska
Dominika Skruszeniec

Netflix

The one and only, adored subscription-on-demand streaming service also hosts a referral program. The set-up is: one person copies a link, the other signs up using it, and the promised reward is added in form of a balance for the referender's subscription. If you think it's too good to be true, it absolutely is - that's why the company placed a restriction, limiting the reward for only those, who's referendee's has never used the services before. And throughout the year, only 5 successful recommendations are allowed. But if one's wits are in place, they can cleverly **pay for the monthly subscription for almost half a year using just the referral system**.

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



Funding a Marketing Campaign

Funding a marketing campaign can be approached in various ways. It requires financial resources to effectively execute strategies and achieve desired outcomes. Choosing the right funding approach for a marketing campaign is a critical decision that can impact its success and the overall health of the business.

Selection of the appropriate method of financing the campaign depends on:

- ➔ Type of business
- ➔ Campaign scale and type of audience
- ➔ Government support and sponsorships
- ➔ Risk tolerance
- ➔ Cash flow level

PROS & CONS

-  + Ability to immediately act with your funds, no interest or repayment.
- Limited funding availability, risk of no or low return on investment.
-  + You may be able to tap into additional resources based on the provider, you don't have to repay the grants.
- The application process is time-consuming, you may not meet the requirements.
-  + Immediate cash flow, no debt, flexible funding.
- Difficult to record in bookkeeping, additional costs and fees
-  + Market credibility, access to additional resources.
- Loss of control, conflict of interests, potential hostile takeovers.
-  + Longer repayment terms, high borrowing amounts.
- Strict eligibility requirements that are difficult for new businesses, lengthy application process.
-  + Quick turnaround time, no need to give up equity, build a customer base.
- Very few are successful and get complete funding, high fees from the crowdfunding platform, limited timeline.



6 effective way
of campaign
funding



CONCLUSIONS

Funding a marketing campaign requires a thorough consideration of various factors such as campaign scale, business type, target audience, government support, risk tolerance and cash flow level. By carefully choosing funding methods, businesses can optimize their resources and increase the probability of a successful marketing campaign. As the business environment evolves, the strategies for funding marketing campaigns also must be changed to stay adaptable and innovative.

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Part III

Technological innovations in marketing

Innovation in the Polish mobile payment system - BLIK

What is the BLIK code?

The BLIK code is a one-off, 6-digit code, which you will find in your bank's app. It is valid for 2 minutes. After that time, you can generate a new one. You use the code to start your payment.

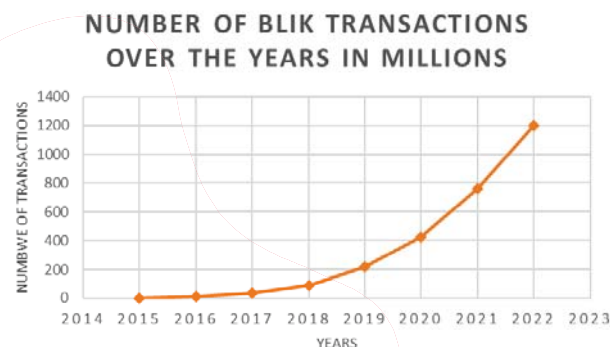
BLIK is a payment method which enables you to pay easily and quickly in the store or over the Internet, and you can also deposit and withdraw cash. You can - also use BLIK to settle accounts with a friend instantly, using just his phone number.



What do you need to pay with BLIK?

- The bank's app
- BLIK is available in the apps of 19 banks
- A phone
- Any phone that can support your bank's app
- Internet access
- An Internet connection e.g. through Wi-Fi or a mobile network

BLIKOMANIA - is a popular lottery of the Polish Payment Standard. Everyone who registers on the website www.blikomania.pl and performs a BLIK transaction takes part in a draw for attractive prizes!



Who is responsible for Blik's success?

The owner of the BLIK brand is **Polski Standard Płatności** (Polish Payment Standard - PPS). This is a team of experts who have participated, among other things, in the creation and implementation of innovative cashless payment programmes, online payments and projects more broadly related to electronic and mobile banking.

What are blik's plans for the near future?

On November 10, Business Director at Change Serviceplan said that they plan to expand their operations and enter the markets of other European countries. The company is currently working on making the service available in Romania and Slovakia.

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- <https://blik.com/>
- <https://www.przelewy24.pl/metody-platnosci/blik>

Blik's advertisements highlight the ease of making payments with just a few taps on a smartphone. They showcase scenarios where using BLIK simplifies the payment process, such as in-store purchases, online shopping, or splitting bills with friends.

The Effie Awards is the largest marketing competition in the world, first organized in 1968 in New York by the American Marketing Association. Since 1999, it has also been run in Poland by the SAR Marketing Communication Association. The aim of the Effie competition is to select and reward the most effective campaigns and marketing solutions.

During the 24th edition of Effie Awards Poland. In the Finance & Insurance category, the gold statuette was awarded to the Change Serviceplan agency for the "Bądź kotem płatności" ("Be a payment cat") campaign implemented for BLIK. The popular Polish actor Tomasz Kot took part in this campaign.



New technologies in marketing

Introduction

New technologies in advertising are important for several reasons. First, you can enable more advanced audience targeting, resulting in more effective ad campaigns. Secondly, technological innovations in creating interactive and engaging content are attracting attention. Additional new technologies that enable the use of data over time allow you to adapt advertising to your strategies on an ongoing basis. The development of mobile and social technologies makes advertising available to reach customers in different places and times.

Augmented Reality (AR)

Audio advertising and podcasts

Blockchain in advertising

Dynamic optimizations

Voice Search (VSO)

Machine Learning:

Machine learning is a subset of artificial intelligence (AI). It focuses on teaching computers how to learn from data and improve as they gain experience. The processes of learning and improvement are not programmed. In machine learning, algorithms are trained to find patterns and correlations in large data sets and make the best decisions and predictions based on the results of such analysis. Systems using machine learning become more and more effective over time, and the better access to data they have, the greater their accuracy.

- Recommendation mechanisms
- Dynamic ERP marketing
- Process automation
- Preventive inspections

Programmatic advertising:

The term programmatic advertising describes the method of purchasing and selling advertising space online using automatic technologies based on data and algorithms. This process uses technology platforms such as ad exchanges, demand-side platforms (DSP), and supply-side platforms (SSP) that allow for automatic bidding and purchasing of advertising space over time.

- Possibility to reach a precisely defined target group
- Various forms of advertising
- Services not available on other advertising platforms
- Very large advertising reach
- No need to pay intermediaries
- Determining the number of views per user

Chatbot:

Chatbot is a type of software that simulates a conversation and enables interaction between a person and a company or institution. Also known as a conversation bot, virtual assistant or virtual advisor, it is used to improve the quality of service and increase the number of completed transactions or reported cases.

- Reduce costs or increase customer service efficiency
- Solving customer problems
- Acquiring additional leads and increasing conversions
- Higher consumer involvement around the brand

Conclusion

In conclusion the integration of machine learning, programmatic advertising, chatbots and other technologies not only enhances advertising effectiveness but also aligns with financial objectives by improving efficiency, reducing costs, and optimizing revenue-generating opportunities for businesses. These technologies empower businesses to make data-driven decisions, ensuring a more strategic and financially sound approach to advertising.

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The world of digital capital a.k.a cryptocurrency



First Of All

Cryptocurrency is a type of digital or virtual currency that uses cryptography for security. Unlike traditional currencies issued and regulated by governments (like the US dollar or the euro), cryptocurrencies operate on decentralized networks based on blockchain technology.



How Does it Work?

Cryptocurrencies run on a distributed public ledger called blockchain, a record of all transactions updated and held by currency holders. Units of cryptocurrency are created through a process called mining, which involves using computer power to solve complicated mathematical problems that generate coins.



How are they stored?

Users can also buy the currencies from brokers, then store and spend them using cryptographic wallets. One of the defining features of cryptocurrencies is their lack of central authority. They are typically based on blockchain technology, which is a distributed ledger that records all transactions across a network of computers.



Is it safe?

Cryptocurrencies use cryptographic techniques to secure transactions and control the creation of new units. This makes them resistant to counterfeiting and fraud. Blockchain technology ensures the transparency and immutability of transaction history. Users have private keys to access their cryptocurrency holdings, which should be kept secure.



Advantages

- Removes single points of failure
- Easier to transfer funds between parties
- Removes third parties
- Can be used to generate returns
- Remittances are streamlined



Disadvantages

- Transactions are pseudonymous
- Pseudonymity allows for criminal uses
- Have become highly centralized
- Expensive to participate in a network and earn
- Off-chain security issues
- Prices are very volatile

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CREDIT SCORE ASSESSMENT BY AI

CREDIT SCORE

WHAT IS A CREDIT SCORE?

A credit score is a numerical representation of a person's creditworthiness, based on their credit history. It helps lenders assess the risk of lending money or extending credit to an individual. Factors like payment history, credit utilization, length of credit history, types of credit used, and new credit applications influence the credit score. Higher scores typically indicate better creditworthiness.

COMPARING CREDIT SCORE CALCULATIONS: USA VS. POLAND

Credit scores in the USA and Poland share the common goal of evaluating creditworthiness, yet they differ significantly:

- **Credit Scoring Models:** While FICO scores (300-850) are prevalent in the USA, Poland lacks a standardized model, with various credit bureaus using different scoring systems.
- **Credit Reporting Agencies:** The USA has three major bureaus (Equifax, Experian, TransUnion), each offering distinct reports. In Poland, a less centralized system involves multiple bureaus like Biuro Informacji Kredytowej (BIK).
- **Regulatory Environment:** Regulations, such as GDPR in the EU, shape credit reporting practices in Poland, differing from the USA's regulatory framework. Privacy and consumer protection laws impact how credit information is gathered and utilized.
- **Consideration Factors:** In the USA, credit card turnover, payment history, credit duration, debt levels, existing credit analysis, and new credit inquiries contribute to creditworthiness assessment. In Poland, factors extend to income, monthly expenses, current debts, age, marital status, household size, financial status, education, employment duration, and occupation, emphasizing both numerical values and the client's commitment to meeting obligations.

HOW TO IMPROVE YOUR CREDIT SCORE

To enhance one's creditworthiness, it is important to take several crucial steps. Firstly, a thorough understanding of one's credit report is essential. Secondly, timely payment of financial obligations is critical. Finally, prudent and strategic management of credit card usage can be effective in improving creditworthiness.

Regular Surveillance of Credit Reports:

Periodically examine credit reports to monitor your current financial situation

Timely Payment of Bills:

- Assure the timely settlement of bills, loans, and credit card dues

Reducing Credit Card Balances:

- Strive to sustain credit card balances beneath the available limit

Avoiding Unnecessary Opening of New Credits:

- Opening multiple new credits within a brief timeframe can negatively impact your creditworthiness

Responsible Pursuit of Credit:

- Choose new credits wisely, considering the terms of the agreement

Applying For a Credit Card with No Credit History:

- Obtaining a credit card and using it responsibly can help build creditworthiness

Considering Debt Consolidation:

- In instances of multiple credit obligations, contemplation of consolidation is recommended to streamline financial oversight

Contacting Creditors in Financial Difficulties:

- In case of financial difficulties, contact the creditor and consider alternative repayment plans

HISTORY OF CREDIT SCORE

Credit-scoring systems were created to simplify the process for both lenders and borrowers. The history of assessing creditworthiness dates back to 1841, about 50 years after the first mention of credit reports, when the initial attempts to standardize the process began. The first consumer credit score was introduced in 1889 by The Fair Isaac Corporation, now known as FICO, marking the start of evaluating an individual's ability to repay their credit lines.

It is important to note that lenders continue to widely use FICO scores in making loan and credit card decisions, as well as in determining rates and terms. In 2006, other credit-scoring models were introduced, with VantageScore® gaining comparable acceptance. This model was created by the major credit bureaus Equifax®, Experian®, and TransUnion®. While both models use a three-digit number for creditworthiness assessment, they use slightly different methods for score generation.

FICO is still the most used scoring system after 30 years and has evolved into various models for specific lending purposes. Machine learning-based systems are now commonplace in creditworthiness assessment, providing lenders with a fast and efficient way to determine applicant's risk levels. These sophisticated algorithms analyze traditional financial data, along with information from various sources such as transaction histories, purchasing behaviors, and even social media activity to enhance precision and customization of assessments for individual cases.

CREDIT SCORE ASSESSMENT SYSTEMS

COMPARISON OF AI SYSTEMS

FICO SCORE

FICO Score is a credit score created by the Fair Isaac Corporation (FICO), extensively used by lenders to evaluate the creditworthiness of individuals. FICO scores consider information in five key areas to assess a borrower's creditworthiness:

- Payment history (35%)
- Credit utilization (30%)
- Length of credit history (15%)
- Credit mix (10%)
- New credit (10%)

Much like there is no singular credit score, as multiple companies generate scores, there is also no singular FICO score. FICO scores, akin to all credit scores, hinge on the information within your credit report. Various agencies, such as Experian or Equifax, collect credit data, and since the data at each agency can differ, your FICO scores may vary depending on which agency's data is utilized for the calculation.

FICO scores play a pivotal role in 90% of mortgage application decisions in the United States. Ranging from 300 to 850, scores within the 670 to 739 bracket are typically deemed as "good" credit scores.

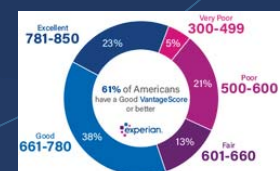
VANTAGESCORE

VantageScore serves as a consumer credit scoring model designed as an alternative to the FICO score.

VantageScore asserts that it employs "machine learning" techniques to generate a more precise and predictive assessment of a consumer's creditworthiness.

The latest version of VantageScore is VantageScore 4.0. It is calculated based on six factors, each assigned its own weighting:

- Payment history (41%)
- Age/mix of credit (20%)
- Credit utilization (20%)
- New credit (11%)
- Credit balance (8%)



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DO FINANCE AND MARKETING HAVE ANYTHING IN COMMON?

Finance and Marketing are significant departments in a company. It is said that Finance deals with capital and how to use it in the efficient way. On the other hand, Marketing is commonly associated with promotion, but it is not its only function. These two departments seem to be different, but in many cases they have to cooperate with each other to achieve the particular objective.

OUR RESEARCH RELATED TO THIS TOPIC

Research purpose: obtain information about people's opinion on relations between these departments and their knowledge of basic term connected with both Marketing and Finance

Sampling procedure: purposive sampling

Research sample: people in age of 18-30

Number of respondents: 45

Method of research: online survey (CAWI)

Date of research: 3rd November 2023 – 23th November 2023

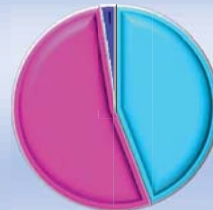
HOW TO SET A MARKETING BUDGET?

Marketers are able to influence people in many ways, for example through TV advertisements or viral marketing. All marketing activities need funds. It is worth mentioning that managers hope that marketing efforts will bring the company a satisfactory level of profit in the future. Efficient marketing campaign requires precise planning, including budget planning. Marketing budget is the amount of resources, which have to be used to achieve particular objectives, such as sales figures. Finance and Marketing departments have to cooperate to identify elements, which are necessary to complete planned tasks. In this budget managers have to include all the costs of marketing- mix.¹ The most popular concept of marketing- mix is 4P, which consists of four variables: product, price, promotion and place. The term we asked about in our survey simply means the process of setting that marketing budget.

Popular methods of setting a marketing budget²:

- as a percentage of planned revenue from sales
- by analyzing competitors' budget and setting ours on a similar level
- per unit of the sold product
- using whole or part of the profit to make our marketing activities more intensified
- method based on tasks, which have to be done

Do you think that Marketing and Finance are connected?



1. definitely yes 2. probably yes
3. definitely no 4. probably no

Do you know the term "budgeting of marketing"?



1. yes 2. no

EXAMPLES OF FINANCIAL AND MARKETING RATINGS³:

→ **Cost per sale (CPS):**

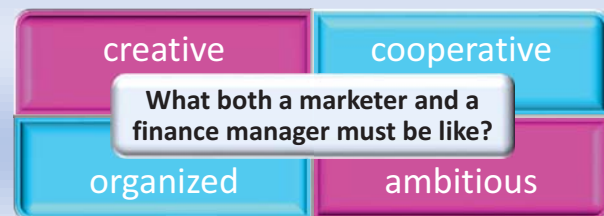
$$\frac{\text{value of resources allocated to campaign}}{\text{number of the clients acquired by this campaign}}$$

→ **Risk of the particular market occurrence (analysis of marketing risk):**

probability of the particular occurrence (on the scale from 0,0 to 1,0) x influence of this occurrence on company's gross profit (in thousands of PLN)

→ **Cost per thousand (CPT):**

$$\frac{\text{cost of communication campaign}}{\text{number of receivers of communication message}} \times 1000$$



¹A. Pomykałski, *Zarządzanie i planowanie marketingowe*, Wyd. Naukowe PWN, Warszawa 2012, s. 161-162

²E. Michalski, *Marketing Podręcznik akademicki*, Wyd. Naukowe PWN, Warszawa 2017, s. 545

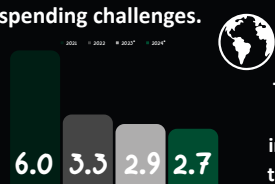
³R. Kozielski, *Wskaźniki marketingowe*, Oficyna Ekonomiczna, Kraków 2006, s. 109, 357, 384

BEYOND THE NUMBERS: UNDERSTANDING THE ESSENCE OF GDP

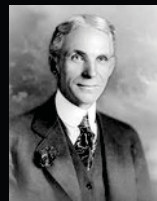
GDP stands for „gross domestic product” and is a monetary way of expressing the market value of the final goods and services produced in a specific period of by a country. The GDP is mostly used to measure economic health as it can visibly highlight any changes going on in a country’s economic trajectory. GDP however is often used as an indicator of advancement which is not always reliable. We have other measurements designed specifically for this purpose.



The Global Outlook predicts a 2.9% increase in global GDP for 2023, with a slight slowdown to 2.7% in 2024 and a modest upturn to 3.0% in 2025. Challenges of slow growth and high inflation persist, with an expected mild deceleration in the upcoming year due to necessary monetary policy tightening over the past two years. The impacts of this tightening are evident, with policy interest rates reaching or nearing their peak in most economies. Monetary policy is expected to remain restrictive until there are clear signs of sustained relief from inflationary pressures. Major advanced economies are not anticipated to reduce rates until well into 2024 or 2025. While some emerging markets could see rate reductions, the pace will be constrained by global financial conditions. Open markets are crucial for transitioning to digital and green initiatives, and fiscal policy should proactively address long-term spending challenges.



**WORLD GDP
OVER THE YEARS**
The chart illustrates the GDP levels from 2021, including predictions for the years 2023 and 2024.



HENRY FORD SUCCEEDS DESPITE THE GREAT DEPRESSION

Henry Ford, American entrepreneur and founder of the Ford Motor Company, pioneer of mass car production. He achieved success despite the Great Economic Depression in the 1930s. He introduced his innovative idea of tape production, which allowed for mass production and significant cost reduction.

This innovative approach enabled the mass production of cheap cars that became available to a wider group of people. Despite the crisis and falling demand, it was a great success. The introduction of effective production methods during a difficult economic period enabled Ford to build a powerful business, which is why he is considered an industrial icon of that period.

RIISING TO THE CHALLENGE: STRENGTHENING GLOBAL GDP IN 2024

Countries around the world struggle with various challenges that reflect on their GDP which later on also affects the global GDP indicator. Some of the common challenges are high inflation, fluctuations in real estate sector, high debt and aging populations. Governments use various instruments to tackle these problems and increase the GDP in the long run. Such strategies include investing in infrastructure, education and innovations but also creating the right environment for entrepreneurs to thrive in. Fiscal and monetary policies have to be reactive and adequate to what the country’s economy needs. Lastly, upgrading life conditions have also proven to be an effective way ensuring economic growth.

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The world of digital capital a.k.a cryptocurrency



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Part IV

Market dynamics, consumer behavior and examples of case studies

JOURNEY THROUGH INTERNATIONAL FINANCES: THE WORLD OF CURRENCIES



INTRODUCTION:

In the globalized economy, understanding the intricate web of international finance, currency exchange rates, and monetary policy is paramount for businesses and financial institutions alike. This study delves into the dynamic world of international finance, exploring the complexities of currency markets, the influence of monetary policies on economies, and the fascinating interconnection between marketing strategies and exchange rates.



CURRENCY POLICY PURPOSES

Currency policy, also known as monetary policy, refers to the actions and strategies implemented by a country's central bank or monetary authority to manage the money supply, interest rates, and the exchange rate. The purposes of currency policy are diverse and interconnected, aiming to achieve specific economic objectives. Here are some key purposes of currency policy:

- **Price**
- **Economic Growth and**
- **Exchange Rate Stability**
- **External Balance**
- **Crisis Management**

EXCHANGE RATES AND MARKETING:

Exchange rates can significantly impact international marketing strategies. Here are several ways in which exchange rates can influence marketing decisions:

• **Pricing Strategy:**

Fluctuations in exchange rates can impact the costs of goods and services in foreign markets. Marketers need to adjust pricing strategies to maintain profit margins while remaining competitive.

• **Market Selection:**

Exchange rates can influence the attractiveness of foreign markets. A favorable exchange rate can make a market more appealing for export, while an unfavorable rate may make it less attractive.

• **Promotional Strategies:**

Companies may use currency fluctuations to their advantage in promotional campaigns. For example, during periods of favorable exchange rates, promotions emphasizing lower prices for foreign customers may be effective.

• **Product Positioning:**

Exchange rate movements can influence the perceived value of products in foreign markets. Marketers may need to adjust product positioning to align with local consumer expectations and economic conditions.

• **Distribution Channels:**

Currency fluctuations can impact the cost-effectiveness of various distribution channels. Marketers may need to assess the most cost-efficient ways to get products to customers in different markets.

Exchange rate changes can affect the cost of raw materials and production. Companies may need to optimize their supply chains to manage currency-related risks.

• **Consumer Behavior:**

Changes in exchange rates can affect the purchasing power of consumers. Marketers need to understand how these changes may impact consumer behavior and adjust marketing strategies accordingly.

EXCHANGE RATE DEFINITION AND FUNCTIONS:

The exchange rate is the price of one country's currency expressed in another country's currency.

Selected exchange rate features:

- **price-setting**
- **informational**
- **criterion of comparability of economies and incomes**
- **determinant of exchange efficiency**
- **financial game instrument**
- **an instrument of economic policy**



MOST INFLUENTIAL CURRENCIES:

• **United States Dollar (USD)**

The U.S. dollar is the world's primary reserve currency.

• **Euro (EUR)**

The euro is used by 19 of the 27 European Union member states.

• **Japanese Yen (JPY)**

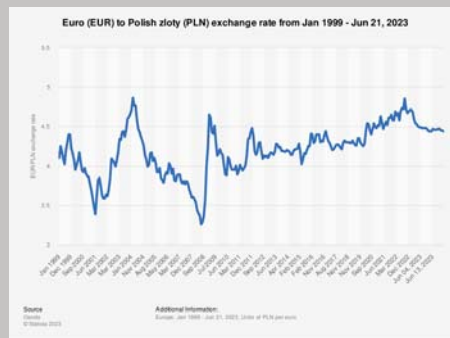
The Japanese yen is a key currency in Asia. Japan has a robust economy, and the yen is considered a safe-haven currency in times of global economic uncertainty.

• **British Pound Sterling (GBP)**

The British pound is the one of the oldest currencies still in use.

• **Chinese Yuan (CNY)**

The Chinese yuan has been gaining international importance.



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EVENT MARKETING FUNDING

**Strategize,
Spark,
Succeed!**

Event marketing, despite being a relatively expensive tool with limited reach, according to respondents, ranks fourth, high (68 percent) in popularity of marketing communication tools.

In event production, as in any industry, three interdependent factors interact and they are PRICE, TIME and QUALITY

event organization

Step one: BUDGET

Step two: GOAL

Step three: TARGET GROUP

Step four: DATE AND PLACE

Step five: CHANNELS OF PROMOTION

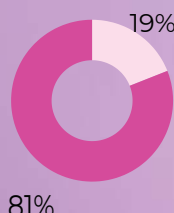
The scale and methods we will use to promote the event will translate sequentially into interest, sales and profit from the organization of the event.

Step six: DETAILS

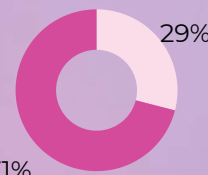
ROI and KPIs - indicators that will help estimate profits:

ROI (return on investment), which is used to evaluate the return on investment. With regard to event marketing, ROI can provide us with knowledge of the profits generated by the event, but also estimate the profit associated with the number of leads acquired or relationships established.

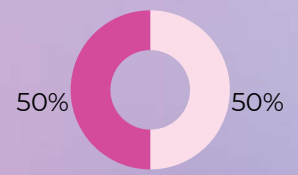
KPIs (key performance indicators) are another tool with which we can measure the success of our event. It is worth making a list of KPIs to keep track of which activities regarding e.g.: promotion of our event brought the best business results.



in the B2C sector, 19% of the marketing budget is allocated to events

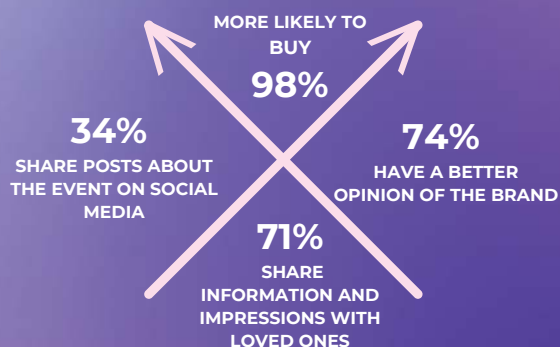


in the B2B sector, 29% of the marketing budget is allocated to events



the fastest growing companies allocate 50% of their marketing budget to events

EFFECTIVENESS OF EVENT MARKETING



ways of financing events

- Company Budget
- Sponsors
- Tickets and participation fees
- Grants and subsidies
- Strategic partnerships
- Crowdfunding
- Investors

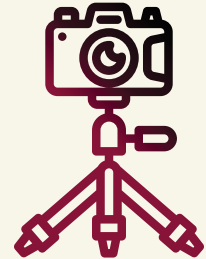
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THE IMPACT OF INFLUENCERS ON PURCHASING DECISIONS OF GENERATION "Z"



CONTEXT

In recent years, there has been a trend of increasing importance of influencer marketing in selling goods and services. An influencer is a public figure who becomes active in social media. He is an online creator who publishes the content of the profiles he runs on social networks. He uses his image to promote and recommend given products or services in cooperation with brands and companies.



ANALYSIS



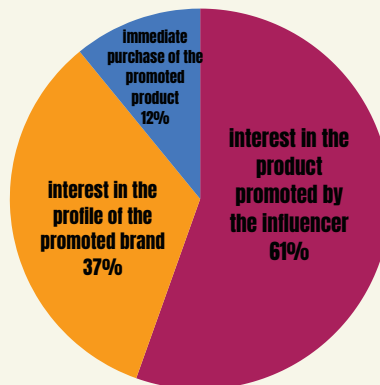
Of all Gen Z adults credit social media influencer recommendations as the most important driver of purchase decisions online, above brands, retailers, celebrities and store associates



When it comes to resharing their shopping finds and purchases, the top three social sites used are Instagram, followed by Facebook and TikTok.



CONSUMER'S BEHAVIOUR



PURPOSE

To illustrate how influencer activities influence the purchasing decisions of young people between the ages of 11 and 28.

HOW INFLUENCERS AFFECT DECISIONS OF THEIR FOLLOWERS?

Influencers encourage people to buy the products they promote by organizing competitions and events, creating posts and tutorials, and sharing sponsored links

SUMMARY

Influencer marketing is a powerful system that uses many tools for marketing purposes. These tools include the influencers themselves and the content they create. Research shows that the importance of influencers who use their authority, importance and trust of followers is high and the activities they conduct are important for the sale of products or services. People representing the "Z" generation which chooses social media as the first and main source of information are particularly sensitive to their activities on social networking sites.

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SUCCESS OF INPOST

INTRODUCTION

The modern logistics industry has undergone a significant revolution with the introduction of InPost - the company that has become the undisputed leader in the supply market. InPost serves as a parcel delivery service that enables individuals to independently send and receive packages at a chosen location 24/7. Innovative parcel machines have earned the approval of clients due to their speed, convenience, and effectiveness. At the end of the previous year, InPost had 27,939 Parcel machines, with 19,306 located in Poland. The number of users availing the company's services reached 16.3 million, which means that on average more than 40% of Polish residents use InPost machines.



MAIN INPOST SERVICES:

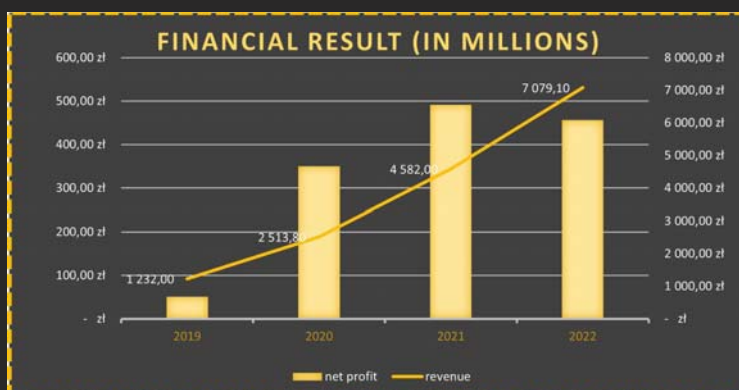
- InPost parcel machines
- Courier
- InPost Fulfillment
- InPost Subscriptions
- Offer for Allegro dealers
- InPost Quick Submissions
- InPost Weekend Package
- Mobile application - InPost Mobile
- InPost Fresh

SUCCESS STORY

In 2006 Rafal Brzoska, founder of the Capital Group Integer.pl, has decided to create the InPost company. The Moment of the start of the private logistics operator coincided with the period of the postmen's strike, during which only the Polish post had the right to deliver letters weighing less than 50 g., soon he came up with an innovative idea - he decided to load the letters with a fifty-gram sheet, which made it possible to avoid the state monopoly. From the very beginning, the founder of Inpost was endowed with innovative thinking, which resulted in the rapid development of the company. The number of parcels delivered grew with each passing month, and already at the end of 2007 InPost introduced a system for tracking letters via the Internet.

INPOST PARCEL MACHINES - A REAL REVOLUTION

In 2009, Rafal Brzoska and the team were thinking about how to expand the offer beyond the delivery of letters. As a result, the idea of parcel machines was born - modern devices resembling mailboxes that allow you to independently receive and send parcels 24 hours a day, 7 days a week. In September 2009, the first InPost parcel machine was built in Cracow. In 2015, InPost took over 100% the Polish postal group. Inpost shares debuted on the Warsaw Stock Exchange (WSE) on October 13, 2015. In 2019, the company launched the mobile application InPost Mobile with the function of remote opening of boxes in the parcel machine. In 2022, The Courier Company InPost delivered 744.9 million shipments



SUMMARY

Why do the parcel machines have such a huge success and gained considerable popularity? The answer is simple: they perfectly fit with the demands of the present time and keep up with the rapidly growing e-commerce industry. These innovative devices made it possible to easily solve several problems, such as: long waiting for the courier, the need to stand in queues and pick up the parcel only at specific hours and at certain place.

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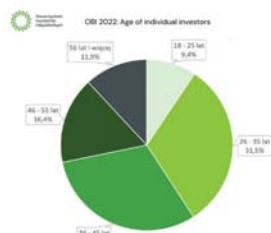


HOW TO ENCOURAGE YOUNG PEOPLE TO START THEIR JOURNEY ON STOCK MARKET?

For many young people, the subject of the stock exchange is incomprehensible and shrouded in an enigmatic aura. The basic concepts effectively discourage them, despite the fact that they can be easily put into practice. Also, the awareness of losing hard-earned capital causes very few young people to decide to take risks and try their hand at the stock exchange. One should ask whether the stock exchange is a place for young people and whether there is a way to effectively encourage them to enter it?

WHAT IS A STOCK MARKET?

The stock market is a place where people buy and sell parts of their companies, known as stocks. It's compared to a vast market for these pieces of companies. Hypothetically, when a company goes public, it divides into smaller parts called shares. People are allowed to buy these shares, making them part owners of the company. Now, if you believe that the company is supposed to do well, you can buy its shares. Other people who think similarly can also buy them. Also, there are people who might think the company won't do well, so they want to sell their shares. Everything on the stock market happens very quickly. The price of a company's shares can change depending on what people think about its future. The company's shares are changing depending on what people think about its future. According to shares, when people want to buy shares of a company, they go up, so when they want to sell, they go down. This leaves us with the most important question - Why would someone want to buy or sell shares? Because you can become rich! Let us explain. The stock market is like an urban marketplace where people trade pieces of companies, hoping to make money on them. Last but not least, the main principle that investors follow is to "Buy low, sell high".

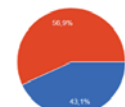


STOCK MARKET EVENTS

An excellent way to expand your knowledge about the stock market is to participate in numerous events organized by various organizations. These events are often organized by young and interesting individuals, making them a good opportunity to meet new people. One of those events is the Invest Cuffs Congress, which is actually completely free. Invest Cuffs is definitely on top in Europe when it comes to the topic of stock markets, that is why it brings together the investment market industry. From stocks to investment funds, the conference covers a wide range of topics. Participation in such an event allows attendees to take part in conferences, exhibitions, startup presentations and networking. That is why it is an incredibly inspiring experience and a great initiative for people who want to expand their knowledge about the stock market. Another free event that encourages young people to invest is the Wall Street Conference, held every year. It is definitely the largest meeting of individual investors with experienced representatives of major companies, institutions, and other entities shaping the market in Poland. The conference provides a person with a wide range of knowledge, including investing, as well as the opportunity to establish contracts with professionals in this industry.

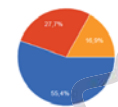
Do you know how the stock market works?

65 answers



Are you interested in the stock exchange subject?

63 answers



POPCULTURE

When it comes to movies about stock markets, one that people immediately think of is definitely "Wolf of Wall Street". The film is, of course, related to mentioned earlier topic of stock markets and fascinates young people with its action, taking illegal substances and obviously the person of Jordan Belford who built his empire based on frauds and human harm. Despite the fact that his character's behavior is not worth of looking up to, young "sharks" are "lined up" to become a millionaire like he was. The 2008 financial crisis in the USA may seem neutral to some people who aren't familiar with the subject of stock markets. On the other hand, every person interested in the topic knows about "Big Short", which, besides its excellent cast, intriguingly explains the economic processes in a way that someone without any knowledge about this incident can understand it. In this incredible movie, worldwide Hollywood stars like Margot Robbie or Selena Gomez take on their roles, explaining the viewers how the financial market operates. Engaging in stock market trading will always be associated with risk and the potential loss of funds. However, two of those movies are a great way to interest young people in the subject, perhaps not strictly limited to the stock market but in finance as a whole.

GLOSSARY

Long - Investors maintain "long" security positions in the expectation that the stock will rise in value in the future.
Short - A "short" position is generally the sale of a stock you do not own. Investors who sell short believe the price of the stock will decrease in value.
Cable - The exchange rate of GBP/USD. The name comes from the cable laid in the 19th century between the USA and the UK.
Loonie - the exchange rate of USD/CAD. The name comes from the bird species depicted on Canadian coins.
Chunnel - The exchange rate of EUR/GBP. The name comes from the Eurotunnel, which connects France and the UK.

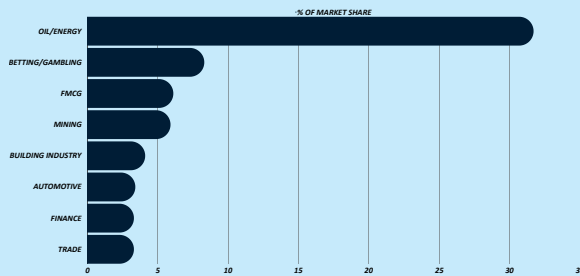
Bull market - is commonly defined as a period of time when major stock market indexes are generally rising, with market indexes eventually reaching new highs.
Bear market - a market characterized by falling prices; the name comes from the way a bear attacks, striking downward with its paw.
Triple Witching - refers to those four days each year - the third Fridays of March, June, September and December - in which stock options, stock index futures, and stock index options all expire.

SPORTS SPONSORING MARKET IN POLAND

INTRODUCTION



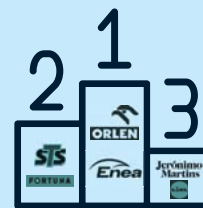
Sports sponsorship in Poland is largely based on corporate support of events, clubs, athletes or sports organizations in order to create a trustworthy self-image and gain public sympathy. Sponsorship is a form of advertising that promotes the brand and encourages the use of its services/products using the image of an athlete, club, organization or sport event.



The largest share of the sports sponsorship market in Poland is held by companies from the fuel and energy sector (Orlen, Enea). Last year, the share of this industry was 31.7%. On the second place were bookmakers such as STS, Fortuna, Betclic etc. (8.3%), and on the third level FMCG e.g. Jeronimo Martins, Lidl, Carrefour (6.1%).

INDUSTRY VALUE

The value of the sports sponsorship market in Poland in 2022 was PLN 1.2 billion. This represents an increase of 3% compared to the previous year. According to Sponsoring Insight, growth will be similar in 2023 and will increase from year to year. The main source of sponsorship in our country are public sector companies.

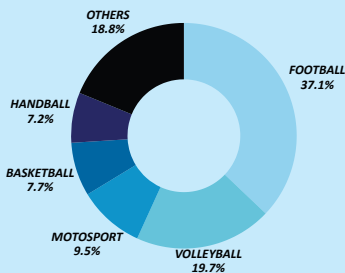


THE MOST PROFITABLE DISCIPLINES

The most profitable sport in our country is football. In 2022, companies contributed about PLN 450 million to this discipline, which meant allocating 37.1% of all sponsoring expenses to it. This time, the recent World Cup in Qatar undoubtedly contributed to the great interest of companies in football.

Volleyball remained in the second place among the sports with the highest revenues from the sale of sponsorship rights. Companies contributed about PLN 240 million (19.7% market share). This was related to the men's volleyball world championships held in Poland and Slovenia, as well as the women's world championships held in Poland and the Netherlands.

The last place on the podium was taken by motorsports. Spending on the purchase of sponsorship rights amounted to almost PLN 120 million (9.5% of the total market). As every year, events from the series of Formula 1 competitions or the Dakar Rally were important.



SPONSORS OF ATHLETES IN POLAND

Moreover, the faces of Polish athletes were used in advertising campaigns of PZU ("Good PZU team"), where Iga Świątek took part. In 2021, Anna and Robert Lewandowski signed an agreement with 4F, where they advertise sportswear. Another example is the cooperation of Superbet with Sławomir Peszko and Jerzy Dudek.



TITLE SPONSORS

In the sports sponsorship industry, companies play an important role, which not only support clubs, but also become a part of club's name. In Poland there are many sports clubs which have company names such as: KGHM Zagłębie Lubin, Termalica Bruk-Bet Nieciecza, Asseco Resovia (volleyball) or Comarch Cracovia (hockey).



SUMMARY

Summary: the sponsorship market in Poland depends on the interest in specific disciplines in a given period of time, which is related to sporting events, and above all the successes of athletes or sports clubs. Business flourishes when international sporting events are organized in our country, our national teams perform in prestigious tournaments abroad or when athletes become more recognizable thanks to their achievements. Because of these factors, the sponsorship market is constantly growing and generating huge profits.

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- The coats of arms of sports clubs and company logos were downloaded from their official websites



What you need to know about **RISK MANAGEMENT**



What is a business risk?

Business risk is the exposure a company or organization has to factor(s) that will lower its profits or lead it to fail. Anything that threatens a company's ability to achieve its financial goals is considered a business risk.



What is Risk Management?

Risk management is the process of identifying, assessing, and prioritizing potential risks to minimize their impact on an organization or project. It involves analysing uncertainties, developing strategies to mitigate or exploit them, and monitoring the risk throughout the project or business process.



Risk management process

- 1 Identifying the risks
- 2 Analysing the risks
- 3 Evaluating the risks
- 4 Treating the risks
- 5 Monitoring the risks



Types of business risks

Strategic Risk

Strategic risk refers to the potential threat that arises when a business deviates from its intended business model or strategic plan. If a company fails to align its operations with the defined business model, the effectiveness of its strategy diminishes over time, hindering the achievement of set goals.

Compliance Risk

Compliance risk, also known as regulatory risk, emerges in industries subject to extensive regulations. It occurs when a business fails to adhere to specific regulations governing its operations. Failure to understand and comply with such regulations may lead to legal consequences and fines.

Operational Risk

Operational risk stems from internal factors within a corporation, particularly when day-to-day operations encounter challenges or failures. This type of risk can impede the smooth functioning of the company.

Reputational Risk

Reputational risk arises when a company's image is tarnished, either due to a previous business risk event or an unrelated incident. The potential consequences include loss of customers and a decline in brand loyalty.



Why is Risk Management so important in the context of Marketing and Finance analysis?

Businesses face a great deal of uncertainty in their operations, much of it outside their control. That is why, risk management is a key part of the business world. It allows individuals to reach their goals while mitigating or dealing with any of the losses associated with marketing or finance.

In finance

Risk includes credit risk, market risk, liquidity risk, and operational risk. Companies must monitor customer creditworthiness, control asset price volatility, and be prepared for difficulties in asset disposal.

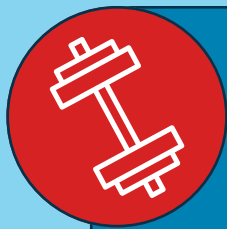
In marketing

Risk encompasses brand risk, market risk, competitive risk, and campaign risk. Companies must adjust marketing strategies to changes in customer preferences, avoid actions that could harm the brand image, and be flexible in responding to competitive challenges.

References:

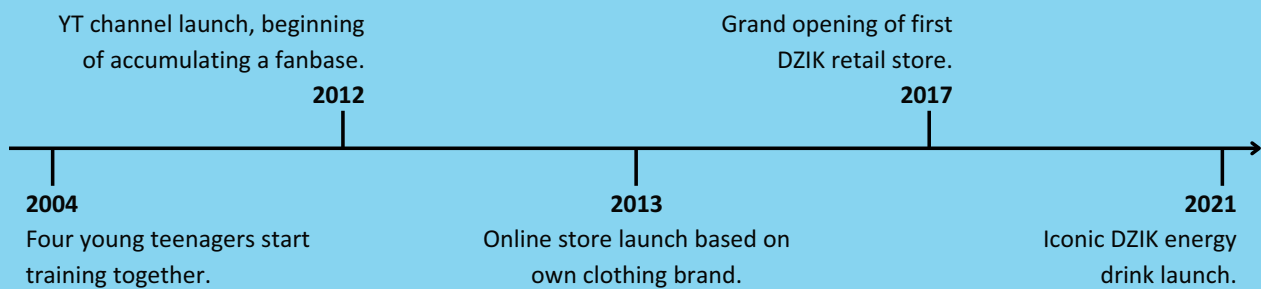
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The Story of WK Dzik's Marketing and Financial Success



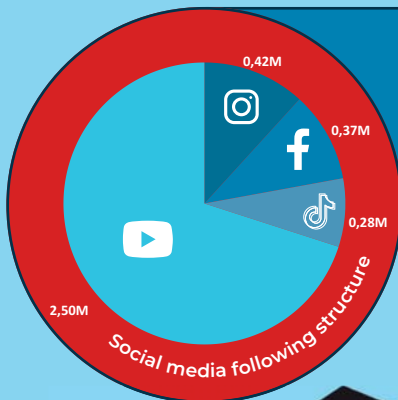
From the beginning

Let's start with a bit of background. It all kicked off in 2004 when four teenagers from Warsaw began to train together in an old basement with makeshift equipment. By 2010, they moved to a professional gym. In 2012 inspired by the American fitness scene, they launched the Warszawski Koks YouTube channel. Owca, Robur, Saker and Ponczek started small but quickly gained a dedicated following, being among the few Polish YouTubers focused on fitness. In 2013, they started WK Wear, their first line of top-notch fitness clothing, expanding their brand with new products over time. Clothes, supplements, and equipment formed a solid base, but they were aware of their potential.



Current actions

Fast forward to 2021, they introduced the Dzik energy drink. Despite the dense and difficult market the launch was a success. Dzik gained massive popularity, and they expanded its flavours, making it available in most popular Polish stores. They claim that by 2022, they sold over 10 million cans, with Dzik energy contributing to over half of the company's profits.



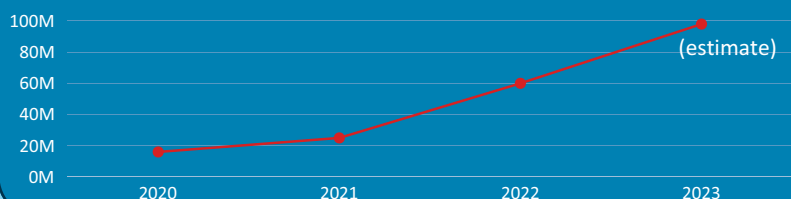
Fitness fans & retail triumph

WK Dzik's marketing is straightforward yet effective, targeting their fanbase and fitness enthusiasts using social media and partnerships with influencers. They sponsor fitness events and use online ads. While all their products are sold online, their bestselling Dzik energy is widely available in many stores.



Current financial turnovers

Since the launch of their signature energy drink brand, the company's revenue is on a rising trend. Taking into account the results from previous years, the WK Dzik's income is growing by a staggering 64% each year! It is anticipated that in 2023, they will generate revenue of 98 000 000 PLN.



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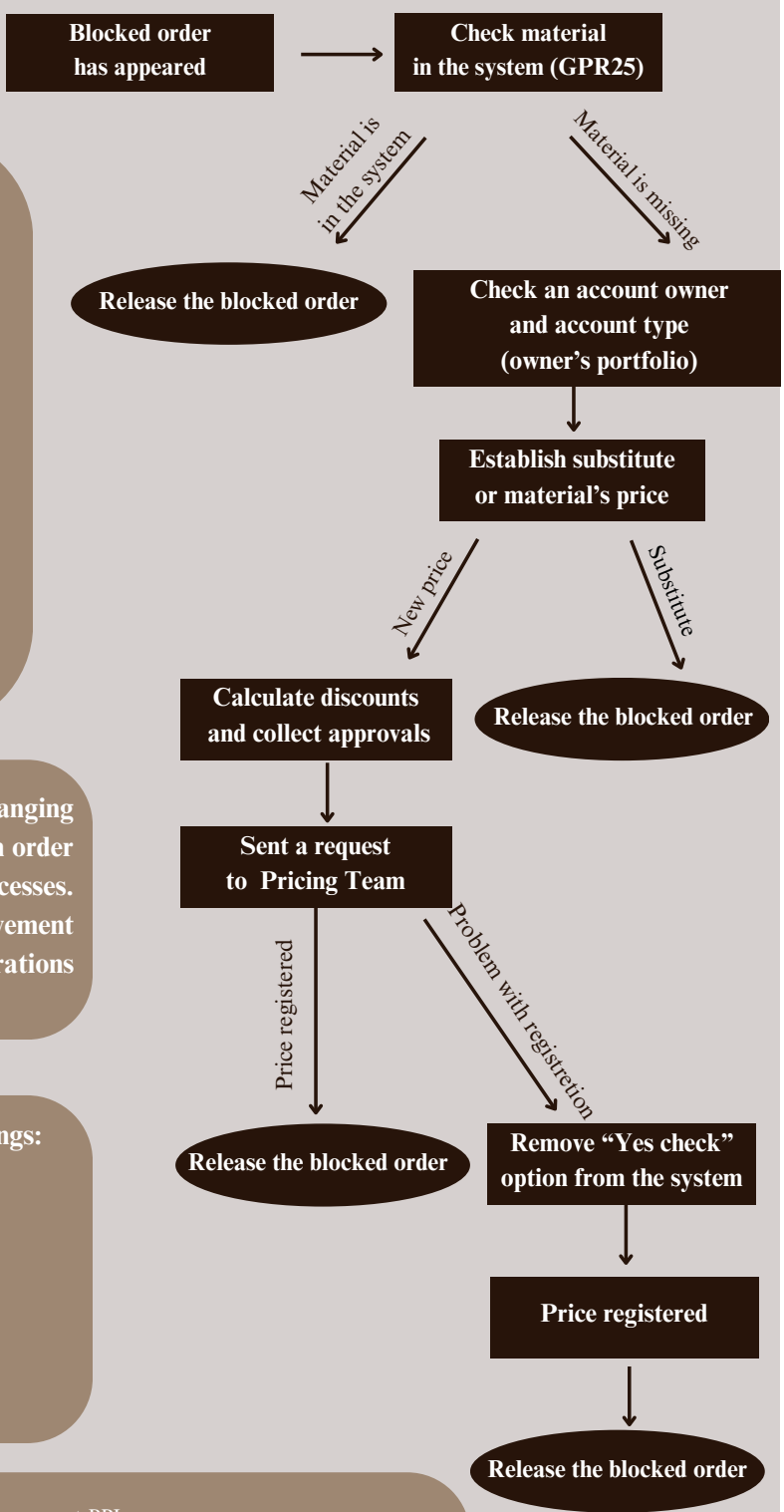
How to deal with blocked order?

Demonstration of business process improvement using the example of a blocked order

“blocked order”
A blocked order appears when the material is inactive in the system. Inactivity of the material may be due to poor registration or when the material has not been registered at all. If a blocked order appears, the order cannot be released to the customer. In such a situation, the owner must set a price with which the material will be uploaded into the system or provide a substitute for the ordered material.

Process improvement in a company consists of changing the functioning of certain spheres of the company in order to improve the effectiveness of the processes. The main objective of business process improvement is to increase the efficiency of operations even if the current methods are possibly abandoned.

- The benefits that business process improvement brings:
- increased efficiency
 - improved risk management
 - reduced costs
 - better control of the process
 - increased competitiveness
 - greater flexibility
 - reduction of process time



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