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Additional information and an imprint – p. 85

CONTENTS

From the Editorial Committee	5
Karim AGUEB, Abdelaziz BARKAT, Abdallah KAIBICHE: Contemporary management orientation in the vocational training and education sector in the State of Médéa, Algeria (outstanding performance management model)	7
Latifat Omolara AKANO: Financial reporting and performance of small and medium enterprises in Lagos State, Nigeria: the crucial role of financial reporting education	27
Rahmon Abiodun FOLAMI, Russell O. Christopher SOMOYE, Muzliu Bamidele ILO: Determinants of payment innovation among deposit money banks in Nigeria: a review of literature	39
Anna KONYEV, Olena DOLGALOVA: “Housing policy” and provision of housing services in foreign countries	57
Jasna RAJER, Tina VUKASOVIC: The plan of integrated marketing communication with emphasis on designing a strategy for the brand X	65
Additional information	85

From the Editorial Committee

We are giving you the next Vol. 29, No. 2(2024) issue of the Quarterly of the Faculty of Management of the Rzeszow University of Technology entitled "Modern Management Review".

The primary objective of the Quarterly is to promote publishing of the results of scientific research within economic and social issues in economics, law, finance, management, marketing, logistics, as well as politics, corporate history and social sciences.

Our aim is also to raise the merits and the international position of the Quarterly published by our Faculty. That is why we provided foreign Scientific Council, as well as an international team of Reviewers to increase the value of the scientific publications.

The works placed in this issue include many assumptions and decisions, theoretical solutions as well as research results, analyses, comparisons and reflections of the Authors.

We would like to thank all those who contributed to the issue of the Quarterly and we hope that you will enjoy reading this issue.

With compliments
Editorial Committee

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CONTEMPORARY MANAGEMENT ORIENTATION IN THE VOCATIONAL TRAINING AND EDUCATION SECTOR IN THE STATE OF MÉDÉA, ALGERIA (OUTSTANDING PERFORMANCE MANAGEMENT MODEL)

The vocational training and education sector in Algeria faces numerous challenges due to its roles in both economic and social spheres. Therefore, this study aims to determine the extent of outstanding performance management practices in vocational training institutions in the state of Médéa, Algeria. The quantitative analytical approach was used on a sample of 21 vocational training institutions, relying on the questionnaire as a data collection tool, which was distributed to 51 (institution directors, sub-directors, and heads of departments). The study reached several results, the most important of which is the application of outstanding performance management in the studied institutions, where it was proven that the dimensions of performance management exist, and the institutions' application of performance planning and feedback was at a high level. As for the institution's application of the dimension of improving and developing performance and after measuring and evaluating performance, there was a medium level of application.

Keywords: modern management, vocational training, performance, outstanding performance management, education sector.

1. INTRODUCTION

In recent years, the world has witnessed a number of changes that have affected various areas of contemporary life in all countries of the world, regardless of their formations and levels of progress. These changes have affected the style and format of social, economic, and political relations among other institutions. In light of competition, these institutions

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seek to invest in human competencies through making the best use of its distinguished human resources (Katibah, 2020), What distinguishes our current era is that its strength is represented by the practices of the modern management style of knowledge and resources. Modern management practices have never acquired as much importance and attention as they do today. Therefore, organizations today are constantly trying to control the resources they have and are owned by individuals and groups within the organization so that they become owned by everyone and everyone can refer to them (al Karaoui, Kadem, 2019), The human element is undoubtedly crucial for the success of any activity. Therefore, an effective system for managing human performance is essential to assess its efficiency. Therefore, the process of managing outstanding performance is an important tool for managing human resources in organizations in general (Nassani, 2020), Therefore, contemporary organizations are in need of human resources with a distinct balance of skills, and it has been shown in recent years that outstanding performance management is considered one of the basic tools to ensure administrative efficiency and effectiveness by creating an environment in which successful dialogue prevails about work and priorities between employees and the manager, which is considered essential for achieving goals programmed (Boumzaide, 2015).

Researchers realized that there was a need for more attention to modern administrative trends, so through this study we try to reveal the reality of outstanding performance management practices in light of this trend, and the problematic of our study can be formulated as follows:

What is the reality of implementing outstanding performance management in vocational training and education institutions in the state of Médéa, Algeria?

The following sub-questions branch out from this problematic:

- 1) What is the reality of implementing performance planning in vocational training and education institutions in the state of Médéa?
- 2) What is the reality of implementing the dimension of improving and developing performance in vocational training and education institutions in the state of Médéa?
- 3) What is the reality of implementing performance measurement and evaluation dimension in vocational training and education institutions in the state of Médéa?
- 4) What is the reality of applying the performance feedback dimension in vocational training and education institutions in the state of Médéa?

In order to answer the main question of the study, the following main hypothesis was formulated:

There is a good application of outstanding performance management in vocational training and education institutions in the state of Médéa.

The following sub-hypotheses branch out from the main hypothesis:

- 1) There is a good application of the performance planning dimension in vocational training and education institutions in the state of Médéa.
- 2) There is a good application of the dimension of improving and developing performance in vocational training and education institutions in the state of Médéa.
- 3) There is a good application of the performance measurement and evaluation dimension in vocational training and education institutions in the state of Médéa.
- 4) There is a good application of the performance feedback dimension in vocational training and education institutions in the state of Médéa.

The importance of research can be limited to the following elements:

- The importance of the study lies in its discussion of the concept of outstanding performance management of human resources, as it is one of the modern administrative concepts.
- Paying attention to outstanding performance management and building it on scientific and objective foundations.
- Providing a set of suggestions to improve job performance through the dimensions of outstanding performance management;
- This research may benefit those interested in vocational training institutions in developing strategies that would advance the reality of outstanding performance management because of the several goals it achieves.

This research aims to achieve the following objectives:

- Highlighting various theoretical concepts associated with outstanding performance management;
- Identify the most important challenges facing outstanding performance management;
- Trying to uncover the reality of outstanding performance management in the institution under study.

To test the validity of the hypotheses presented, the theoretical part will rely on the descriptive approach, and the applied part will rely on the analytical approach with the aim of knowing the reality of outstanding performance management in vocational training institutions, from the point of view of the study sample, and extracting results and recommendations.

A set of scientific tools were relied upon to obtain and analyze information, such as desk research to review sources directly or indirectly related to the subject of the study. A questionnaire was prepared specifically designed for the purpose of collecting data and distributing it to the study sample. The results of this questionnaire were analyzed using the SPSS software.

2. THE THEORETICAL FRAMEWORK OF THE STUDY

2.1. Literature review

Documentary analysis helps in scientific research by interpreting existing literature in light of recent findings, as well as identifying the impact of this new information on the field by mapping the development of knowledge. Therefore, we decided to review some studies that have been conducted and are directly related to our topic:

(Forrester, 2011) study considers the extent to which the education sector has embraced performance management and performance-related pay. It contemplates the transfer and adaptation of performance management by the public sector as an audit mechanism for improving the performance, productivity, accountability and transparency of public services. The paper concludes by calling for a broader vision for reshaping education since it is argued that the activities of those working in schools, colleges and universities have been re-oriented by performance management techniques towards a competitive, performance culture. And through their study (Hassan, 2013) sought to determine the role of performance management processes in achieving outstanding performance levels for organizations by adopting the method of analytical study in order to determine the nature of the relationships that control the variables and that lead to their impact on performance

management and its excellence. Data related to the research is through official reports, records of the company under study, and personal interviews. In addition, a form was designed to survey opinions for a sample of 9 individuals. The research reached a set of results, the most important of which is achieving outstanding performance levels for organizations, especially the existence of a strong relationship between performance management processes and organization excellence. Also, the impact of performance management dimensions reached 64% on the organization's excellence, while the rest of the percentage is due to other factors. Where (Dorothy, Bonn, 2017) study reports findings of a recent conceptual literature review of teacher performance management systems as implemented by the teacher service commission in Kenya. It was undertaken by reviewing several teacher service commission circulars, documents used in teacher management, HR literature and the teacher service commission Act. It reflects the perspectives of the authors and teacher service commission management in relation to HRM good practices and theories. Its main purpose was to apprise processes from earlier procedures, to ascertain current levels of use and satisfaction, and to determine whether performance management has become a more effective strategic tool in the human resource management repertoire. The conclusions suggest, that the use of, and satisfaction with performance management systems remain challenging, although there are some indications that the increasing integration of the current perspectives of HRM appears to encourage more strategic links between individual, group, and organizational outcomes. In the same context (Camilleri, Camilleri, 2018) study had two main objectives. Firstly, it critically reviews the extant literature on performance management, including; Kaplan and Norton's Balanced Scorecard Approach. Secondly, it presents a qualitative research that explores the performance appraisal system in a higher education institution. The researcher has conducted semi-structured interview sessions with academic employees to analyse their opinions and perceptions toward their annual Performance Appraisal. The research participants revealed the costs and benefits of their Performance Appraisal exercise. They were aware that their educational leaders could pragmatically employ the Performance Appraisal's metrics to improve their performance outcomes, in terms of stakeholder engagement, internal processes, organisational capacity and innovation, among other areas. Mark Anthony Camilleri study implied that the Performance Appraisal instrument could lead to significant benefits for both the institution as well as for the personal development of individual academics. Where (Benlhabib, Berrado, 2019) study explored the avenues to guarantee complementarity between evaluation and performance management in complex education system and how their outcomes lead to educational equity and Effectiveness. Morocco was used as an empirical case study to give insights about the two issues. the study revealed new evidence in research on relevance of performance management in education system developing countries and the link between education system performance management approaches with those of the evaluation give visible results for the education systems effectiveness. And (Edung, 2023) study was centered on the assessment of teacher performance management in the secondary Education System, in Cross River State, Nigeria. the study pinpoints basic areas where performance management is needed by the staff of the organization which is targeted by the end of the academic year, it is an ongoing process. The study concludes that prompt and timely performance appraisal promotes effective feedback and serves as basic criteria for a motivational tool that helps identify individual strengths and areas for development. this also ensures and gives staff ample opportunity to share ideas for the growth of the organization at large.

2.2. Modern administrative trends

Management in its various fields always seeks to compete and raise its level in order to achieve its goals, survive and excel among institutions, and grow by working to optimally exploit its available resources, both material and human. This is in light of the current developments and technologies that have invaded the lives of individuals, groups, and departments of all kinds. Among the importance of practicing This type of modern administration has proven its importance and its ability to advance societies as a whole, and this is through several features such as the factor of flexibility, the factor of unity of direction, the factor of division of work, and attention to the human factor, which is considered a directing, contributing, decision-making, and monitoring element, because this administration pays special attention to employees, whether in developing their skills, efficiency, interest, or their problems and opinions, and among the contemporary definitions of management we find that it is the process that is carried out by one person or several people to coordinate the activities and actions that are carried out by others for the purpose of achieving certain results that cannot be accomplished by one individual. Management also means the sum of successive steps that aim to direct human and material resources towards achieving the desired goals through coordination of efforts and purposeful arrangement of the elements of production. What is meant by the term management is that it is an integrated mental and behavioral process that involves planning, organization, leadership and control. It can be applied to any type of organization or organizational environment. If we add the term “modern” to the term “management”, we find that modern management is the use and application of modern administrative methods and techniques (Saal, 2022).

Well-managed organizations tend to achieve better performance and provide the desired work-life balance to their employees, so modern management is one of the important topics in the organization, and management refers to the art and science of achieving organizational goals through the human resource, as managers perform different roles in the organization, Among the functions that managers perform are planning, supervising, controlling, hiring, and leading people in any organization. They are supposed to plan well in order to achieve their organizational goals. Managers should also organize activities in the organization well to achieve organizational goals, especially those who have modern administrative theories in their daily activities. And their practices in the organization in order to manage their organizations more effectively and efficiently, and also enable them to achieve their organizational goals. On the other hand, organizations that have not mixed their daily practices and administrative theories will not manage their organizations well, which makes it difficult to achieve organizational goals, and on a broader scale, The practice of this type of modern administration includes the following (al Karaoui, Kadem, 2019):

- As managers, people perform the managerial tasks of planning, organizing, staffing, leading and controlling.
- Management applies to any type of organization.
- Management applies to managers at all organizational levels.
- To generate surplus is the common objective shared by all managers.
- Finally, management is about productivity and this involves effectiveness and efficiency...

It is also noted that modern management practices are the developmental process that derives its importance from the need for strategic planning, coordination, direction and

control of the large and complex decision-making process. Therefore, management essentially requires the acquisition of administrative competence and effectiveness in the following main areas: problem solving, management, human resources management, and organizational leadership.

2.3. Outstanding performance management

2.3.1. The concept of outstanding performance management

The concept of performance is considered one of the most widely used and common concepts in the field of economics and organization management, as it is considered the subject of wide interest by economic researchers due to the importance this term acquires in business organizations. Performance is defined as the behavior that refers to what a person does in a work situation.(Ashal, 2020). There are those who define it as the employee's behavior and the accomplishment of his job, which are evaluated according to the achievement of the outputs and goals that the environment seeks to achieve according to the available means and pre-determined standards (Belhamel, 2021). Doenick also points out that performance has two main aspects: An interface relates to the quality of the practiced activity, and an interface relates to the quality of the results achieved, and on this basis the level of achieved performance can be judged, which results in four main angles for looking at performance in terms of achieving the quality of these two interfaces (Hobar, lhilah, 2021):

- Performance as a result of task execution;
- Performance as an expression of employees' competence and organization's ability;
- Performance as an acceptable outcome;
- Performance as sustainable results.

As for outstanding performance, it is a state of creativity and organizational excellence to achieve high levels of performance and implementation of operations in the organization, resulting in achievements that exceed what is expected, and with which the stakeholders in the organization are satisfied (Ghanam, 2018).

Various organizations also seek to achieve outstanding performance that ensures they achieve their goals and achieve the highest levels of performance. To know how the organization can benefit from the excellence of its human competencies in achieving outstanding performance in the organization as a whole, outstanding performance management must be practiced (Khalif, 2019/2020), It is defined as an integrated strategic approach in order to achieve the continuous success of the organization, by improving the performance of individuals and developing the capabilities and contributions of teams (Benkhira, Boukhloh, 2021), It is also defined as a continuous process of identifying, measuring and developing the performance of individuals and groups and describing the performance with the strategic goals of the organization (Abdul, 2018).

As for "Armstrong", he believes that human performance management is (Bachikh, Makhloufi, Dahmani, 2020):

- A systematic process that improves organizational performance by developing individual performance and obtaining the best results for the organization, within planned goals;
- The process of directing and supporting employees to work effectively and efficiently in line with the needs of the organization;
- An integrated strategic approach that works to achieve the goals of the organization and employees alike;

- Providing organized and documented feedback on employee performance to supervisors and managers.

2.3.2. The importance and objectives of outstanding performance management

Administrative mechanisms must be created to direct the management of outstanding performance in a way that demonstrates its importance as follows (Kadri, 2015):

- Establishes an information system on the performance of human resources and the changes that occur therein;
- It gives the opportunity to exchange information, opinions and experiences between these resources and their leadership;
- Facilitates the process of supervisors directing and guiding human resources;
- It leads to continuous evaluation of incorrect performance before it becomes part of the permanent behavior of human resources;
- It focuses on correcting performance and eliminating the concept of performance evaluation for mere reward and punishment only;
- Provides the appropriate climate for negotiating problems
- Facilitates the process of selecting leaders and delegating assistants.

The objectives of outstanding performance management can be divided into three points, the most important of which are (Tallal, 2022):

- Strategic objectives: It is considered one of the most important objectives of performance management that links the organization's strategic objectives and employee performance through:
 - Determine strategic objectives;
 - Determine the performance required to achieve strategic objectives;
 - Determine the characteristics required in employees in order to implement the strategy (skill, knowledge, ability, attitude);
 - Evaluation of actual performance;
 - Determine the difference between actual and target performance;
 - Feedback.
- Administrative objectives: In which organizations use private information to manage performance, especially what consists of (employee performance evaluation) in making some administrative decisions.
- Development goals: This is the third goal, which works to develop the skills and capabilities of employees, when employees are not qualified to perform at the required level. The goal of performance management is to raise employee levels, and deficiencies in job performance are often identified through meetings conducted by Manager with employees.

2.3.3. Requirements and models for outstanding performance management

The researchers, "LeBouckaert and Halligan", proposed dividing performance management into four sub-models that express the development of this type of management. These models were built on three main axes: measurement, integration, and use. The first axis is based on collecting data and information in a manner consistent with the objectives of performance measurement and analysis. The second axis includes the extent of integrating and incorporating performance culture and methods of measuring it into procedures, regulations and laws. The third axis represents the extent of the actual and successful use of the performance measurement process and the data generated from it in

controlling and leading this administration. These types are represented in (Hobar, lhilah, 2021):

- The traditional model: This model is considered the source of the rest of the models, given that its essence does not depend heavily on the essence of performance, as it relies on simple and primitive indicators and measures, which do not represent the diverse objectives of public administrations, and do not give the true picture of the financial, strategic and organizational situation of these administrations. These signals and measures are not based on clear scientific and methodological foundations.
- Performance management model: This model represents the extent of public administration's compliance with the laws and regulations subject to it, and is based on some indicators that measure this without considering other variables, especially the human aspect, and the extent of the effectiveness of this administration, which shows the shortcomings of this model, but it is considered a logical development for the previous model, given the inclusion of organizational performance measurement indicators, which are considered very limited in their use.
- Management model using performance: This model is linked to the use of the main concepts of performance across the management stages of public administrations, but in an inconsistent manner, that is, the information resulting from the measurement process and performance analysis is not linked between the various branches of public administration, and between the various management stages, which leads to a lack of Optimal use of the information resulting from the study and analysis of the performance of this department, and in this way it is not possible to achieve the highest levels of performance and reach the best desired results.
- Outstanding Performance Management Model: This model is considered, according to researchers, the best compared to previous models, as it includes performance across all management stages, and in a way that ensures consistency and harmony between the activities of public administration, and between its performance levels in proportion to the various variables surrounding this administration, and in a way that allows for control of its activity. And lead it to achieve the highest levels of performance. This model is based on building a performance measurement system that is integrated into the public administrations information system, and requires a high degree of consistency and harmony with this system. It also requires that the outputs of the performance measurement system be clear, understandable, and analyzable, so that decision makers can control and lead the performance of public administration.

The idea of performance management is also based on a simple logic that requires the availability of a set of characteristics defined by "Abdul Muti Shaqoua" in the following points (Saiah, 2020):

- Designing the work in a scientific way that determines the required performance, its method, and the expected results upon completion of implementation;
- Providing the material and technical performance requirements and all the resources required for the proper implementation of the work according to the established design;
- Creating the conditions surrounding the place where the work is carried out;
- Providing a qualified individual to carry out the work, preparing and training him on the correct performance methods, and providing complete information about the

performance plan, its goals and objectives, the required quality levels, and all the evaluation criteria followed;

- Monitoring performance, observing what the individual does while working, and providing him with updated information;
- Monitoring and evaluating implementation results in comparison to the specified goals and rates, and rewarding the worker for his performance according to the evaluation results.

2.3.4. Dimensions of outstanding performance management

The dimensions of outstanding performance management were determined by relying on the most frequent dimensions according to the opinions of a number of writers and researchers, which are: (performance planning, performance measurement and evaluation, performance improvement and development, and performance feedback), as shown in the Table 1 (Safa, 2016):

Table 1. Dimensions of performance management according to a number of writers and researchers

Dimensions of performance management	Performance planning	sharing and communication	Performance organization	Diagnosis of the gap	Leadership and direction	Performance rewards	Administrative priorities	Making administrative decisions	Review and monitor performance	Training	Improving and developing	Performance contribution	Performance evaluation	Data collection	Feedback
	Researchers														
(Melo, 2001)	X								X				X		X
(El-Salmi, 2001)										X	X		X		
(Schwartz, 2001)				X	X	X			X		X		X		
(El-Sarn, 2002)			X								X				X
(Torrington et. al., 2002)					X			X			X				
(Noe et. al., 2003)											X				X
(Pulakos, 2004)									X		X	X			X
(Jones, 2005)						X				X	X				X
(Lucas et. al., 2006)	X					X		X			X				X
(Gillespie, 2006)	X	X			X	X			X		X				
(Armstrong, 2009)	X						X				X				X
(Noe, 2011)	X								X	X	X		X	X	X
(El-Mahna, 2021)	X										X		X		X
(Salman, 2013)	X								X		X		X		X
(El-Qaisi, 2014)	X										X		X		X
Points	14	01	01	01	03	04	01	02	06	03	13	01	07	01	11

Source: (Safa, 2016).

After reviewing previous studies, the most important dimensions were chosen that suit our study and that correspond to the specificity of the vocational training institutions in which our field study is conducted. These dimensions can be presented as follows.

- **The first dimension: the performance planning dimension**
Planning is the first stage of the performance management system process cycle. It provides the foundation for an effective process and helps encourage commitment and understanding by linking the employee's work with the company's goals. Performance planning is defined as setting goals and standards that are linked to the company's strategy and major development plans in performance.
- **The second dimension: Improving and developing performance dimension**
The idea of improving performance is based on treating deficiencies and deviations in actual performance from target performance, which may be due to any element of performance. We can differentiate between improvement and development to innovate or introduce new levels to the employee's performance that did not exist before.
- **The third dimension: Measuring and evaluating performance dimension**
Researchers differed in their definition of the concept of performance evaluation, according to the orientations of each of them, as some defined it as estimating the value or quantity of something in relation to specific standards. The goal of evaluation is to objectively judge the work subject to evaluation, whether it is good or bad, successful or unsuccessful, by analyzing and interpreting the information available about it in light of the factors and circumstances that would affect the work.
- **The fourth dimension: Performance feedback dimension**
Feedback can be defined as the process through which managers and employees are provided with information to evaluate performance and give them the opportunity to reflect carefully on their performance and develop future plans with employees. It is an important activity that employees must carry out for the purpose of planning their work and priorities and to clarify matters to the manager well and in advance if the agreed-upon performance will not take place on the agreed date.

3. THE APPLIED FRAMEWORK OF THE STUDY

After completing the theoretical framing of the study, a field study must be prepared to determine the extent to which the theories and concepts fit the reality of the institutions under study, and the extent to which outstanding performance management is applied and practiced in vocational training institutions in the state of Médéa, Algeria. We initially decided to present the introductory aspect of the institution, and then we review the most important results reached through our analysis and study of the reality of outstanding performance management.

3.1. Presentation of the vocational training and education sector

Since Algeria's independence, the vocational training and education sector has witnessed gradual progress with the increasing number of public training institutions. This progress must be framed by institutions that support pedagogical activities, represented by the National Institute for Vocational Training and Education, as the vocational training and education sector constitutes a strategic pole that contributes to economic and social development. For the country, it works mainly to achieve and guarantee a workforce characterized by professional training qualified to meet the needs of the labor market. It

also works to ensure complementary or transformative training for the benefit of workers and employees in order to improve their qualifications and master their skills on an ongoing basis in accordance with the requirements of the labor market and technological development, as well as providing economic and social stakeholders with resources. Qualified human beings capable of controlling the job position, in addition to developing and improving the returns of economic institutions through continuous updating of workers' knowledge and qualifications in accordance with developments in professions, the number of private institutions for vocational training reaches 633 institutions, and in their entirety they provide training limited to different branches and specializations, in addition to pedagogical engineering institutions represented by the National Institute for Vocational Training and Education and the 6 institutes for vocational training and education, in addition to support institutions.

3.2. Data collection tools

The questionnaire was relied upon as a tool for the study, and the latter included two parts as follows:

The first part: relates to the personal information of the sample members, which are gender, age, educational level, years of experience, and job held.

The second part: relates to the subject of the study and includes four dimensions (performance planning, improving and developing performance, measuring and evaluating performance, and performance feedback) and the degrees of agreement with the statements were according to a five-point Likert scale.

3.3. Study population and sample

The study population represents all vocational training institutions in the state of Médéa. The study includes 91 samples consisting of (institution directors, sub-directors, and department heads) from 21 training institutions, including 4 specialized institutes and 17 vocational training centers. the analytical quantitative approach was used in addition to using observation as a tool to help analyze the data. The field study was also conducted over a period of six months, with two stages of data collection and analysis, where we randomly distributed 60 questionnaires to the sample and 51 of them were retrieved.

3.4. Validity and reliability of the study tool

The reliability of the study tool can be verified through Table 2, which shows the **Cronbach Alpha coefficients** for the dimensions of the study and the questionnaire as a whole.

Table 2. Cronbach's alpha coefficient for the dimensions of the study and the questionnaire as a whole

Dimensions	Number of Statements	Cronbach's alpha coefficient	The validity coefficient
Performance planning dimension	08	0.763	0.873
Improving and developing performance dimension	06	0.694	0.833
Measuring and evaluating performance dimension	08	0.798	0.893
Performance feedback dimension	06	0.664	0.815
The questionnaire	28	0.689	0.830

Source: Prepared by the researchers based on the outputs of the SPSS software.

It is clear from Tables 2 that the value of the **Cronbach Alpha coefficient** for the questionnaire as a whole is (0.689), which is a good percentage as it is higher than the acceptable percentage, as is evident from the validity coefficient for the questionnaire as a whole is (0.830). This value is an important indicator of the validity of applying the study tool for the purpose of achieving its objectives.

3.5. Personal and functional characteristics of the study sample

This part includes presenting the personal and functional characteristics of the sample members, and descriptive statistics were used to extract frequencies and percentages, where we reached the following results:

Table 3. Personal and functional characteristics of the study sample

Section		Frequency	Percentage
Gender	Male	45	88.2
	Female	6	11.8
	The total	51	100
Age	Less than 30 years old	2	3.9
	From 10 to less than 15 years	13	25.5
	From 15 to less than 20 years old	10	19.6
	20 years and over	26	51
	The total	51	100
Educational level	Secondary school or less	9	17.6
	Bachelor's degree	18	35.3
	Master's degree	12	23.5
	Postgraduate diploma	2	3.9
	The total	51	100
Years of Experience	From 5 to less than 10 years	4	7.8
	From 10 to less than 15 years	4	7.8
	From 15 to less than 20 years old	16	31.4
	20 years and over	27	52.9
	The total	51	100
Job held	Director of an institution	12	23.5
	Sub-manager	10	19.6
	Head of a department	29	56.9
	The total	51	100

Source: Prepared by the researchers based on the outputs of the SPSS software.

The results, according to Table 3, indicate that the study's members were male with a representation rate of (88.2%), while females were represented by (11.8%), which means that the largest percentage of the study sample was male, and this disparity between the sexes can be explained by the nature of sensitive jobs. It is also clear to us that the predominant age group among the study sample is (20 years and above), with a percentage of (51%), and this is due to the nature of the jobs represented in them being senior positions. The percentage of study sample who hold a bachelor's degree ranked first, as the

percentage reached (35.3%). These results indicate that vocational training institutions use competencies in the management process, especially senior positions. With regard to the percentage of study sample who have experience (20 years or more), it ranked first with a percentage of (52.9%). These results demonstrate the possession of human resources. With expertise that can be employed to improve performance, and with regard to the distribution of study personnel according to the position occupied, Table 3 shows that the percentage of study personnel that ranked first were heads of departments at a percentage of (56.9%) and this is due to the large number of centers in the state compared to institutes.

3.6. The extent to which vocational training institutions in the state of médéa apply the dimensions of outstanding performance management

3.6.1. Performance planning dimension

It is clear from the table above that the study sample's answers to the performance planning dimension were "often", meaning that there is an application of the performance planning dimension in vocational training institutions, where the arithmetic mean of the performance planning dimension was estimated at (3.70), with a standard deviation of (0.480), which indicates that there is agreement among the sample regarding what was stated in the content of this dimension, and according to the study's scale, this variable indicates that the general attitude of individuals was at a high level. We also note that all

Table 4. Arithmetic means and standard deviations for statements of Performance planning dimension

Num	Statements	Arithmetic average mean	Standard déviation	General trend
1	The institution uses extensive data to develop the planning process	3.56	0.700	Often
2	The developed plan includes identifying current and future opportunities	3.84	0.731	Often
3	The institution takes into account transparency in preparing and reviewing its plans	3.86	0.721	Often
4	The institution announces the goals to be achieved to its employees	3.62	0.799	Often
5	The goals to be achieved in the institution are consistent with the available resources	3.80	0.894	Often
6	The institution's senior management has a clear vision of the importance of performance planning	3.74	0.770	Often
7	senior management encourages employee participation in workforce decision-making	3.54	0.878	Often
8	The institution analyses and studies the factors of the internal and external environment	3.62	0.747	Often
Performance planning dimension		3.70	0.480	Often

Source: Prepared by the researchers based on the outputs of the SPSS software.

the answers of the study sample members according to the program's outcomes are opinions trends that are mostly characterized, and this indicates the institutions under study plan performance by focusing actors on the planning process as it is a fundamental process, as vocational training institutions hold periodic meetings, courses, and conferences to determine the needs of the institutions and set goals for carrying out the planning process.

3.6.2. Dimension of improving and developing performance

It is clear from the table above that the study sample's answers to the dimension of improving and developing performance were "sometimes", meaning that there is an application of the dimension of improving and developing performance in vocational training institutions, where the arithmetic mean of the dimension of improving and developing performance was estimated at (3.12), with a standard deviation of (0.626). Which indicates that there is agreement among the sample regarding what was stated in the content of this dimension, and according to the study's scale, this variable indicates that the general attitude of the individuals was at an average level. We also note that all the answers of the study sample members according to the program's outcomes are opinions characterized mostly by "sometimes". This indicates that the institutions under study sometimes improve and develop performance by conducting sensitization courses to encourage workers to improve and develop their performance, in addition to providing

Table 5. Arithmetic means and standard deviations for statements of improving and developing performance dimension

Num	Statements	Arithmetic average mean	Standard déviation	General trend
1	The institution seeks to encourage the preparation of research and studies related to improving the performance of its employees and adopt its beneficial results	3.11	1.14	Sometimes
2	There is a need for an organization to review the development of a performance system	3.13	0.848	Sometimes
3	The institution has a special research and studies department that carries out research and development operations	2.07	1.146	Rarely
4	The institution uses advanced technology to improve employee performance	3.01	1.157	Sometimes
5	The institution desires to develop the performance of employees in order to meet current and future work requirements	3.72	0.826	Often
6	The institution provides accurate and useful feedback to employees about their performance with the aim of helping them improve and develop their performance	3.64	0.770	Often
Dimension of Improving and developing performance		3.12	0.626	Sometimes

Source: Prepared by the researchers based on the outputs of the SPSS software.

several annual courses regarding improving the level and developing individual and collective competencies. However, there are some shortcomings in the institutions regarding research and development operations.

3.6.3. Dimension of measuring and evaluating performance

It is clear from the table above that the study sample's answers to the performance measurement and evaluation dimension were "sometimes", meaning that there is a relative application of the performance measurement and evaluation dimension in vocational training institutions, where the arithmetic mean for the performance measurement and evaluation dimension was estimated at (3.29), with a standard deviation of (0.688). Which indicates that there is agreement among the sample regarding what was stated in the content of this dimension, and according to the study's scale, this variable indicates that the general attitude of the individuals was at an average level. We also note that all the answers of the study sample members according to the program's outcomes are opinions, most of which are characterized by "sometimes". This indicates that the institutions under study sometimes measure and evaluate performance through the periodic methods and processes that institutions apply to measure and evaluate performance, which are represented in observations and reports related to actual performance and its outputs, and this depends on the nature of their activities, given that these training institutions are public service institutions.

Table 6. Arithmetic means and standard deviations for statements of the measuring and evaluating performance dimension

Num	Statements	Arithmetic average mean	Standard déviation	General trend
1	The institution considers financial and non-financial indicators as criteria for evaluating its performance	2.84	1.488	Sometimes
2	The institution's strategy is achieved through the performance of its resources	3.31	1.048	Sometimes
3	The institution has a clear and specific system for evaluating performance	3.41	0.962	Often
4	Performance evaluation aims to rationalize the use of available resources	3.74	0.844	Often
5	The institution works to develop performance evaluation methods on a continuous and regular basis	3.62	0.823	Often
6	Every department in the institution evaluates its performance	3.58	0.941	Often
7	The institution has an effective integrated information system that helps evaluate its performance	3.23	0.991	Sometimes
8	The institution applies the balanced scorecard method to evaluate its performance	2.60	1.281	Sometimes
Measuring and evaluating performance dimension		3.29	0.688	Sometimes

Source: Prepared by the researchers based on the outputs of the SPSS software.

3.6.4. Performance feedback dimension

It is clear from the table above that the study sample's answers to the performance feedback dimension were "often", meaning that there is an application of the performance feedback dimension in vocational training institutions, where the arithmetic mean of the performance feedback dimension was estimated at (3.45), with a standard deviation of (0.569). Which indicates that there is agreement among the sample regarding what was stated in the content of this dimension, and according to the study's scale, this variable indicates that the general attitude of the individuals was at a high level. We also note that all the answers of the study sample members according to the program's outcomes are opinions, most of which are characterized by "often". This indicates that the institutions under study provide feedback on performance by documenting all the outputs of performance measurement and evaluation processes in order to use them as inputs in the planning process, while working to correct deviations by programming training courses in improving the level and developing performance.

Table 7. Arithmetic means and standard deviations for statements of the performance feedback dimension

Num	Statements	Arithmetic average mean	Standard déviation	General trend
1	The institution is interested in finding leaders who can influence the behavior of employees to achieve goals	3.21	1.136	Sometimes
2	Ideas and suggestions are communicated directly from employees to officials in the institution	3.33	0.972	Sometimes
3	The institution's employees are interviewed with superiors to discuss the results of their performance evaluation	3.74	0.844	Often
4	Feedback mechanisms used in the institution make employees aware of their weaknesses	3.29	0.831	Sometimes
5	Feedback enables the institution's management to link evaluation processes to development practices in employee performance to prevent deviations	3.52	0.833	Often
6	The institution uses feedback information as a main input to motivate employees towards achieving their goals	3.62	0.937	Often
performance feedback dimension		3.45	0.569	Often

Source: Prepared by the researchers based on the outputs of the SPSS software.

3.7. TESTING THE VALIDITY OF HYPOTHESES

To test the validity of these hypotheses, the arithmetic means and standard deviations of the dimensions of outstanding performance management were considered.

3.7.1. Results of testing the first sub-hypothesis

There is an application of the performance planning dimension in vocational training institutions in the state of Médéa.

The average score for the performance planning dimension was calculated as 3.70. On the five-point Likert scale, this falls within the range [3.40–4.20] for the corresponding category, indicating a significant application of performance planning in the studied institutions. The standard deviation was calculated as 0.480, which is less than 1, suggesting a high level of agreement among respondents. Thus, there is strong support for the first sub-hypothesis, indicating acceptance.

3.7.2. Results of testing the second sub-hypothesis

There is an application of the dimension of improving and developing performance in vocational training institutions in the state of Médéa.

The average score for the improving and developing performance dimension was calculated as 3.12. On the five-point Likert scale, this falls within the range [2.60–3.40] for the neutral category, indicating a relative application of improving and developing performance in the studied institutions, The standard deviation was calculated as 0.626, which is less than 1, suggesting a high level of agreement among respondents. Thus, there is strong support for the second sub-hypothesis, indicating acceptance.

3.7.3. Results of testing the third sub-hypothesis

There is an application of the measurement and evaluation dimension of performance in vocational training institutions in the state of Médéa.

The average score for the measurement and evaluation dimension was calculated as 3.29, On the five-point Likert scale, this falls within the range [2.60–3.40] for the neutral category, indicating a relative application of measurement and evaluation performance in the studied institutions, The standard deviation was calculated as 0.688, which is less than 1, suggesting a high level of agreement among respondents. Thus, there is strong support for the third sub-hypothesis, indicating acceptance.

3.7.4. Results of testing the fourth sub-hypothesis

There is an application of the performance feedback dimension in vocational training institutions in the state of Médéa.

The average score for the performance feedback dimension was calculated as 3.45, On the five-point Likert scale, this falls within the range [3.40–4.20] for the corresponding category, indicating a significant application of the performance feedback in the studied institutions. The standard deviation was calculated as 0.569, which is less than 1, suggesting a high level of agreement among respondents. Thus, there is strong support for the third sub-hypothesis, indicating acceptance.

3.8. Results of testing the main hypothesis

The main hypothesis: There is an application of outstanding performance management in vocational training institutions in the state of Médéa

Since in our topic, which is entitled “The reality of outstanding performance Management in Vocational Training in the State of Médéa”, there is no dependent variable and therefore the validity of the hypotheses cannot be tested by extracting the sig value, but rather it can be tested by interpreting the direction and opinions of the studied sample members through general arithmetic averages. The general standard deviations for the following dimensions.

Table 8. Dimensions of outstanding performance management as a whole

Dimensions	arithmetic average mean	standard deviation	General trend
Performance planning dimension	3.70	0.480	Often
Improving and developing performance dimension	3.12	0.626	Sometimes
Measuring and evaluating performance dimension	3.29	0.688	Sometimes
Performance feedback dimension	3.45	0.569	Often
Total	3.40	0.428	Sometimes

Source: Prepared by the researchers based on the outputs of the SPSS software.

From the above table, it is clear to us that the total general arithmetic mean of the study dimensions was calculated as 3.40, and the standard deviation was calculated as 0.428, On the five-point Likert scale, this falls within the range [3.40–4.20] for the corresponding category. The total standard deviation was calculated as 0.428, which is less than 1, which explains the adoption and application of outstanding performance management in vocational training institutions in the state of Médéa.

4. CONCLUSION

Modern management practices are among the important practices that must be available in every institution because their role lies in providing beneficiaries and decision makers at the administrative levels of the institution with the necessary information at the right time to achieve outstanding performance. Modern management practices in most contemporary institutions today are among the important departments as they It manages an important resource of the institution, and through this study in which we tried to reveal the reality of outstanding performance management practices in light of this approach, we reached a set of results and recommendations as follows:

- Vocational training institutions in the state of Médéa apply outstanding performance management. The adoption and application of outstanding performance management in vocational training institutions in the state of Médéa is explained through its dimensions represented in the following:
 - Institutions plan performance by focusing actors on the planning process as a fundamental process. Vocational training institutions hold periodic meetings, courses, and conferences to determine the institutions' needs and set goals for carrying out the planning process.
 - Institutions sometimes improve and develop performance by conducting awareness-raising courses to motivate workers to improve and develop their performance, in addition to providing several annual courses regarding improving the level and developing individual and collective competencies. However, there

are some shortcomings in institutions with regard to research and development processes.

- Institutions evaluate performance using periodic methods and processes, such as observations and reports, that are based on actual performance and its outcomes. This depends on the nature of their activities, given that these training institutions are public service institutions.
- Institutions provide feedback on performance by documenting all the outputs of performance measurement and evaluation processes in order to use them as inputs in the planning process, while working to correct deviations by programming training courses in improving the level and developing performance.
- There are a number of challenges and difficulties that limit the use of performance management, including organizational challenges, the absence of effective communication mechanisms, the difficulty of measuring performance due to the absence of precise standards, and the lack of interest in research and development processes. The difficulties of managing outstanding performance can be addressed through:
 - Formation and training of workers on modern technologies;
 - Using advanced technology to improve employee performance;
 - Establishing a special research and studies department that carries out research and development operations;
 - Applying effective performance evaluation methods such as the balanced scorecard method;
 - Institutions should pay attention to financial and non-financial indicators as criteria for evaluating their performance.

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FINANCIAL REPORTING AND PERFORMANCE OF SMALL AND MEDIUM ENTERPRISES IN LAGOS STATE, NIGERIA: THE CRUCIAL ROLE OF FINANCIAL REPORTING EDUCATION

This study investigates the impact of adopting International Financial Reporting Standards (IFRS), financial reporting quality, and financial reporting education on the performance of listed Small and Medium Enterprises (SMEs) in Lagos State, Nigeria. A primary data were used for this study. The research design was a survey research design, and a well structured questionnaire was employed to gather the data. The findings reveal significant positive impacts. IFRS adoption positively influences SMEs performance in Lagos State ($\beta = 2.027$; $p < .05$), and there exists a significant positive relationship between financial reporting quality and SMEs performance ($\beta = 1.991$; $p < .05$). Additionally, the current level of financial reporting education among SME owners significantly impacts their business performance ($\beta = 2.159$; $p < .05$). The study recommends proactive measures such as promoting IFRS adoption and implementing financial reporting education programs tailored for SME owners. These initiatives are anticipated to enhance transparency, facilitate informed decision-making, and improve overall business performance.

Keywords: financial reporting, international financial reporting standards, financial reporting quality, financial reporting education, performance.

1. INTRODUCTION

SMEs fall under a specified size range regarding employee count, annual revenue, or total assets. The requirements for classifying a company as an SME differ by country and location (Adelekan, Eze, Majekodunmi, 2021). In a developing economy like Nigeria, SMEs dominate various sectors such as agriculture, construction, manufacturing, trade, commerce, and industry services. Adelekan, Eze and Majekodunmi (2021) provided the importance of SMEs by highlighting their contribution to GDP and employment, with more than 55 percent of GDP and 65 percent of total employment in developed economies and a significant role in developing economies, where they contribute 60 percent to GDP and more than 70 percent of total employment (SMEDAN, 2012; National Bureau of Statistics, 2022).

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The significance of SMEs extends to financial reporting, where their financial reports serve as the bedrock for financial planning, analysis, benchmarking, and decision-making (Ramajeyam et al., 2023). These financial reports contain reliable and relevant information utilized by various stakeholders, including management, employees, directors, creditors, government bodies, shareholders, investors, and investment advisers, and provide valuable information about the financial position, performance, and cash flows of an organization (Amah, Amauwa, 2019). It encompasses the entire process, including accounting policies, judgments, and behavior, which reduce stakeholder information asymmetries (Ahannaya, 2022).

Importantly, companies that provide better financial information tend to exhibit improved subsequent performance, as the market values transparency and information quality (Amiram et al., 2018). A good grasp of managers' behavior, judgment, actions, accounting standards, and corporate strategy is crucial in identifying the causes of a company's performance (Monah, Okojie, 2018). However, SMEs frequently grapple with accounting and financial management challenges stemming from inadequate record-keeping, inefficient use of financial information, and the unreliability of data (Aminu, Shariff, 2015), as against adequate accounting practices which are essential for informed decision-making and, in extreme cases, the survival of SMEs.

Moreover, many Small and Medium-scale Enterprises lack the basic knowledge of managing ventures beyond the subsistence level, hence, their financial reporting falls short of the standard accounting practice. In addition, the demand for increased attention to improve and enforce financial reporting disclosures around the world has been heightened by the developments in the global financial and economic crunch (Babatunde, Adeniyi, 2019), especially as a requirement for SMEs which represent a more significant percentage of the economy, especially, in Lagos State, Nigeria which tends to be more susceptible to attrition and failure. How does the financial education of SMEs owners help in bringing about quality to their financial reporting is a crucial area that tend to bring about a strong connection between the adoption of IFRS for the purpose of ensuring financial quality and eventually boosting the performance of SMEs.

The adoption of international reporting standards is worth exploring. While some SMEs may voluntarily choose to follow international standards like the International Financial Reporting Standards (IFRS) for SMEs, there's a lack of research into what influences this decision and the difficulties faced during the adoption process. One of the main issues surrounding IFRS adoption is the cost. SMEs often have limited resources, and the cost of implementing and complying with IFRS can be significant (Cammayo and Cammayo, 2020). Another issue is the complexity of IFRS. The design of IFRS standards conforms to the needs of large multinational companies, and due to its complexity, it is difficult for SMEs to understand and apply. This can lead to errors in financial reporting, which can damage the reputation of the SME and make it more challenging to attract investment (Akinlolu, 2022).

Meanwhile, the quality of financial reporting is critical for SMEs, as it can impact their access to capital, investor confidence, and business sustainability. Consequently, the debate is still ongoing on whether the quality of financial reporting significantly affects SMEs' ability to secure external funding from various sources (Jagoda et al., 2019). However, existing literature may not have thoroughly explored the link between financial reporting quality and SMEs' ability to obtain financing, significantly influencing their financial performance due to lack of attention on the role of financial education in this relationship. Hence, their financial education is required to be able to understand and interpret the

various standards to be applied in their reports which can help SMEs improve their financial reporting practices, making them more appealing to potential investors and lenders. The issue at hand underscores the critical need for attention to financial reporting education and awareness, particularly as many SMEs may lack an understanding of the importance of financial reporting or face difficulties in implementing proper reporting practices due to limited financial literacy and resources.

2. LITERATURE REVIEW

Ahannaya (2022) focused their investigation on establishing the correlation between financial reporting and organizational performance by employing the ex-post facto methodology alongside inferential statistics; the study meticulously analyzed data derived from ten local manufacturing firms. The findings revealed a substantial impact of financial reporting on organizational performance while emphasizing the pivotal role of financial reports in assessing corporate status and performance.

Bayar (2021) investigated the influence of financial accounting Reports on decision-making within Small and Medium-sized Enterprises (SMEs) by Employing cross-sectional data analysis coupled with structured questionnaires, and insights were garnered from a participant pool of 250 individuals. The research demonstrated that financial accounting reports significantly shape managerial decisions, with pivotal factors such as data quality, report clarity, and company records exert considerable influence. Mediation analysis revealed that the understandability, relevance, and quality of financial reports mediated between financial accounting reports and the effectiveness of managerial decisions in SMEs.

Conversely, Ajekwe and Ibiame (2020) conducted an extensive literature review on Nigerian SMEs' financial reporting using descriptive and regression statistical methods, and the paper methodically justified the applicability of International Financial Reporting Standards (IFRS) for Nigerian enterprises. The study acknowledged SMEs' global and local economic significance while shedding light on the reasons for differential reporting between listed entities and listed SMEs.

Amah and Amauwa (2019) explored the impact of Financial Reporting Quality (FRQ) on the financial performance of Nigerian manufacturing firms from 2005 to 2014. The researchers used regression analysis to examine various variables, including Dividend Per Share and Net Asset Value Per Share, among others, to understand their influence on FRQ. The measurement of FRQ was accomplished through Dechow's accrual-based model. The results unveiled negative associations between Dividend Per Share, Capital Adequacy Ratio, and FRQ, while positive correlations were observed between Net Asset Value Per Share, Earnings Per Share, and FRQ.

Audu (2019) investigated the effects of adopting the International Financial Reporting Standards (IFRS) on Nigeria's financial reports quality. The study utilized questionnaire data collected from 200 respondents and employed regression analysis for data analysis. The findings indicated that IFRS implementation positively influenced transparency and comparability in financial reporting.

Saliu and Adetoso (2018) delved into the impact of financial reporting on the financial performance of quoted companies in Nigeria. The study explored the relationship between financial reporting quality and the financial performance of Nigerian quoted companies by combining primary data from questionnaires and secondary data from annual reports. The research meticulously analyzed 350 out of 450 distributed questionnaires using descriptive

and inferential statistics. The results revealed significant associations between reporting quality, post-tax profit, and return on assets. Consequently, the study advocated for the adoption of robust financial reporting practices as a means to enhance overall performance.

Ezeagba (2017) investigated the financial reporting challenges faced by Nigerian SMEs, aiming to identify pertinent issues and propose potential solutions. The study examined barriers to effective financial accounting practices and explored how inadequate credit facilities could lead to poor accounting records. Using surveys and data from the Central Bank of Nigeria, the research uncovered crucial challenges such as poor accounting records, staffing shortages, ineffective accounting systems, and underutilization of banking transactions. The study suggested that accounting bodies should offer discounted accounting services to SMEs to address these challenges and promote effective financial reporting practices.

In an examination conducted by Onodi and Udeme (2017), the study went into exploring the impact of financial reporting on the managerial efficiency of Small and Medium-sized Enterprises (SMEs) in Nigeria. Encompassing 170 SMEs from Anambra State, the research meticulously analyzed 140 completed questionnaires. The data collection involved primary and secondary sources, with data analysis employing frequency distribution and ANOVA. The findings brought to light challenges in policy implementation for SMEs, directly influencing indigenous entrepreneurship.

Eniola and Entebang's (2015) study focused on SME firm performance, financial innovation, and challenges, emphasizing their role in Nigeria's economic growth. Data were gathered through a financial report survey, and quantitative analysis, utilizing both descriptive and regression methods, was employed to analyze the collected data. The authors highlighted the need for innovative financing methods such as crowdsourcing and a conducive regulatory framework to support SME growth by providing insights for entrepreneurs and identifying potential areas for empirical exploration in response to the evolving global economic landscape. The study suggested that one way for SMEs to become increasingly important is to adopt innovative financing methods, including the adoption of crowdfunding.

Another research by Adetula et al. (2014) employed a descriptive research design approach to investigate the readiness of Small and Medium-sized Enterprises (SMEs) in Lagos State, Nigeria, to adopt International Financial Reporting Standards (IFRS) and the potential challenges they might face. The research utilized data collected from primary sources and revealed that the practices of other countries influenced the adoption of IFRS by Nigeria. Furthermore, diverse challenges in the IFRS for SMEs adoption process were identified, potentially hindering effective implementation in Nigeria. The study recommended a restructuring of school curricula to align with IFRS standards.

Omoriegie et al. (2014) delved into the global debate surrounding the adequacy of financial reporting systems for SMEs, including those in Nigeria. The study sought perspectives from stakeholders, including SME financial statement users and preparers, on whether distinct financial reporting standards should be established for Nigerian SMEs. They employed a survey approach with questionnaires, and the collected data underwent analysis using non-parametric tests of hypothesis and chi-square. The study favored a dual Generally Accepted Accounting Principles (GAAP) approach for SME financial reporting. It highlighted ongoing discourse and proposed improvements to the current financial reporting framework.

Abdulkadir (2013) centered their investigation on the influence of audit committees on the financial reporting of Nigerian companies, focusing on 70 companies listed on the

Nigerian Stock Exchange. Archival data, in the form of companies' annual reports, was utilized to assess the connection between audit committees and improved financial reporting quality. The study uncovered a positive correlation between audit committees and enhanced financial reporting quality, particularly in cases with an independent chair and audit committee expertise. The research suggested the potential for further exploration of these issues using alternative measures of earnings quality that do not impose limitations on the study.

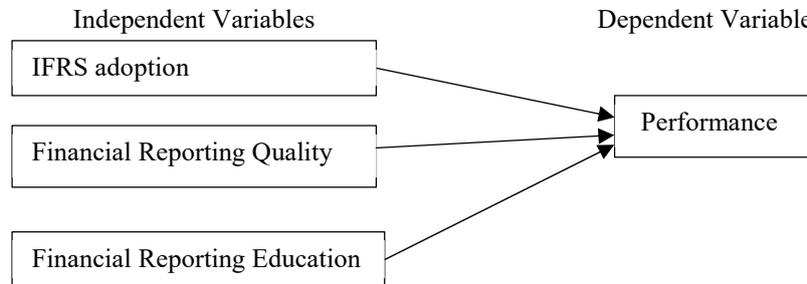


Figure 1. Conceptual Framework

Source: Researcher 2023

3. METHODOLOGY AND DATA SOURCE

A primary data were used for this study. The research design was a survey research design and a well structured questionnaire was employed to gather the data. The study population was made up of 500 respondents who were sourced from 25 small and medium-scale enterprises in Lagos. The study employed purposive and convenient sampling techniques to derive a sample size of 220 respondents from a population of 500 proposed respondents comprised of staff working in the accounting departments, business owners, and finance department employees of the selected small and medium enterprises in Ikorodu, Lagos. In essence, 220 copies of questionnaires were distributed to respondents in the study area, but only 219 valid copies of questionnaires were retrieved and found usable, which accounted for a 99.5% rate of return. Taro Yamane's formula was applied to determine the appropriate sample size as follows:

$$n = \frac{N}{1+N(e)^2} \quad n = \frac{500}{1+500(0.05)^2} = \frac{500}{1+50(0.0025)} = \frac{500}{2.25}$$

Sample size = 222

Research Hypotheses

The hypotheses for the study are:

H_{o1} : IFRS adoption has no significant impact on the performance of listed Nigerian SMEs in Lagos State

H_{o2} : There is no significant relationship between financial reporting quality and SMEs' performance in Lagos State.

H_{o3} : The current level of financial reporting education among SME owners has no significant impact on their performance in Lagos State.

4. RESULTS AND DISCUSSIONS

4.1. Demographic Details

Table 1. Distribution of Respondents by Demographic Information

Demographic Details	Frequency	Percentage (%)
Gender		
Male	65	29.7
Female	154	70.3
Age Group		
18-35 years	91	41.6
Above 35 years	128	58.4
Highest Educational Qualification		
Secondary	46	21.0
Graduate	147	67.1
Postgraduates	26	11.9
Occupation		
Business Owner	180	82.2
Accountant	31	14.2
Finance Officer	8	3.7
Nature of Business		
Manufacturing	18	8.2
Service	48	21.9
Trading	153	69.9

Source: Researcher's Field Survey (2023).

According to the result in Table 1, 29.7% of the respondents were male, while 70.3% were female, indicating that the female gender dominated the sample population but there is no gender biased in the study as the two genders were represented. Also, age group showed that 41.6% of the respondents were below 36, while 58.4% were above 35. This showed that most respondents were above 35 years of age. Regarding educational qualification, the result showed that the majority were graduates as indicated by 61.7% which implied that majority of them can read and write. Followed by secondary as indicated by 21.0%, then by postgraduates as indicated by 11.9%.

Similarly, in terms of business ownership, 82.2% of the respondents were business owners, and 14.2% were accountants, and 3.7% were finance officers. The showed that the majority of the respondents were business owners who are the main target of the study. Moreover, in terms of the nature of business, 8.2% were into manufacturing, 21.9% were into service, and 69.9% were into trading.

Hypothesis Testing

Research Hypothesis One:

H_{01} : IFRS adoption has no significant impact on the performance of listed Nigerian SMEs in Lagos State

Table 2. A summary of results for the Impact of IFRS Adoption on the Performance of listed SMEs In Lagos State

Coefficients						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	36.505	3.829		9.533	.000
	Adoption of IFRS	2.027	.105	.794	19.228	.000
<i>R = .794; R² = .630; Adj R² = .628; Fstat = 369.733 (p < 0.05)</i>						
a. Dependent Variable: Performance						

Source: Researcher's Field Survey, 2023.

The results presented in Table 2 offer a comprehensive linear regression analysis illustrating the impact of International Financial Reporting Standards (IFRS) adoption on the performance of listed Nigerian Small and Medium-sized Enterprises (SMEs) in Lagos State. Notably, the R^2 is 0.794 and implies that IFRS adoption has 79.4% variance in Performance. At 95% confidence level, the significant value is 0.000 less than 0.05 and the F-value of 369.72. The results showed that the adoption of IFRS exerts a significant influence on the performance of listed Nigerian SMEs in Lagos State ($\beta = 2.027$; $p < .05$). In essence, the null hypothesis of no significant impact of IFRS adoption on the performance of Nigerian SMEs in Lagos State is unequivocally rejected. Hence, IFRS adoption significantly impacts the performance of listed Nigerian SMEs in Lagos State.

Furthermore, these findings align with the conclusions drawn by Audu (2019), who revealed in their work that IFRS implementation positively influences transparency and comparability in financial reporting. Moreover, the results of this study align with the research conducted by Abdullahi and Sulaiman (2021), who assessed the perception of financial statement users on the extent of reporting quality following IFRS adoption in Nigeria. With the adoption of IFRS, their study found improvements in the qualitative characteristics of financial reporting, such as relevance, faithful representation, understandability, comparability, verifiability, and timeliness.

Additionally, the findings are consistent with the work of Abdullahi and Abubakar (2020), suggesting that IFRS adoption has made a significant positive difference in the extent of reporting quality. Similarly, the results align with the work of Amaefule, Onyekpere, and Kalu (2018), indicating that IFRS adoption in Nigeria exerts an insignificant negative effect on firms' Earnings Per Share (EPS) while, conversely, exerting a significant negative effect on firms' Return on Assets (ROA).

H_{02} : There is no significant relationship between financial reporting quality and SMEs' performance in Lagos State.

Similarly, the coefficient of determination, the R-Square 0.780 is which indicated that financial accounting quality explains about 78.0% of the total variation in the performance of SMEs in Lagos State as presented in results in Table 3. At 95 % level of confidence, the significant value is 0.000 less than 0.05 and F statistics value of 775.068. The results also showed that financial reporting quality, as the only independent variable, posed a significant positive relationship with the performance of SMEs in Lagos State ($\beta = 1.991$; $p < .05$). therefore, the null hypothesis which states that there is no significant relationship

between financial reporting quality and the performance of SMEs is rejected, while alternative hypothesis is thereby accepted. Hence, a significant relationship exists between financial reporting quality and SMEs' performance in Lagos State.

Table 3. Summary of Regression Result for the Relationship between Financial Reporting Quality and SMEs Performance in Lagos State

Coefficients						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	33.282	2.767		12.030	.000
	Financial Reporting Quality	1.991	.072	.884	27.840	.000
$R = .884$; $R^2 = .781$; $Adj R^2 = .780$; $Fstat = 775.068(p < 0.05)$						
a. Dependent Variable: Performance						

Source: Reseacher's Field Survey, 2023.

Also, the findings corroborated with that of Ahannaya (2022), who indicated a substantial impact of financial reporting on performance. Likewise, the study's findings aligned with the work of Bayar (2021), who posed that financial accounting reports significantly shape managerial decisions. The findings were in line with the work of Amah and Amauwa (2019), who underscored the importance of quality financial reporting and suggested regulatory support for accurate record-keeping and robust reporting. In addition, the findings also aligned with the work of Saliu (2018), who studied the impact of financial reporting on the financial performance of quoted companies in Nigeria. The findings revealed significant associations between reporting quality, post-tax profit, and return on assets. As a result, the study proposed the adoption of solid financial reporting practices for improved performance. However, findings negate the work of Rathyrani (2017), who indicated that financial reporting and analysis do not significantly impact the performance of SMEs.

H_{03} : The current level of financial reporting education among SME owners has no significant impact on their performance in Lagos State.

Table 4. Summary of Regression Results for the Impact of Financial Reporting Education on the Performance SMEs in Lagos State

Coefficients						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	33.217	3.908		8.500	.000
	Financial Reporting Education	2.159	.110	.801	19.678	.000
$wR = .801$; $R^2 = .641$; $Adj R^2 = .639$; $Fstat = 387.212(p < 0.05)$						
a. Dependent Variable: Performance						

Source: Research's Field Survey.

Lastly, the results in Table 4. present a linear regression analysis showing the impact of financial reporting education on the performance of listed Nigerian SMEs in Lagos State. The coefficient of determination, R^2 is .641 and implies that financial reporting education has 64% variation in performance. Also, at 95% confidence level, the significant level is .000 less than 0.05 and F-value of 387.212. The results in tables 4 showed that financial reporting education, being the only independent variable, showed a significant positive impact on the performance of SMEs in Lagos State ($\beta = 2.159$; $p < .05$). Thus, the finding rejected the null hypothesis of no significant impact, while the alternative hypothesis is accepted. Hence, the current level of financial reporting education among SME owners significantly impacts their performance in Lagos State.

5. CONCLUSIONS AND RECOMMENDATIONS

This study focuses on the financial reporting and performance of Small and Medium Enterprises (SMEs) in Lagos State. Findings indicated that IFRS adoption significantly impacts the performance of listed Nigerian SMEs in Lagos State. Also, a significant relationship exists between financial reporting quality and SMEs' performance in Lagos State. Lastly, the current level of financial reporting education among SME owners significantly impacts their performance in Lagos State. Therefore, the study concluded that the impact of adoption of IFRS on the performance of listed Nigerian SMEs underscores the pivotal role of financial reporting standards in shaping the trajectory of businesses, providing them with a compass to navigate the complex currents of the economic landscape. Furthermore, the symbiotic relationship between financial reporting quality and SMEs' performance in Lagos State is an indication of a fundamental truth that the integrity of financial information is intrinsically linked to the success of businesses. As the quality of financial reporting improves, so does the ability of SMEs to make informed decisions, attract investment, and fortify their positions in the competitive marketplace. Also, the study reveals that the current level of financial reporting education among SME owners is a linchpin determining their performance. Education emerges as an instrument of empowerment and a potent lever for enhancing the efficacy of financial reporting practices. SME owners equipped with a nuanced understanding of financial reporting intricacies exhibit a heightened ability to leverage financial data strategically, fortifying their businesses against the uncertainties that pervade the business landscape. As a result of the findings above, it becomes evident that the convergence of IFRS adoption, financial reporting quality, and financial reporting education forms a nexus that propels the engine of SME performance in Lagos State.

The study's findings offer valuable insights that guide the recommendations: First, there should be a need to promote comprehensive IFRS education-targeted initiatives. Regulatory bodies, industry associations, and educational institutions should collaborate to design and implement training programs that equip SME owners with a thorough understanding of IFRS principles. This education should extend beyond mere compliance and focus on the practical application of IFRS to drive strategic decision-making.

Also, regulatory authorities should emphasize the importance of adherence to reporting standards. This may involve providing SMEs with accessible resources, guidelines, and support mechanisms to streamline their financial reporting processes. Additionally, incentivizing the adoption of best practices and fostering a culture of transparency can contribute to the overall improvement in financial reporting quality. In addition, recognizing the pivotal role of financial reporting education, industry associations and

business chambers should facilitate continuous professional development opportunities for SME owners. Workshops, seminars, and online courses can be organized to keep them abreast of evolving financial reporting standards, emerging trends, and best practices. This ensures that SME owners remain well-informed and empowers them to navigate the evolving complexities of the business environment.

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DETERMINANTS OF PAYMENT INNOVATION AMONG DEPOSIT MONEY BANKS IN NIGERIA: A REVIEW OF LITERATURE

Payment innovation plays the central role in enhancing efficiency, accessibility, and financial inclusion within the banking sector, particularly in emerging economies like Nigeria. Through a systematic review of relevant literature, this study synthesises relevant theories and empirical studies to identify gaps in understanding the factors driving payment innovation among DMBs in Nigeria. The review reveals several key determinants influencing payment innovation among DMBs in Nigeria, including bank size, perceived usefulness, regulatory capital, research and development, human capital development, asset quality, leverage, and investment in information and communication technology (ICT). However, the study identified a significant research gap in establishing the directional relationship between these factors and payment innovation outcomes in the Nigerian banking context. Based on the findings, the paper recommends conducting empirical investigations to elucidate the causal relationships between DMBs in Nigeria and the identified determinants of payment innovation. In conclusion, this paper underscores the importance of understanding the determinants driving payment innovation among DMBs in Nigeria. By bridging the research gap through empirical investigations, stakeholders can better navigate the complexities of the banking industry and foster an environment conducive to on-going innovation and growth.

Keywords: payment innovation, bank-level determinants, bank size, Fintech, deposit money banks.

1. INTRODUCTION

In the dynamic landscape of the Nigerian financial industry, the exploration of payment innovation among Deposit Money Banks (DMBs) has gained prominence as a focal point reshaping the operational dynamics of banking services. While DMBs engage in various

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financial activities, from deposits to loans and advisory services, the efficiency of payment systems is fundamental to their operational smoothness (Somoye et al., 2019). Without robust payment infrastructure, the daily transactions within a bank, including fund transfers, payments for goods and services, and employee salaries, would falter.

While the adoption of electronic payment innovations has been significant, understanding the factors that drive their development is crucial for ensuring sustained and robust performance for DMBs in Nigeria. Factors such as bank characteristics, regulatory frameworks, technological infrastructure, customer preferences, and cybersecurity measures play pivotal roles in shaping the success of payment innovation.

Organisational activities are shaped by industry-level factors such as competition and technology trends (Meyer, 2020). Sadowska (2019) identifies Information as a pivotal role in driving economic and organisational strategies. External macroeconomic conditions like interest rates and government policies also impact organisations (Jensen, Meckling, 1976).

The emergence, spread, or adoption of innovative products is frequently impacted by a blend of internal and external elements, a reality that extends to DMBs (Muthinja, Chipeta, 2017). Thus, DMBs find themselves subject to the sway of what can be categorised as bank-level, macro-level, and customer-level determinants (Wahyudi, 2020; Nguena, 2019).

Recognising the imperative to comprehend the determinants steering payment innovation at the bank level becomes paramount for scholars and practitioners alike, unraveling essential insights into the strategic decisions and operational frameworks adopted by these financial institutions.

2. PAYMENT INNOVATION

Since the beginning of the new millennium, technological advancements and, more specifically, innovations in payment systems have significantly transformed and modernised the operational landscape of the global banking industry, thereby establishing their credibility (Serge et al., 2019). Payment innovation refers to the introduction and adoption of new technologies, systems, and processes within the banking industry to improve the efficiency, security, and convenience of payment transactions (CBN, 2021). It is a Fintech solutions that introduce novel or distinctive methods of paying for goods or services, typically with the objective of enhancing customer convenience or expediting the process (Rahayu et al., 2022).

Joanna (2011) contends that payment innovation, exemplified by the introduction of new payment mechanisms like ATMs, mobile banking, and internet banking platforms, is synonymous with process innovation. This innovation within payment systems serves as the linchpin for various facets of financial innovation, including product development, regulatory advancements, market dynamics, and the functioning of financial institutions. In essence, the effectiveness of these other financial innovations hinges on the success and evolution of payment innovation.

Meyer (2020) opines that payment innovation is considered a component of financial innovations within the financial system. The Banks for International Settlement (BIS), (2020) characterised payment innovation as the implementation of electronic payment systems, such as Automated Teller Machines (ATMs) and Mobile Banking (MB) with the support of Unstructured Supplementary Service Data (USSD), Electronic Cheques (E-cheques), Point of Sale (POS) terminals, and other similar technologies, aiming to enhance user accessibility and foster public trust in the banking sector.

2.1. Automated Teller Machine (ATM) channel

According to Ibekwe (2021), ATM payment channel or otherwise called ATM banking is a financial innovation that has been implemented in the banking industry to streamline payment transactions. This system utilises an ATM gallery, which is a cash dispenser that allows customers to withdraw funds from their accounts conveniently and at any time, regardless of their location, resulting in an immediate debit from their accounts. The introduction of ATM banking to expedite the payment function of DMBs was made possible by the advent of technology in finance (Bingilar, Bariweni, 2019). According to Oke et al. (2021), ATM banking not only reduces customers' waiting time for service delivery but also lowers operating costs for DMBs while generating additional income for them.

In the 21st century, ATM banking has undergone significant changes, capitalising on technological advancements to offer improved services and convenience to customers of DMBs, as noted by Ibekwe (2021). These ATMs have evolved from basic cash withdrawal machines into versatile devices. Beyond cash withdrawals, modern ATMs now enable customers to deposit cash and cheques, transfer funds between accounts, check account balances, print mini statements, and even purchase prepaid cards or postage stamps. ATMs have incorporated advanced security features to safeguard customer transactions and data (Zouari, Abdelmalek, 2020). These include PIN encryption, card skimming detection, biometric authentication (such as fingerprint or scanning), and real-time monitoring systems to prevent fraud and unauthorised access.

Othman et al. (2020) noted that the labour-intensive paper-based payment transaction system has been replaced by ATM banking. Bank will be more productive during business hours as a result of the combined services provided by ATM banking and human tellers. This suggests that because ATMs can function continuously, unlike people, they can produce more work than other financial channels.

Furthermore, ATMs now offer cardless transactions, allowing customers to withdraw cash using their mobile devices or unique codes generated through banking applications. This feature provides added convenience and reduces the risk of card theft or loss. Other features in the ATMs include cash recycling, remote monitoring and maintenance. This enables banks to track ATM performance, detect issues, and perform maintenance or troubleshooting remotely, minimising downtime and ensuring optimal functionality. Overall, ATM banking is a concept that encompasses the provision of financial services through automated teller machines.

2.2. MOBILE BANKING/USSD PAYMENT CHANNEL

According to the Nigeria Inter-Bank Settlement System (NIBBS) (2021), mobile banking can be described as the delivery of banking payment services through mobile phones, functioning without the need for an internet data network. Instead, it relies on codes provided by network providers using the system known as Unstructured Supplementary Service Data (USSD). Conversely, Safdar et al. (2018) characterise mobile banking as the act of conducting banking activities on a mobile phone, incorporating payment system features. Nazrul-Islam et al. (2022) assert that the integration of mobile banking payment into the financial system represents a form of financial innovation aimed at facilitating financial inclusion for the underbanked. This aligns with the perspective presented by Fatokun (2013).

The rise of smartphones has led to the emergence of mobile banking applications, enabling customers to perform digital payment services on their mobile devices. Unlike ATMs, mobile banking does not support cash withdrawals or deposits directly from the mobile device. However, mobile banking often includes options for transferring funds to other accounts, which can serve as an alternative to cash withdrawals.

2.3. Internet banking/web-payment channel

The concept, internet banking is often used as web-payment channel (CBN, 2020); electronic banking (e-banking) (NIBSS, 2021). It is another prominent payment innovation in the banking sector. According to Chen and Peng (2019), it is the delivery of a wide range of valuable products and services to consumers of banks via the internet. Monyoncho, (2015) views it as an e-banking which renders online real time traditional banking functions. Tamara et al. (2019) view it as a modern payment channel which provides online banking functions and information-related benefits that favour the customers in terms of accessibility, convenience, control and confidence. Customers can efficiently manage their accounts, track transactions in real-time, and make payments conveniently from anywhere at any time using internet banking (Aurazo, Vega, 2021).

Nwakoby et al. (2019) highlight that internet banking reduces operational costs and improves payment processes. It also aligns with the cashless policy, as described by Oke et al. (2021). The adoption and usage of internet banking are influenced by various factors, including customer-related aspects and technological infrastructure, as discussed by Akintoye et al. (2022). Furthermore, the perceived security and confidentiality of online transactions play a crucial role in determining its acceptance. Internet banking provides valuable data on customer behaviours and preferences, empowering banks to customise their services, enhance product offerings, and make data-driven decisions to drive performance and profitability.

2.4. Point of Sales (POS) banking

Salami et al. (2022) describe the Point of Sales (POS) system as a payment processing and financial transaction terminal. This channel employs a portable electronic device called a POS terminal, specifically designed to facilitate card payments at different retail locations. According to Ibekwe (2021), the POS payment channel utilises a debit card for processing payments or withdrawals. This method enhances efficiency, accessibility, and reach, especially in unbanked areas, as POS-accredited agents can operate remotely. Additionally, this system saves time and resources for customers since they are not required to visit bank premises to use ATMs. As described by CBN (2021), agent banking is a novel payment channel that offers improved financial access, enhances bank efficiency, and creates employment opportunities for individuals involved in the agent banking unit. With the aid of POS terminals operated by approved bank agents, users can conveniently make deposits and withdrawals, thereby increasing convenience and accessibility for customers.

In Figure 1, a comprehensive overview of Nigeria's payment transaction trends from 2013 to 2022 is depicted, shedding light on the evolving financial landscape of the country. Notably, this data reveals that the volume of ATM transactions during this period accounted for a substantial 35% of the total payment transactions in Nigeria. In close alignment with ATM transactions, Point of Sale (POS) transactions represented 29% of the payment landscape, as they also require the use of debit cards and involve physical cash transactions. However, the rise of digitalisation is evident in the payment landscape. Mobile banking transactions, while comprising a smaller portion at 12%, offer a convenient

digital alternative for financial activities. Internet banking transactions, on the other hand, represented 20% of the total volume, indicating a more substantial shift towards digital financial services. Transactions conducted through other electronic or manual channels collectively represented 8%. In essence, this data underscores the coexistence of traditional cash-based methods with an emerging digital financial landscape in Nigeria.

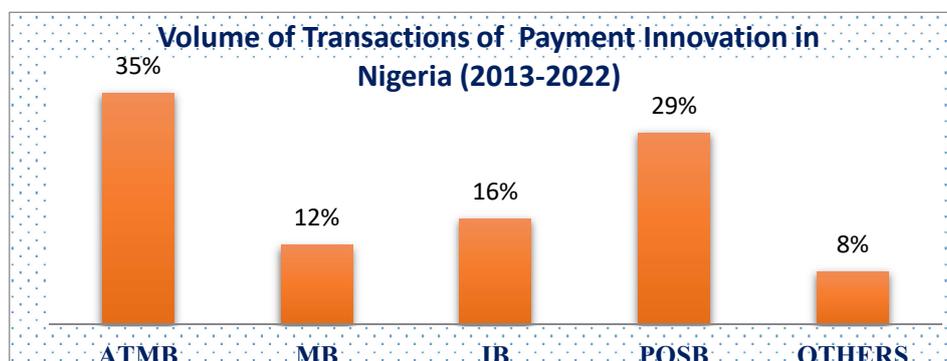


Figure 1. Volume of Transactions of Payment Innovations from 2013 to 2022

Source: (CBN, 2023).

3. BANK-LEVEL DETERMINANTS PAYMENT INNOVATION

Payment innovation is multifaceted process influenced by a multitude of factors. These influential elements encompass internal and external (Muthinja, Chipeta, 2017; Wahyudi, 2020; Sharon, 2021). Bank-level determinants include bank size, bank age, bank investment in R&D, bank profitability and bank capital regulation. These factors are inherent to the bank's profile and are under the direct control of the DMBs (Muthinja, Chipeta, 2017; Wahyudi, 2020; Beck, 2012).

3.1. Bank Research and Development (R&D)

Wahyudi (2020) described the concept of R&D as a systematic and purposeful process of investigation, experimentation, and innovation conducted by banks to acquire new knowledge, develop new financial products and services, or processes. R&D has become increasingly important in the banking industry as a key determinant of innovation. It is difficult to measure level of investment in research and development in banks. Intangible assets are usually used to proxy R&D (Nguena, 2019) and it is usually hidden and protected by firms in order to reduce the risk of imitation.

However, by investing in R&D, DMBs can identify emerging trends, customer preferences, and technological advancements to design new financial products. This may include mobile banking applications, digital payment solutions, personalised financial advisory services, and advanced risk management tools. R&D-driven innovation helps DMBs to differentiate themselves in the market, attract new customers, and improve customer loyalty (Cho, 2019).

R&D serves as a driving force behind collaborations between traditional banks and Fintech companies. By investing in R&D, DMBs can explore strategic partnerships and joint ventures with Fintech firms, leveraging their innovative technologies and disruptive business models. Such collaborations enable banks to quickly adopt cutting-edge solutions,

accelerate digital transformation, and remain agile in the rapidly changing financial landscape. R&D serves as a critical determinant of bank innovation, enabling financial institutions to enhance product offerings, improve operational efficiency, strengthen risk management, foster Fintech collaborations, and ensure regulatory compliance.

3.2. Bank size

The concept of bank size refers to the measure of a bank's total assets, which includes loans, deposits, investments, and other financial instruments. Wahyudi, (2020) views it as the scale and magnitude of a bank's operations, encompassing various quantitative measures such as the number of employees, annual revenue, market capitalisation, or total assets (Muthinja, Chipeta, 2017). There is no universally agreed-upon definition of what constitutes a “large” or “small” bank in terms of size, as it can vary across different countries and regulatory frameworks. However, in general, banks are categorised into different tiers based on their size and systemic importance (BIS, 2020).

The size of a bank can influence its risk profile and potential impact on the financial system. Larger banks may be more interconnected with other financial institutions, and their failure or financial distress can have broader systemic implications (Ohiani, 2021). Therefore, regulatory authorities often impose stricter oversight and capital requirements on larger banks to mitigate systemic risks. Bank size can indeed be a determinant of adoption and diffusion of payment innovation of DMBs (Muthinja, Chipeta, 2017). Larger banks often have more resources, both financial and human, which can be dedicated to research and development efforts. They have the capacity to invest in innovative technologies, hire specialised staff, and collaborate with external partners to drive innovation (Ferrouhi, 2017).

Large DMBs often have a broader customer base and market presence, which can provide them with more extensive data and insights about customer behaviour and preferences. This data can be leveraged to identify new opportunities, design innovative products and services, and tailor them to specific customer segments. However, small DMBs like Fintech startups, may have more flexibility and agility to experiment with innovative ideas without being constrained by extensive regulatory requirements (Aurrazo, Vega, 2021). DMBs of all sizes can collaborate with Fintech companies, technology providers, and other external partners to foster innovation. Smaller banks may be more open to collaborating with startups and leveraging their disruptive technologies to bring new products and services to market quickly.

Overall, bank size can provide certain advantages for innovation development, it is important to note that smaller DMBs or specialised innovation-focused units within larger DMBs can also excel in driving payment innovation. They can leverage their agility, flexibility, and ability to adopt emerging technologies more quickly, allowing them to introduce novel solutions and disrupt traditional banking practices.

3.3. Bank age

The concept of bank age refers to the duration or length of time that a DMB has been in operation or existence (Ferrouhi, 2017). It signifies the chronological age of a DMB, starting from its establishment or inception. Bank age is an important factor in assessing the experience, stability, and reputation of a financial institution. Established DMBs with a long history are often perceived as more trustworthy and reliable by customers and stakeholders. The age of a DMB can reflect its ability to withstand economic cycles, navigate financial crises, and adapt to changing market conditions.

The bank age can influence various aspects of a financial institution's performance. For instance, older DMBs may have a larger customer base and a more established presence in the market, which can contribute to their competitive advantage. They may have built a solid reputation over time, attracting customers through word-of-mouth and longstanding relationships. Additionally, the longevity of a DMB can be indicative of its ability to manage risk, maintain regulatory compliance, and adhere to industry best practices. Furthermore, older DMBs may have more bureaucratic structures and decision-making processes, which can slow down the adoption and implementation of innovative ideas. Sharon (2021) opines that older DMBs may have established networks and relationships with other financial institutions, technology providers, and Fintech startups which can facilitate collaboration in technologies that can drive payment innovation.

3.4. Bank regulatory capital

Bank regulatory capital refers to the amount of capital that financial institutions, such as banks, are required to hold in accordance with regulations set by governing bodies, typically central banks and regulatory agencies (CBN, 2021). This capital serves as a financial cushion to absorb unexpected losses, maintain the stability of the bank, and protect depositors and the broader financial system. Regulatory capital requirements are designed to ensure that DMBs have enough capital to cover their risk exposures and maintain their operations even in times of economic stress (Wahyudi, 2020).

Bank regulatory capital is categorised into different tiers, often referred to as “capital tiers” or “capital levels”, each with specific characteristics and functions (CBN, 2021). The most common tiers include Tier 1 capital and Tier 2 capital. Tier 1 capital consists of common equity and retained earnings, representing the core level of a bank's capital. Tier 2 capital includes instruments like subordinated debt and hybrid securities that can absorb losses if the bank faces financial difficulties. The evolving dynamics of digital payments, Cryptocurrencies, and Fintech disruptors necessitate a thorough re-evaluation of the capital buffers that financial institutions maintain. With these innovations introducing novel risks and vulnerabilities, regulatory bodies must ensure that DMBs possess sufficient capital to navigate potential disruptions while accommodating the transformative changes brought by these advancements (NDIC, 2021).

3.5. Bank profitability

Schumpeter (1934) describes bank profitability as a crucial determinant of a financial institution's overall performance that reflects its ability to generate earnings from its operations. Penrose (1959) opines that it is a measure for assessing a bank's financial sustainability and its capacity to provide returns to shareholders. At its core, interest income stands as a significant contributor to a bank's profitability. This is the difference between the interest earned from loans and other interest-bearing assets, and the interest paid on deposits and other liabilities (Farah et al., 2016).

Profitability is not solely defined by income. The management of operating expenses is equally pivotal. These costs encompass employee salaries, administrative overheads, technology investments, and regulatory compliance expenses. Efficiently managing these costs helps ensure that revenue outpaces expenditures, safeguarding profitability (Aduaka, Awolusi, 2020).

Key metrics like net interest margin (NIM), return on assets (ROA), return on equity (ROE), profit before interest and tax (PBIT), and profit after tax (PAT) are commonly used to gauge profitability (Akani, Obiosa, 2020). PBIT reflects the bank's earnings before

accounting for interest and taxes, highlighting its core operating performance. PAT, on the other hand, represents the ultimate earnings after accounting for all expenses, including interest, taxes, and other operational costs.

Bank profitability is a multifaceted concept shaped by a variety of internal and external factors. Achieving and sustaining profitability necessitates a balanced approach involving prudent management of interest income, non-interest income, expenses, risk, capital, and regulatory compliance. By considering all these elements, banks can navigate the intricate landscape of finance while ensuring profitability and long-term success.

4. THEORETICAL REVIEW

4.1. Schumpeter theory of innovation

Schumpeter (1934) observed the relevance of innovation in economic growth as it is fundamental impulse that ignites and sustains the capitalist engine as competitive innovative activity keeps the market up through creative destruction which continuously changes economic structure through invention, innovation and diffusion. Invention entails new ideas formation and its successful implementation while innovation entails successful invention, commercialisation, and diffusion (Somoye, 2013).

This theory offers valuable insights into the dynamics of innovation and its effects on economic development. The theory revolves around the central role of entrepreneurs as drivers of innovation, introducing new products, processes, and business models into the market. Schumpeter emphasised the concept of creative destruction, whereby new innovations replace or render obsolete existing products, industries, or technologies. This destructive aspect of innovation is seen as crucial for economic progress and the reallocation of resources toward more productive uses.

The theory operates on several assumptions, including the significance of entrepreneurship as a catalyst for innovation and economic growth. It also recognises the cyclical nature of innovation, occurring in waves of rapid expansion and subsequent stabilisation or decline. Furthermore, the theory assumes imperfect competition within markets, providing entrepreneurs with opportunities to introduce and profit from new innovations.

Despite its contributions, Schumpeter's theory has some limitations. It primarily focuses on radical or disruptive innovations, overlooking the importance of incremental advancements. It also pays less attention to institutional factors and social and environmental implications of innovation. Gundogdu and Taskin (2017), underscore the role of entrepreneurial innovation, where Fintech firms and banks introduce new technologies, platforms, and business models that reshaped the traditional banking.

The role of macroeconomic factors in driving innovation was highly highlighted in this theory. Schumpeter believed that governments should facilitate the process of innovation and provide a supportive environment for entrepreneurship. This includes providing technology supportive environment such as investment in ICT infrastructure and electricity supply in the country. Ejike (2019) observed that the theory recognises the influence of market competition, with increased competition from Fintech firms stimulating DMBs to invest in payment innovations to enhance customer experience and retain market share.

4.2. Diffusion of Innovation Theory

The Diffusion of Innovation Theory, proposed by sociologist Everett Rogers in 1962, provides a comprehensive framework for understanding the adoption and spread of new ideas, products, or technologies within a society. The theory is based on several key assumptions. First, it recognises that an innovation refers to an idea, product, or practice that is perceived as new by individuals or a social system. Second, the adoption process involves an individual's decision to try and use an innovation, leading to its acceptance and incorporation into their daily lives. Third, communication channels play a crucial role in the diffusion of innovations, as they facilitate the spread of information and influence individuals' perceptions and adoption decisions. Finally, the diffusion process occurs within a social system that includes individuals, groups, organisations, and cultural norms, which influence the adoption and diffusion of innovations (Khraisha, Arthur, 2018).

The theory further identified two main tests which innovation must pass before it can be adopted or diffused. They are the Perceived Usefulness (PU) and Perceived Ease of Use (PEOU) (Hefferman et al., 2014). DOI theory establishes five adopter categories in transmitting the PU and PEOU to other categories. They are the innovators, early adopters, early majority, late majority and laggards. In each of these categories, factors such as relative advantages of the innovative idea over the existing ones, comparability and complexity are crucial to the adoption and diffusion.

The theory finds application in various fields including technology, healthcare, marketing, and social change (Namusonge et al., 2016). Organisations can use the theory to understand the factors that influence the adoption and diffusion of innovations, enabling them to develop strategies to promote adoption and overcome barriers. However, the theory does have certain weaknesses. It tends to overemphasise individual decision-making, neglecting the influence of systemic factors that shape the diffusion process.

Despite these limitations, the theory remains relevant to understanding the determinants of payment innovation (Ejike, 2019). Banks and payment service providers can leverage various communication channels, such as advertising, social media, and customer education campaigns, to effectively promote and explain the benefits of new payment solutions. By applying the theory's principles, banks can enhance their understanding of customer behaviour, develop effective marketing and communication strategies, and foster a culture of innovation to drive payment innovation and improve overall bank performance.

4.3. Technology Acceptance Model (TAM)

The Technology Acceptance Model (TAM) was proposed by Fred Davis in 1989 as a framework for understanding user acceptance and adoption of new technologies. It is based on the assumptions that users are more likely to accept and use a technology if they perceive it as useful and easy to use. TAM encompasses five essential components: Perceived Usefulness (PU), Perceived Ease of Use (PEOU), Attitude (A), Behavioural Intention (BI), and External Variables (EV).

Davis (1989) submits that the first assumption, which is based on PU, imply that individuals are more likely to accept a new technology if they believe it will be useful in addressing their current challenges. The second assumption, derived from PEOU, suggests that users prefer a technology that is easy to use and lacks complexity. The third assumption focuses on the users' attitude towards the system, which is influenced by their perception of PEOU. The attitude reflects the user's response to the system's usability. The fourth assumption, behavioural intention (BI), highlights the link between BI and the other conditions. It emphasises that there is a causal relationship between users' behavioural

intentions and the factors mentioned earlier. The final condition, external variables, serve as an encompassing category for factors not explicitly captured in the previous four conditions, such as age, gender, religion, and personal beliefs.

TAM has found widespread application in various fields, including information systems, technology acceptance, and user behaviour research (Ejike, 2019). In the context of payment innovation and bank performance, TAM is highly relevant. It provides insights into the determinants of user acceptance of new payment technologies (Enukoha et al., 2022). Users' perception of the usefulness and ease of use of payment innovations plays a significant role in their adoption decisions. DMBs can leverage this understanding to design and develop payment solutions that meet users' needs and expectations, ultimately enhancing user acceptance and driving bank performance (Sharon, 2021).

Payment innovations that are perceived as useful and easy to use are more likely to be adopted by customers (Inegbedion, 2018). DMBs can focus on creating intuitive, user-friendly interfaces and seamless payment experiences to enhance user satisfaction and promote adoption (Somoye et al., 2019). The model also recognises the influence of external factors such as training, Fintech literacy and support. DMBs can provide adequate training, assistance, and customer support to facilitate the adoption and effective use of payment innovations, thereby increasing their chances of success. The model has a limited scope as it primarily focuses on individual-level technology acceptance and does not account for customer Fintech literacy.

4.4. Traditional theory of innovation

Sundbo (1997) made a significant contribution to the Technology Acceptance Model (TAM) and the Diffusion of Innovation (DOI) theories by introducing two fundamental paradigms that influence innovation. The first paradigm is the Technological-Economic Paradigm, which focuses on the creation of new technology (Khraisha, Arthur, 2018).

The theory emphasises that the impact of technology on the economy depends on how innovators utilise it in a unique way that enhances economic growth. The second paradigm involves the creation of new financial entrepreneurs. The theory posited that the introduction of financial innovations plays a crucial role in achieving market efficiency.

Sundbo (1997) opines that traditional theory, which prioritises the market before innovation, is incomplete. Instead, he highlights the significance of persistent financial innovations within a firm's strategy to maintain a competitive advantage and market share. In this context, payment innovations are driven by technology and implemented by financial experts who possess a deep understanding of the need for innovation and the factors driving it (Nwakoby et al., 2019).

The theory highlights that innovations by DMBs are primarily technologically driven and implemented by financial experts (Khraisha & Arthur, 2018). While this perspective may be applicable within the context of banking, it may not directly translate to other industries or sectors where innovation dynamics differ significantly. It is important to recognise the contextual boundaries of the theory and consider its applicability in different domains. Lastly, the theory appears to neglect the user perspective in influencing innovation adoption and acceptance.

4.5. Constraints induced financial innovation theory

Silber (1983) argues that constraints on businesses that limit their ability to grow and expand are what led to the emergence of payment innovation. Constraints come in a variety of forms; some influence how lenders choose to finance decisions, while others have an

impact on how investors might make money (Khraisha, Arthur, 2018). The adoption of payment innovations, he pointed out, was an effort to increase business profitability through effective service delivery (Sharon, 2021). According to the theory, firms create new financial products primarily for profit-driven or profit-prompted innovation.

In furtherance to his earlier work, Silber (1983) added that firms need to introduce innovative product, process and strategy continuously to meet with the dynamics of economy in which they operate. The theory further explains that firms facing significant constraints may experience reduced innovation output, slower growth rates, lower profitability, and a competitive disadvantage compared to firms with greater financial resources. One limitation of the theory is its narrow focus on profitability and profit-driven innovation. Silber (1983) argues that firms create new financial products primarily for profit motives, aiming to increase business profitability through effective service delivery. This perspective neglects other potential drivers of financial innovation, such as customer needs, market demand, and regulatory requirements. By solely emphasising profit-seeking motives, the theory overlooks the broader societal and market dynamics that shape innovation in the financial sector. Despite this limitation, the theory offers relevant insights into the determinants of payment innovation and bank performance. It highlights the importance of addressing constraints and securing financing as a means to overcome financial limitations and gain a competitive advantage.

4.6. Meta theory of financial innovation

Meta theory was created by Khraisha and Arthur (2018) claimed that various flaws exist in earlier hypotheses, For instance, geographical distance used to be a significant factor in driving payment innovations in DMBs, but it now only has a little impact on financial operations. Khraisha and Arthur (2018) introduced four models to elucidate the process of payment innovation, drawing from the foundations laid by Poole and Van (1995). These models include the life-cycle theory, evolutionary theory, economic theory, and institutional theory.

The life cycle theory of payment innovation suggests that every innovation faces four stages; introduction, growth, maturity and decline. The extent of adoption and diffusion of financial innovations can vary depending on factors such as market conditions, industry dynamics, technological advancements, regulatory environments, and customer preferences (Ibekwe, 2021). Understanding the life cycle of innovation can help financial institutions, policymakers, and researchers anticipate the stages of adoption and plan accordingly. It highlights the importance of monitoring emerging trends, assessing the potential impact of innovations, and proactively adapting strategies to stay competitive in a rapidly changing financial landscape.

ATM served as an example to illustrate the life-cycle innovation hypothesis. ATM technology was first developed outside of the financial industry (Arthur, 2017). The initial ATMs could only dispense cash; however, modern ATMs are capable of performing a variety of tasks (Oke et al., 2021). In reality, the life cycle of innovations can be more complex, with periods of re-evaluation, reinvigoration, or transformation. Additionally, the theory does not provide a comprehensive understanding of the specific determinants that drive each stage of the life cycle.

The economic theory of payment innovation focuses on understanding the drivers, incentives, and economic implications of financial innovations. This theory examines how market forces and economic factors shape the development, adoption, and impact of payment innovations. It considers the motivations of financial institutions, investors, and

other market participants in creating and adopting new financial products, services, and processes. It emphasises the role of market forces, profit incentives, risk-return dynamics, information and technology, and regulatory factors in shaping the landscape of financial innovations (Khraisha, Arthur, 2018).

The third theory, evolutionary theory, claims that innovation happens as a result of optimisation, which means that businesses encounter issues for which they look for solutions. The theory views financial innovation as a process of adaptation and selection in response to changing market conditions and competitive pressures. This theory draws upon principles from evolutionary biology to understand how innovations emerge, evolve, and persist in financial markets over time. In the evolutionary theory of innovation, market feedback is measured, in the form of customer preferences, profitability, performance metrics, or regulatory changes that shape the adaptation, modification, or abandonment of financial innovations.

The institutional theory of innovation focuses on the role of institutional factors in shaping innovation. According to this theory, innovation is not solely driven by market forces but is influenced by the broader institutional environment (Khraisha, Arthur, 2018; Ejike, 2019). Meta theory is a combination of four theories which have integrating features in explaining the factors determining payment innovation. The four theories show the relevance of institutional need to innovate such as profit-seeking motive and the acceptance of the system by the public.

5. EMPIRICAL REVIEW

Tufano (1989) conducted one of the early investigations in this area, focusing on bank size as a determinant of financial innovation. Using market share as a measure of size, the study found that bank size is an important driver of financial innovation.

Aladwani (2001) conducted a comprehensive survey focusing on banks operating in Kuwait, with the aim of delving into the underlying factors driving their foray into the realm of digital payment services. The study meticulously identified a range of factors influencing these banks' decisions, employing a systematic ranking system to discern the significance of each factor. Notably, among the array of motivations, one factor emerged as the predominant driver: the potential reduction in workforce, followed by reduction in administrative expenditures. In contrast, some factors exhibited a lower degree of influence. For instance, the provision of expedited services to customers emerged as one of the less influential considerations in this digital transformation journey. This was closely trailed by the factor of ease of use. These outcomes collectively underscored an intriguing proposition that banks in Kuwait embarked upon the digital payment landscape primarily driven by their own perceived advantages.

In a subsequent study, Tufano (2003) identified capital requirements as another significant determinant. The research revealed that regulatory capital, particularly in relation to capital adequacy ratio, restricts banks from innovating. Building on the concept of bank size, Frame and White (2005) established a positive and significant relationship between bank size and financial innovation, specifically in the context of payment innovation.

Heffeman et al. (2014), conducted a survey which involved over one thousand financial institutions in Britain; the objective was to examine the factors that drive the adoption and usage of financial innovation. Through the application of Logit and generalised Tobit models, the study revealed that the main determinants of financial innovation adoption and

usage in the country are research and development (R&D) and human capital development. These findings indicate that bank and customer-level factors are the two important drivers of payment innovation diffusion.

Arnaboldi and Rossignoli (2015) conducted a study that explored the impact of various bank and country-related elements on the acceptance and utilisation of financial innovation, exemplified by ATM banking. The research focused on the United States during the period 2005 to 2008, utilising secondary data sourced from the chosen banks' annual reports. Employing a regression analysis approach, the study revealed that specific factors such as size, loan portfolio to assess asset quality, and the level of leverage in banks were associated with strategic timing in adopting innovation. In essence, highly leveraged banks demonstrated a tendency to synchronise their innovation efforts with market conditions.

Muthinja and Chipeta (2017) conducted an empirical investigation on the drivers of payment innovation of branchless banks in Kenya. Analysing the secondary data through GMM, results showed that bank size and regulatory capital firm have significant impact on the development, adoption and usage of innovative payment channels in Kenya.

Wahyudi (2019) conducted a study on financial innovation determinants in Indonesia. The research revealed that bank age, bank size, and bank investment in research and development (R&D) significantly influence financial innovation in the country. Contrary to these findings, Tamara et al., (2019) examined the determinants of financial innovation in Indonesia and found that bank size does not have a statistically significant impact on financial innovation in the country.

Barman, et al., (2021) conducted a global perspective study on the determinants of financial innovation. Their research identified technological development, competition, firm size, and regulations as major drivers of financial innovation across various categories.

5.1. Summary of empirical review

The empirical review provided above unveils crucial findings that warrant further scrutiny to broaden the knowledge frontier. Examining bank-specific characteristics as pivotal drivers of payment innovation, the empirical evidence indicates that only a limited number of studies have delved into these internal factors that play a significant role in shaping innovations within financial institutions. The table 1 below succinctly encapsulates the key determinants identified in existing studies at the bank level.

Table 1. Bank-Level Determinants

S/N	Significant Determinants	Authors & Years
1	Bank Size	Tufano (1989); Frame and White (2005); Arnaboldi and Rossignoli (2015); Muthinja and Chipeta (2017); Tamara et al., (2019); Barman, et al., (2021)
2	Bank Perceived Usefulness	Aladwani (2001)
3	Regulatory Capital	Tufano (2003); Muthinja and Chipeta (2017); Barman, et al., (2021)
4	Research & Development	Heffeman, et al., (2014)
5	Human Capital Development	Heffeman, et al., (2014)
6	Assets Quality	Arnaboldi and Rossignoli (2015)
7	Leverage	Arnaboldi and Rossignoli (2015)
8	Investment in ICT	Barman, et al., (2021)

Source: Author's compilation (2023).

6. GAPS IN LITERATURE

The literature review reveals significant research gaps, emphasising the need to understand bank-specific factors influencing payment innovation, particularly within the Nigerian context. The absence of studies conducted in Nigeria limits our understanding of the unique dynamics faced by Deposit Money Banks (DMBs) in the country as they undergo digital transformation. This gap hinders a comprehensive exploration of the internal determinants shaping payment innovation within the Nigerian banking sector. Bridging this gap is crucial for obtaining a holistic understanding of the internal determinants shaping payment innovation within the Nigerian banking industry.

Furthermore, the traditional emphasis on bank size as a determinant of innovation faces challenges in the evolving landscape of financial technology (Fintech). The emergence of Fintech entities with small or no physical offices prompts questions about the contemporary empirical relationship between bank size and payment innovation. Young banks, leveraging modern technologies for market exploration and adopting seamless payment systems, challenge conventional assumptions about the criticality of size. An exploration of how these dynamics influence payment innovation is a notable research gap.

7. CONCLUSION AND RECOMMENDATIONS

In conclusion, the literature review underscores the significance of comprehending bank-specific factors influencing payment innovation. The conceptual review, theoretical foundations, and empirical findings from existing studies offer valuable insights into this understanding. Payment innovation stands as a core banking function, integral to various other functions, including the acceptance of deposits and the granting of credit facilities, all of which rely on an efficient payment system. The advent of innovations like ATMs, POS, mobile, and internet banking has alleviated the challenges faced by Deposit Money Banks (DMBs) in the traditional banking era, enhancing their efficiency and overall performance.

However, future research endeavours should prioritize studying Nigeria's banking industry to address identified gaps, considering the country's unique socio-economic and regulatory landscape. Delving into the impact of digital transformation, Fintech integration, and regulatory frameworks on payment innovation in Nigeria will contribute significantly to both academic knowledge and provide practical insights for policymakers and banking professionals.

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“HOUSING POLICY” AND PROVISION OF HOUSING SERVICES IN FOREIGN COUNTRIES

Housing markets and housing policies are in an interdependent relationship with each other. On the one hand, housing markets can be seen as an outcome of housing policy frameworks and long-term housing policies. On the other hand, changes in the housing market provoke new housing policies and force the revision of existing housing policy instruments. This study examines the general challenges and specific problems of housing provision in the developed world. It includes a review and a classification of housing policy instruments, as well as trends in current reforms. The article briefly describes the world practice of housing and communal services management. The management of this component of social quality of life in economically developed countries is assessed and recommendations for Ukraine are developed. The differences and peculiarities of management in this sphere are revealed, including those related to the degree of participation of the state and private sector in making management decisions. The study applies a methodological approach to the study of the world practice of housing and communal services management using the analytical method.

Keywords: public utilities, housing and communal sphere, competition, management, state-private partnership, housing and communal services.

1. INTRODUCTION

Another important factor shaping housing policy in the last ten years is the ageing of society and the shrinking size of housing. The first factor is mainly due to the shortage of barrier-free apartments suitable for the elderly, while the second increases the tension in urban housing markets and stimulates the demand for smaller apartments. It should be considered that the ageing society is considered a very important factor influencing housing policy. Thus, although ageing societies are already influencing housing policies in developed countries, at least to some extent, there is reason to believe that these pressures will increase in the foreseeable future. The same can be said for the decline in household size. Housing policy in the narrow sense focuses on the quantitative and qualitative provision of housing services. It is about the availability, accessibility, and affordability of

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housing for different social groups. Despite these underlying objectives, housing policy varies considerably across EU member states. The manifestations in each country are simultaneously the result of an individual historical evolutionary path, demand characteristics and national regulatory and financing measures.

Against the background of national housing stocks and changing housing needs, distinct profiles of national housing policies have emerged over time. However, research on contemporary housing policies in Europe from a comparative perspective is scarce. This research project aims to provide a comprehensive overview of the different programmatic approaches and characteristics of national housing policies.

The overall approach can be broken down into two distinct objectives: First, to provide a comprehensive overview of housing policy issues in economically developed countries, and second, to provide a better understanding of specific housing policy issues. Third, based on the lessons learned, to provide recommendations for the development of housing policy in Ukraine.

Theoretical and empirical methods: analysis, synthesis, generalization, comparison.

Relevance of the topic. The importance of housing policy is undeniable, since it is on it that the quality of services provided to the population depends, as well as the degree of satisfaction of the population with housing.

The purpose of this study is to identify the features of housing policy of developed countries and the development of recommendations based on foreign experience for Ukraine.

2. STATEMENT OF THE PROBLEM

The problem of studying the world experience of housing policy of developed countries remains relevant in scientific circles. At present, these problems are not given due attention. To solve these problems, it is necessary to use non-standard approaches in the management of the housing sector and improve the legislative framework. The situation of governance structures in housing policy in developed countries is very diverse. This applies both to the horizontal distribution of competences between different national units (ministries, agencies, specialized authorities, etc.) and to the vertical distribution of competences between individual administrative levels. The study did not find any striking links between the type of competence distribution and the type of housing policy implemented. The willingness to reform also varies widely.

The issues of housing policy management, as well as regulation of relations between state authorities and housing sector subjects have long been studied by Ukrainian and foreign scientists, among which it should be noted (Seleznova, 2021; Ruzhynska, 2019; Brauer, 2019; Leung, Bond, 2020; Allais, 2021).

3. MAIN RESULTS

The term “housing provision” has not been clearly conceptualized and it has been used in a confusing manner. It is derived from the notion that there are combinations of social agents involved in housing provision that relate to each other in an empirically observable way. The term “provision” not only refers to the process of housing production but also to the entire process of housing production, exchange, and consumption (Pfür, 2021).

Hence, housing provision is a physical process of creating and transferring a dwelling to its occupiers, its subsequent use and physical reproduction and at the same time, a social process dominated by the economic interests involved. Conclusively, housing provision

means to make housing available for consumption in the same way as building a stock of food in a larder. It is not to say that consumption lies outside the provision process—provision is a means to an end called consumption.

The concept of a combination between physical and social processes in housing provision is continuous and usually changes over time and is known as a Structure of Housing Provision (SHP). It is then asserted that understanding the relation of those social agents to each other and to the physical aspect of provision associated with many issues in housing. All the stages in housing provision are interrelated, for example housing consumption is an outcome and the starting point for housing production and exchange. Undoubtedly, many actors and institutions are involved in the production, allocation, and consumption of housing. The most significant ones in the process are the developers (public and private institutions or individuals), the landowners, the financial institutions, the building industry (state, municipal and private), the local housing and planning authorities and the consumers.

What determines the nature of a structure of housing provision is how the various social agents intervene in the physical process of production, consumption, and allocation of housing. A social relation is part of a SHP if it is a component of the physical process of production, allocation, consumption, and reproduction of housing. It appears that, a SHP via a specific tenure form, is the product of, historically determined, social relations associated with the physical process of land development, building production, the transfer of complete dwellings to the final user and their subsequent use.

The term “housing policy” is used in different ways and covers a multitude of activities. However, the word “policy” is notoriously difficult to define with any precision. It is also used in a more static way, to describe how things are done as a matter of routine. Specifically, “housing policy” can be defined in terms of measures designed to modify the quantity, quality, price, and ownership and control of housing. These four elements cover the scope of policy as represented in the very general statements. The role of housing policy draws attention to the need to look at both central government level and the local level in housing industry. The role of the center is to make policy and to provide a framework of powers and opportunities for policy to be implemented. It is at the local level that implementation takes place: local authorities, housing associations, building societies, builders and others constitute the plethora of organizations through which policy is implemented (Kuts, 2022).

Housing policies must set overall objectives and define responsibilities and broad general direction for the nation. It is never complete, but always evolving. Housing policies also must be adjusted to reflect the new concern with decentralized urban growth which will mean decentralizing housing institution. It means deemphasizing the public sector role in housing construction and moving this responsibility to the private sector, both formal and informal. The social relationships between actors and institutions in the development process are mediated by policy component. What is needed in housing policies and their implementing mechanisms is to make a fundamental switch from a concern about housing as an output to housing inputs. For this reason, to achieve an understanding of current housing policy, it is necessary to analyze and comprehend policy historically.

The problem of managing housing and communal services (HCS) has been relevant for a long period of time. In the current 2023, housing and communal services play an increasingly significant role in the life of the population of any state and have a significant impact on the entire socio-economic sphere of society. Existing international experience indicates that the work of housing and communal services can be carried out quite

effectively, ensuring a balance of interests of citizens and organizations providing housing and communal services. In this regard, it is of scientific interest to study such experience to determine the possibilities of its application in Ukraine.

The number of privately owned premises continues growing. This means that international experience can be fully applied in this area but considering the requirements of national legislation. Analysis of management experience in the housing and communal services sector abroad (Brauer, 2019; Argyris, Schon, 2019; Ruzhynska, 2019; Seleznyova, 2021), allows us to identify several countries with more interesting experience, as well as assess the possibilities of using this experience, considering the problems existing in Ukraine management practice in the housing and communal services sector.

Thus, France adheres to strict rules for budget execution and financial accounting in social organizations, which are obliged to publish the results of their financial activities annually. This type of government monitoring is supported by reports of financial results to the population if the municipality manages more than ten thousand people. Information on financial indicators makes it possible to compare the performance of regional and municipal authorities.

In Great Britain, there are standards for the provision of social services, that is, the social quality of life. They are applicable for daily management and determination of their content. There is no comprehensive framework for assessing managerial work in the housing and communal services sector in England since they are mainly solving the same problems of the quality of public services provided every year.

Since the social quality of housing and communal services must be permanently modernized, as the consumer environment changes and consumer tastes are updated (Allais, 2021), then in developed countries, housing and communal services management is distinguished as an independent type of activity since this type of management is aimed to improve the social quality of housing and communal services. The housing and communal services market is filled with proposals for managing this area of social services, as well as their constantly updated range (Argyris, Schon, 2019). In fact, homeowners in Europe have a greater choice than in Ukraine, since, according to our observations, management tools and services of companies that operate in the housing and communal services market are practically not updated in Ukraine.

In Sweden, quality control of housing and communal services (housing and communal services) is carried out by unions and associations that have branches at the regional and municipal levels. In this country, one of two well-known modifications of housing and communal services management is used – the “discount” model or the “depreciation” model. The basis of the “discount” model is the right to choose a range of services, while the package of services has a different price. The “depreciation” model is the economical use of utility resources for the choice of the service consumer (Allais, 2021). In our opinion, housing and communal services management models in Sweden are quite simple to use but are a tool for more effective social management.

In Finland, monitoring of housing and communal services is carried out by corporations, which include the residents themselves. Of these, about 50 thousand entrepreneurs both manage and operate residential property. A report on the financial condition of the housing and communal services fund is prepared annually. The same approach to managing the housing and communal services sector in Finland effectively ensures the social quality of life of the population. In fact, this is a business, but the principles of functioning of this sphere of social services differ from Ukraine ones in

reducing costs, saving all types of resources, and permanently introducing innovations (Pfnür, 2021).

For example, in Latvia or Estonia, it is not necessary to create a partnership; you can enter into an agreement with a company on terms that are convenient for everyone. In this case, the management organization develops proposals for the conduct of business and announces them at a general meeting of residents. The final decision is made by the residents at the meeting. As in any other structure, in the housing and communal services market, an organization that meets the high demands of consumers becomes more successful and competitive (Brauer, 2019).

Let's consider the management of the housing and communal services structure in Poland. This country was one of the first among the former socialist countries to come to an atypical type of governance. In Poland, a joint stock company was created with a 100% share of the state or city capital. This company controlled all types of public services. The holding was responsible for finances and technological processes.

Thus, the government wanted to establish a high level of quality in the services provided, as well as ensure better reliability in the operation of the property. Currently in Poland there are suppliers of different forms of ownership in the housing and public utilities sector. For example, the Krakow holding consists of energy, water supply, and transport supply organizations, and all shares of the holding belong to the Krakow City Hall, which fully controls all processes (both financial and production). It is also interesting that although the holding is a joint-stock company, there are no plans to sell shares (Kozych, 2012).

However, there are many private enterprises in the market for support services such as cleaning, garbage removal, and home repairs. But this area of business has good benefits from the state in lending. In addition, homeowners have the right to choose the entire range of services offered, and municipalities constantly monitor this right of residents. In most Western countries, residents are organized into condominiums and housing cooperatives (USA and Canada); unions and associations (Sweden); joint stock companies (Finland).

Let us present the pros and cons of managing housing and communal services facilities in developed countries, based on the models that countries use (Table 1).

Table 1. Features of residential building management practices in developed countries

Countries	Characteristics of housing stock management	Advantages
Norway, Denmark, Germany, Netherlands, Switzerland, Poland, Hungary, Czech Republic	Formation of associations of owners of residential and non-residential stock on a voluntary basis with the obligatory participation of owners.	Regulation of the quality and volume of these services is carried out only by the owners. A precise definition of the nature and responsibilities of the association of residents and management companies. Clarity of work of management companies and contractors of housing and communal services. Significant level of trust on the part of owners in the housing and communal services sector.

Table 1 (cont.). Features of residential building management practices in developed countries

Countries	Characteristics of housing stock management	Advantages
Hungary, Slovakia	Formation of a competitive market for housing and communal services providers. Each participant in this market has a narrow specialization.	Highly qualified quality of services in the housing and communal services system.
Switzerland, Denmark	Development of business insurance for management companies.	Transferring the risks of management companies to an insurance company. Fulfillment of contractual obligations among management companies, homeowners and those tired of housing and communal services.
Czech	A developed system of subsidies, as well as subsidies for homeowners who economically spend all housing and communal services.	Low cost for consumers of housing and communal services. The responsibility of residents of residential premises and management companies and providers of housing and communal services is high.
Poland, Sweden	Creation of a joint stock company with 100% ownership of capital by the state.	Developed legislative framework in the field of housing and communal services. The quality of housing and communal services is at a high level. The operating system of management companies is effective.

Source: Authors' own work.

According to the authors, it is the functional responsibilities, as well as indicators of business activity, that make it possible to determine the individual (private), generalized and integral quality of management of the housing and communal services sector.

It is interesting that more and more advanced countries in the world are using the principles of market relations in the activities of management organizations, building a market for services aimed at servicing residential premises. Competition, as elsewhere, brings its own results, improving the performance of companies in accordance with the demand of residents. Also, many countries resort to managing houses through the association of the residents themselves, forming partnerships and condominiums.

Decision-making falls on the shoulders of the owners themselves, thus, many countries are trying to ensure that the residents themselves bear responsibility for their property and attract their more competent attention to the life of the house and assessing the quality of housing and communal services.

Experts divide the process of determining the social quality of housing and communal services into subtypes: assessment in the system; examination; calculation of the degree of quality of individual housing and communal services; verification of each type of service

(Project of the Program of Economic Reforms “Prosperous Society, Competitive Economy, Efficient State”. 06/02/2020). In any case, the methodology for assessing social indicators of the quality of housing and communal services (HCS) should be understandable and transparent, as well as easy to use (Leung, Bond, 2020). For these purposes, we propose a process approach (systemic, expert, computational assessment), which includes:

1. Modernization of the housing and communal services management system, controlled dynamically, including a change in the approach to management and evaluation of its effectiveness.
2. A rating system for assessing the effectiveness of housing and communal services management based on indicators that have been developed in the country, with the addition of a management model, expanding the range of package services in the housing and communal services market.
3. Implementation of a unified innovative assessment system throughout the country, considering foreign management experience in the housing and communal services system.

It is very important, according to the authors, to carry out systematic and computational assessment using a unified methodology. An expert assessment of the effectiveness of management in housing and communal services should be entrusted to organizations that are engaged in public activities and work without the intervention of state and municipal authorities. They can be homeowners or people who rent housing. At the same time, it is advisable to entrust payment for their labor to companies that will need public expertise.

4. CONCLUSIONS

More than a billion people worldwide lack adequate housing. In cities in developing countries, nearly 40% of housing is unauthorized, and about half is “squatter” housing with no legal rights to land. These overcrowded dwellings, where several people can live in one room, are rarely permanent, are in unsafe places and often lack access to potable water and proper sanitation facilities, often carrying price tags comparable to those in much richer countries.

As the alarming dimensions of housing policy failures become front-page news across the world, and as more and better data on the housing sector's role in the economy accumulate, the benefits of a well-functioning housing sector are becoming increasingly evident. The poor bear the brunt of housing market failures, but nearly everyone loses in some way. Too often, dysfunctional housing supply systems tend to produce their own pathology of policy responses rent control, slum clearance, heavily subsidized public housing, below-market interest rates for housing loans, and a host of other policies – that deal only with the symptoms of the original policy failures.

These responses further distort markets and result in large benefits for the lucky few and widespread costs for everyone else. In many cases, the biggest losers are exactly those groups that housing policies are intended to benefit. And frequently, the costs reverberate through the broader economic system, affecting investments in other sectors, savings rates, budgetary deficits, inflation, interest rates, labor markets and labor productivity, and even the balance of payments. The ubiquity and magnitude of these costs under-score the need to get housing policy right.

The authors believe that, undoubtedly, to ensure the efficient functioning of all housing and communal services subsystems, high-quality professional training of specialists is

necessary, including in the management of housing and communal services. And if in Europe many educational institutions (colleges, polytechnics) have appropriate educational programs that allow a graduate to become a manager of a house or housing and communal services facility, then in universities and colleges of Ukraine such specialized long-term training programs are clearly not enough, and This is one of the main reasons for the insufficiently effective work in providing housing and communal services.

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THE PLAN OF INTEGRATED MARKETING COMMUNICATION WITH EMPHASIS ON DESIGNING A STRATEGY FOR THE BRAND X

Purpose: The article discusses the plan of integrated marketing communication with an emphasis on designing a strategy for the brand X. Marketing communication is one of the key elements of strategic marketing, as it has a significant impact on the recognition and success of a company or brand. It should be emphasized that in the era of information technology, information overload, and increasing consumer demands, the concept of marketing communication is much more complex than simply informing target customers about the existence of a product or service. **Methodology:** The quantitative research was carried out using a survey questionnaire technique. For this purpose, we used a web-based 1KA survey sent via email addresses. **Results:** The survey determined (1) the level of general interest in alarm systems for the protection of residential, holiday, and commercial properties, (2) the level of awareness of brand X. We further identified (3) the target audience of the brand X, (4) the key message for advertising needs and (5) communication channels through which to address the target audience. **Practical implications:** The obtained results were our key guidelines in designing a marketing communication strategy for the brand X, aimed at improving the effectiveness of current marketing campaigns and increasing the sales of products under the selected brand.

Keywords: integrated marketing communications, marketing communication strategy, home security system.

1. INTRODUCTION

In today's highly competitive marketplace, every business organisation must work hard to establish successful marketing communications. Marketing communication, also known as promotion, is one of the key elements of strategic marketing, as it has a highly significant impact on the visibility and success of a company or brand. It is worth pointing out that, in an age of information technology, information overload and increasing consumer demands, the concept of marketing communication is much more complex than simply informing target customers of the existence of a product or service. First and foremost, it is necessary

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to integrate different communication tools, what we call integrated marketing communication. Integrated marketing communication is not just an integration of tools, but a long-term and controlled process based on a holistic approach, researched data, interactivity and creativity, with the aim of delivering a clear, consistent and compelling message about the organisation, its products and/or services. The goal of integrated marketing communication is to stand out from the crowd, to delight the target audience and to create and strengthen long-term profitable relationships with customers and other stakeholders in the business-sales process. This provides the company with cost efficiencies, increased market share and, consequently, higher operating profits. Managing all the relationships of integrated marketing communications is extremely challenging and success can only be reaped if the company has a well-designed plan that includes an effective integrated marketing communications strategy, its comprehensive implementation and the measurement and evaluation of marketing communications activities.

In a globalised and highly dynamic marketplace, every brand has to work hard to establish a successful marketing communication to attract the attention of its target customer and thus pave the way to better visibility and, consequently, a larger market share. It is well known that marketing communication is a major challenge for any business and that without a well-designed integrated marketing communication plan it is impossible to prosper. A well-organised plan enables a company to simplify the challenges and thus achieve its marketing objectives with certainty.

1.1. Literature review

Marketing communication is one of the seven elements of the marketing web that an organisation implements in order to increase its brand awareness among consumers, thereby increasing its market share and profitability (Prachi, n.d.; Percy, 2018). A company uses a different web of communication tools to communicate with its target groups. The choice depends on the communication objectives and other factors (Vukasović, 2020). Drawing on the foundational literature, there are five communication tools, namely: advertising, personal selling, sales promotion, public relations and direct marketing (Armstrong et al., 2017). Seitel adds a sixth to the basic web of tools, namely word-of-mouth marketing (Seitel, 2022).

The origins of marketing communications date back to the late 1980s. The rapid expansion of this type of activity progressed rapidly and led to the idea of integrated marketing communication (IMC), which became fully established in the mid-1990s. The basic concept has changed a lot (Jerman, Završnik, 2013), as marketing communication is an industry that is constantly changing and adapting to customer values, technologies and other trends (Eagle et al., 2020). Thus, many authors point out that the traditional approach of integrated marketing communication, which merely integrates several different communication tools, is no longer sufficient in the modern environment. Integrated marketing communication advocates the delivery of the same message through different types of media, such as TV, radio, internet, mobile phones, social media, etc. (Armstrong et al., 2018). In doing so, the message needs to be clear, consistent and creative. In an age of information overload, creativity is crucial as it allows the message to stand out from the crowd and impress the target audience (Čebulj, 2021). In turn, the placement of clear and consistent information helps to successfully build awareness of a brand or organisation in the minds of consumers (Armstrong et al., 2018). Both the message and the medium should be tailored to the target recipient, their needs, preferences and lifestyle (Blakeman, 2018).

Two-way communication is also important. The feedback a company receives from consumers is an important indicator of success in marketing activities. This is because feedback serves as a foundation for further building better results in both product or service development and communication, which in turn leads to good, strong and long-term customer relationships. Equally important is the relationship with all other stakeholders, such as employees, business partners, suppliers, etc. (Jerman, Završnik, 2013).

Integrated marketing communication always looks at other areas of the marketing web, adapts to them and intervenes with suggestions for improvement where necessary (Turza, 2022). For the best results in marketing communication, the entire marketing web must be aligned. The look of the product, the price of the product, the colour of the packaging, the store or the staff selling the product, etc. all communicate something to customers (Armstrong et al., 2017; Smith, Zook, 2020). If distribution does not provide adequate access to the product, if the price is unacceptable to consumers, if the packaging of the product does not match the customer's preferences, etc., then even the best promotion cannot bear the desired fruit (UKEssays, 2021).

Using an integrated approach to marketing communications, which aims to carefully coordinate and interconnect all segments of marketing communications, also helps to reduce costs (Tairova et al., 2020). Lower costs are mainly recorded in terms of the message, which remains the same for all communication channels. Such a move does not only have the advantage of reducing costs, but also improves the effectiveness of the marketing campaign by ensuring a consistent message about the organisation or its products and/or services (Kumar, 2022).

Mastering all the relationships of integrated marketing communication is very challenging and without a well-designed plan it is impossible to thrive in the target market (Oblak, 2016). A well-designed plan enables a company to simplify too many challenges and achieve its marketing communication objectives. There are many different approaches to creating an integrated marketing communications plan. There is therefore no single common approach, but there are essential elements that every plan should contain (Smith, Zook, 2020). According to a review of different literature, the plan can be divided into three main areas: (1) strategy (Publisher, 2018), (2) strategy implementation, and (3) controlling marketing communications (Smith, Zook, 2020). It is true that planning integrated marketing communications is not a one-off task, but a process that needs constant renewal (Prachi, n.d.). Smith also agrees on the iterative planning process, recommending a 90-day cycle and adding that the duration of the cycle is also conditioned by the success or failure of the implemented marketing campaign. Therefore, if the plan is not working, it should be changed immediately (Smith, Zook, 2020).

1.2. Research problem

The market analysis of the smart home alarm systems sector in Slovenia shows that despite medium competition, there is no intensive or innovative promotional activity by many brands. This is a phenomenon that reflects an ideal opportunity to take over the market leadership. The demand for home security solutions has been increasing in recent years, and market projections predict that this trend will continue in the future (Markets And Markets, n.d.). Hence, the increasing demand trend potentially leads to more competition or to players who will want to take advantage of the highlighted opportunity sooner rather than later, which is why we have decided to take this initiative. The aim of our research was to design an effective marketing communication plan, with a focus on planning a strategy with the main objective of increasing the awareness and sales of

a particular brand of alarm system. After a thorough review of the home alarm systems of the most prominent brands available on the Slovenian market, we put at the centre of the challenge a brand (hereafter the brand X) that boasts a professional and extremely powerful home alarm system, as evidenced by the innovation award given to the developers of this solution by the Chamber of Commerce and Industry of the Dolenjska and Bela krajina Region (GZDBK, b.d.).

In this context, we were guided by three main research questions, namely: (1) how does the brand company currently communicate with its target audience, (2) who is the target audience and what are their needs and wants in terms of marketing communication, and (3) how should the brand X reach its target audience and stand out from the crowd. In order to get the right answers to these questions, we have conducted extensive marketing research involving a combination of quantitative and qualitative research methods and a review of current and relevant publicly available secondary data. The purpose of this study was to develop a comprehensive integrated marketing communications plan that would enable the brand X to be well recognised and to achieve a leading market share in the Slovenian market for smart alarm systems.

In this paper we will present the methodology and sample of the quantitative research, the key findings of the research, test the hypotheses and further propose a marketing communication strategy for the brand X.

2. METHODOLOGY AND SURVEY SAMPLE

2.1. Methodology and sample of the quantitative survey

The aim of the quantitative research was to obtain data on the target group in order to understand their wants, needs and behaviour in relation to marketing communication. The quantitative research was carried out using a survey questionnaire technique. For this purpose, we used a web-based IKA survey sent via email addresses. The questionnaire contained 40 closed questions, some of which were closed-ended and some of which were semi-open-ended. In designing the questionnaire, we used the skip concept, which means that not all respondents answered all 40 questions, but only those for which they had answers that were relevant to the study. The questionnaire was structured in four sections. The questions that were more attractive to the respondents were placed in the first section and the questions that were least interesting in the last or fourth section of the questionnaire, with all questions being asked in a logical sequence. The survey was carried out from 8 March 2023 to 31 March 2023. After the survey was completed, we started statistical analysis, which involves applying statistical methods to describe the data, test hypotheses set before the survey was carried out and identify associations between variables. The data were presented using Microsoft Excel and the hypotheses and associations between variables were tested using SPSS.

The population consists of all adult residents of Slovenia who own or rent a residential and/or commercial and/or vacation house, either in their home country or in a foreign country. Due to financial and time constraints, sampling was carried out using the non-probability method and the technique of collecting responses was ad hoc. Thus, the sample included people from a personal mailing list and users of the alarm system brand X from the mailing list of the company that carries the brand.

3. RESULTS OF THE QUANTITATIVE SURVEY

196 respondents took part in the survey, and only those respondents who completed the survey in full, i.e. 138 respondents, were included in the analysis. Of these, 89 are men (64%) and 49 are women (36%), living predominantly in the south-eastern part of Slovenia (frequency: 80; 58%) and to a much lesser extent in the central Slovenia region (frequency: 37; 26%), with the other regions represented in negligible percentages in this survey.

The presentation of the results of the quantitative survey includes the key survey questions (16 questions), which we have divided into two parts. In the first part, i.e. section 3.1, we establish (1) the level of general interest in alarm systems for the protection of residential, holiday and commercial properties and (2) the level of awareness of the Brand X. In the second part (Section 3.2), we identify the opinions, preferences, needs and habits of the target audience for the Brand X. Therefore, we only present the results of those respondents who already use the alarm system of the brand under study and those who have expressed a desire to use this brand or have not yet fully decided on their choice of brand. There were 99 such respondents. All respondents who were in favour of using an alarm system but not the Brand X were excluded from the data analysis.

3.1. Level of general interest in alarm systems and level of awareness of the brand X

138 respondents answered the question whether the population is interested in using or buying an alarm system. Figure 1 shows that 54% of the respondents (frequency: 74) already use an alarm system for home and vacation house use, while 20% (frequency: 27) do not yet use an alarm system but would like to have one. 27 respondents (20%) are not in favour of using such an alarm system, and 7% (frequency: 10) of respondents were undecided about using or buying a home and vacation house alarm system, so the latter were excluded from further analysis. We also excluded all respondents who were not in favour of using an alarm system (N = 27).

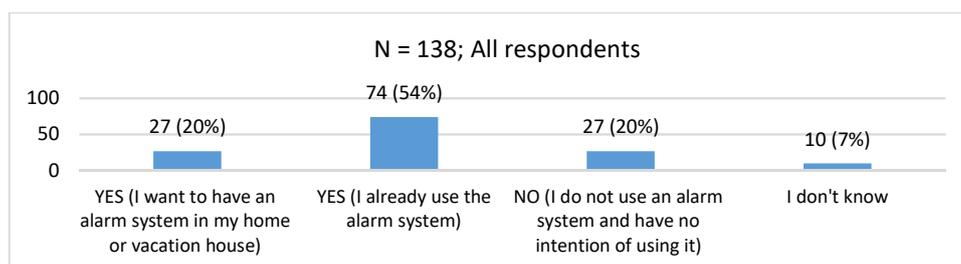


Figure 1. Responses to the question (Q12): Are you interested in using/purchasing an alarm system worth approx. €300 that effectively protects your home or vacation house from burglary, theft, fire and floods/spills of various liquids?

Source: own research, 2023.

Respondents who advocate the use of a home/ vacation house alarm system but do not use or are not familiar with the Brand X were asked if they had ever heard of the Brand X? Figure 2 shows that 38 respondents were asked and of these, 63% (frequency: 24) had not heard of this alarm system. 13 respondents (34%) had heard of it, while 1 respondent (3%) was unsure about this type of familiarity.

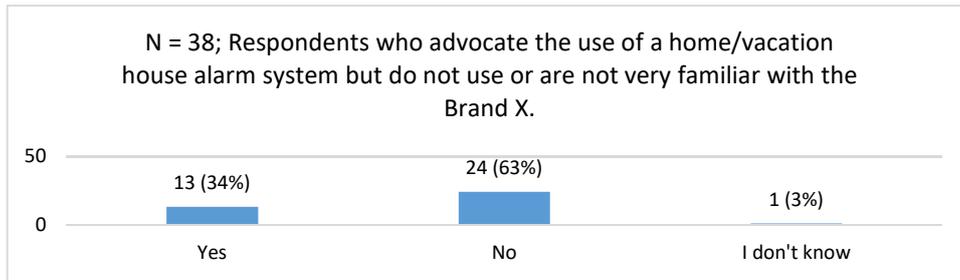


Figure 2. Responses to the question (Q21): Have you ever heard of the Brand X alarm system?

Source: own research, 2023.

The question “Where did you hear about the Brand X alarm system?” was asked to all those who are most familiar with or even use the Brand X alarm system, as well as to those who have only heard of it and are not most familiar with it - 77 respondents in total. Figure 3 shows that the majority of respondents (frequency: 42; 55%) found out about the alarm system in question through friends or acquaintances. 27% of respondents (frequency: 21) found out about the alarm system on the Internet or on the Brand X website, and 6% (frequency: 5) found out about it from family members. 4 respondents (5%) cannot remember where they found out about the Brand X alarm system, and 6% (frequency: 5) mentioned other sources, such as (1) the company that carries the Brand X and (2) their workplace. 4 respondents (5%) do not remember where they found out about the Brand X alarm system. None (frequency: 0; 0%) of the respondents had heard about it on the radio or on Facebook.

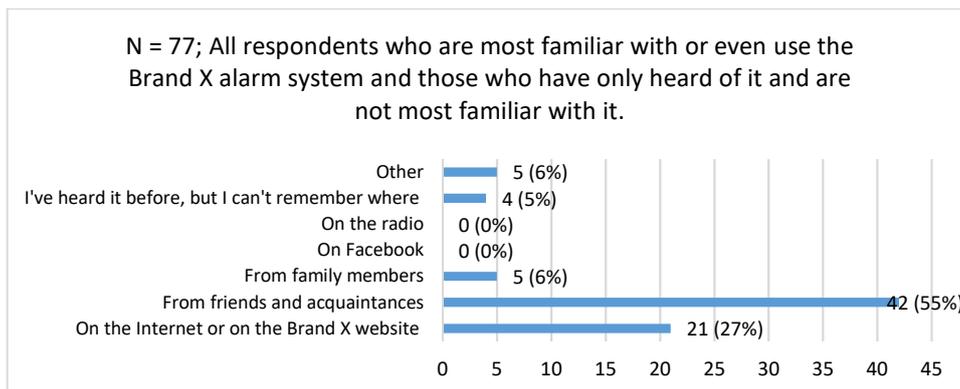


Figure 3. Responses to the question (Q22): Where did you hear about the Brand X alarm system?

Source: own research, 2023.

All respondents who are users of the Brand X alarm system (N = 52) rated (from 1 to 5) the reliability of the alarm system, the speed of notification, the user-friendliness and the design of the alarm system. In Figure 4, users rated the appearance of the alarm system and user-friendliness as 4.3. They rated the reliability of operation slightly higher (rating:

4.5) and the speed of notification in the event of an alarm as the highest or very high rating (rating: 4.8).

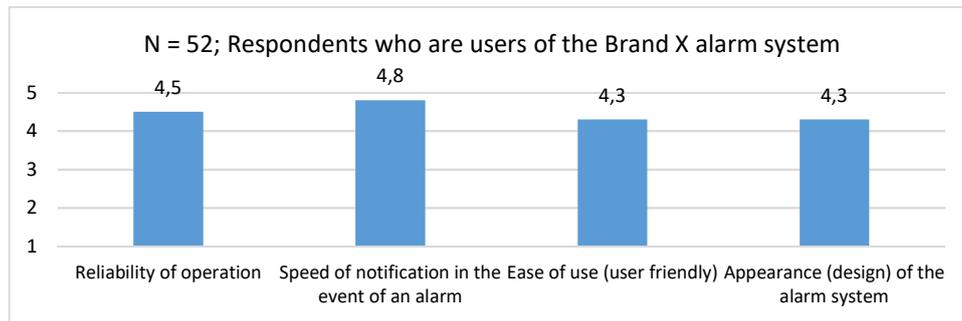


Figure 4. Answers to the question (Q24): How do you rate the Brand X alarm system?

Source: own research, 2023.

We also asked users of the Brand X alarm system to rate the customer support. Figure 5 shows that users are very satisfied with the friendliness or helpfulness of the staff (rating: 4.7), and also rate the accessibility and honesty of the staff very highly (rating: 4.6).

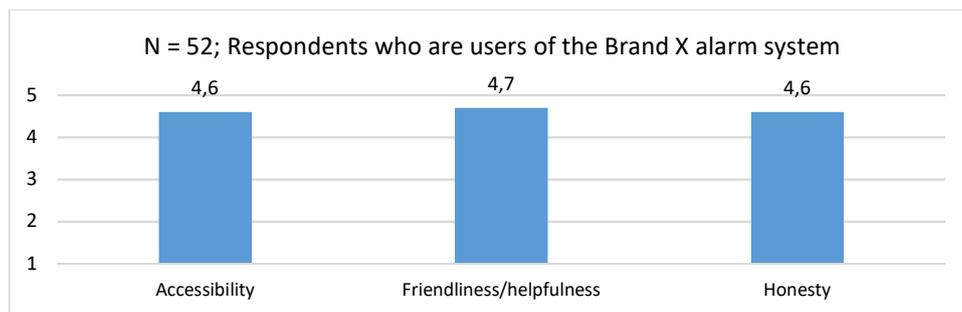


Figure 5. Responses to the question (Q25): How do you rate the customer support of the Brand X alarm system?

Source: own research, 2023.

For the users of the Brand X alarm system, we were also interested in their overall satisfaction with the alarm system, and as can be seen from Figure 6, 69% (frequency: 36) of the users are very satisfied, 29% (frequency: 15) are satisfied and only 1 user (2%) expressed dissatisfaction with the use of the Brand X alarm system.

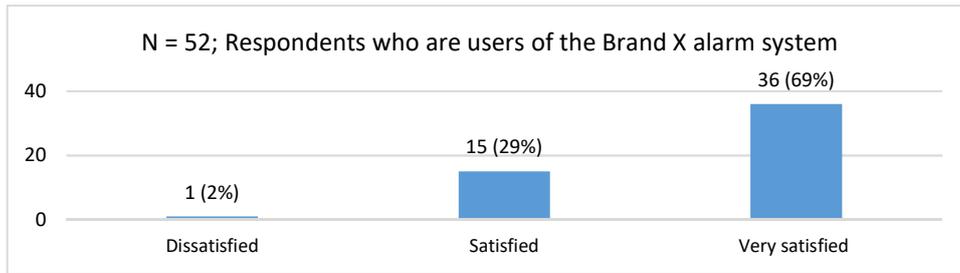


Figure 6. Responses to the question (Q26): How satisfied are you with the use of the Brand X alarm system?

Source: own research, 2023.

We asked all respondents who use an alarm system but not the Brand X, as well as those who do not yet use an alarm system but would like to, whether they would use the Brand X alarm system (N = 49). 39% of respondents (frequency: 19) answered yes, while more than half (frequency: 28; 57%) were undecided and only 2 respondents (4%) would not choose to use one (Figure 7).

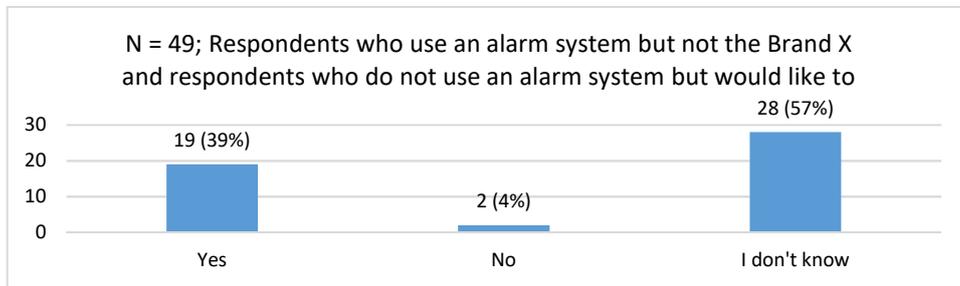


Figure 7. Responses to the question (Q27): Would you use the Brand X alarm system?

Source: own research, 2023.

3.2. Characteristics of customers and potential customers of the Brand X alarm system

Figure 8 shows that when asked what is your main concern when it comes to home or vacation house security, half of the respondents (frequency: 50; 51%) answered “Burglary and theft of valuable items”, while slightly fewer (frequency: 31; 31%) answered “Burglary and assault on family when they are home alone”. Only 7% of respondents (frequency: 7) were worried about fire, and even fewer (frequency: 4; 4%) were worried about flooding or spillage of various liquids in their home/ vacation house. 7 respondents (7%) gave the answer “other”, of which 4 respondents gave specific answers: (1) damage to the building, (2) burglary and damage to possessions, (3) thought of a villain entering the home and (4) burglary and subsequent fear of burglars.

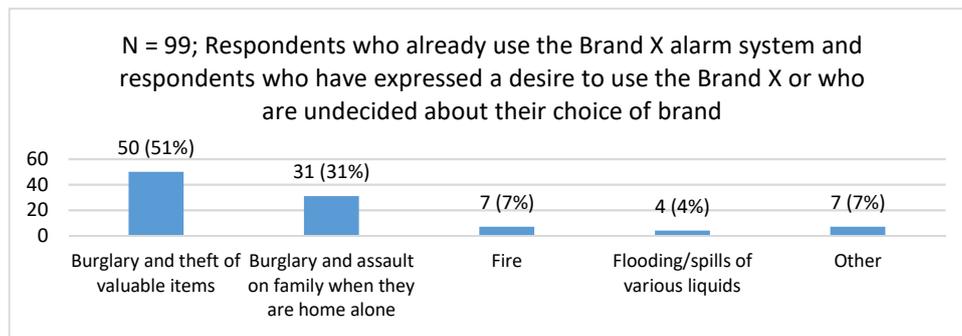


Figure 8. Responses to the question (Q15): What is your main concern when it comes to the security of your home or vacation house?

Source: own research, 2023.

We asked respondents what their main reason was for buying or using an alarm system. Figure 9 shows that no one (frequency: 0, 0%) uses an alarm system to increase self-confidence, while 31 respondents (31%) gave the main reason for buying or using an alarm system as “to increase self-confidence”. The main reason for using an alarm system was “Feeling safe when I am at home or at the vacation house”, 28 respondents (28%) chose “The thought of someone being in my home when we are not at home” and 22 respondents (22%) use or consider buying an alarm system because of the experience of relief and peace of mind that comes from using an alarm system. 22 respondents (22%) use or consider

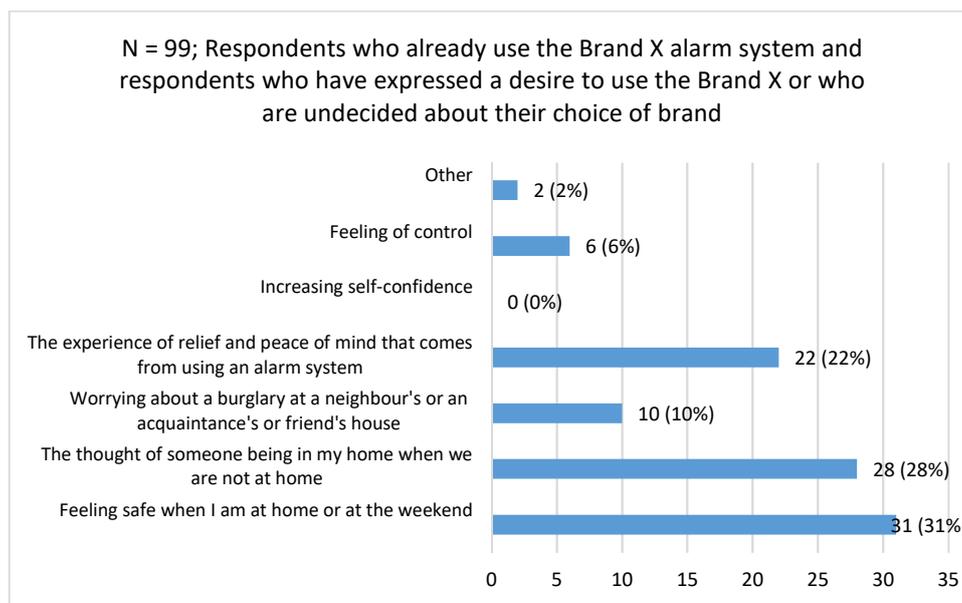


Figure 9. Responses to the question (Q16): What is the main reason that leads you to buy/use a home or vacation house alarm system?

Source: own research, 2023.

buying an alarm system because of the experience of relief and peace of mind that comes from using an alarm system. Worrying about a burglary at a neighbour's or an acquaintance's or friend's house is the reason for using or buying an alarm system for 10 respondents (10%), and for 6 respondents (6%) the reason for using or buying such a system is the feeling of control. 2 respondents (2%) wrote down their reason (other) for using or buying an alarm system as (1) due to past burglaries, and (2) the feeling of security. 2 respondents (2%) wrote down their reason (other) for using or buying an alarm system as (1) due to past burglaries and (2) the feeling of security.

Figure 10 illustrates that the most frequent daily use of radio is listening to the radio (frequency: 65%; 66%), followed by watching TV (frequency: 45%; 45%), Facebook activity (frequency: 31%; 31%) and YouTube activity (frequency: 20%; 20%). The above-mentioned media also have the highest percentages for those respondents who are not active on these media on a daily basis, but still very frequently, i.e. more than 3 times a week. Media such as Instagram, newspapers or magazines, Twitter and TikTok are the least popular with most respondents.

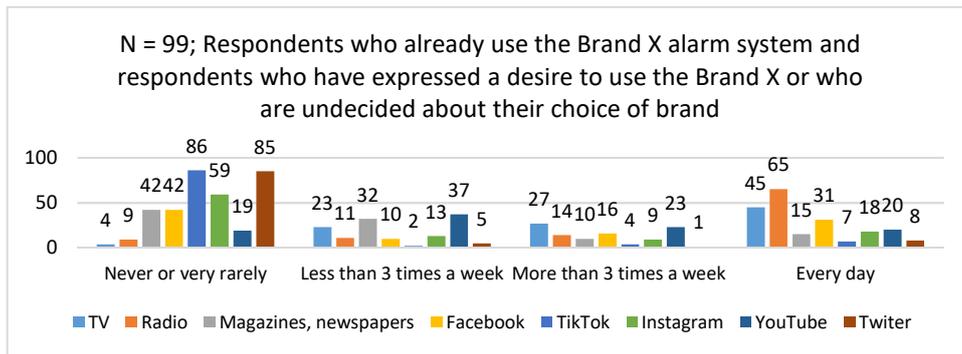


Figure 10. Responses to the question (Q2): How often are you active on the media listed?

Source: own research, 2023.

We also asked respondents how often they check their emails. Figure 11 shows that 4% (frequency: 4) of respondents check their emails more than 3 times a week and 96% (frequency: 95) of respondents check their emails every day. No respondents (frequency: 0; 0%) indicated that they check their emails less than 3 times a week or never.

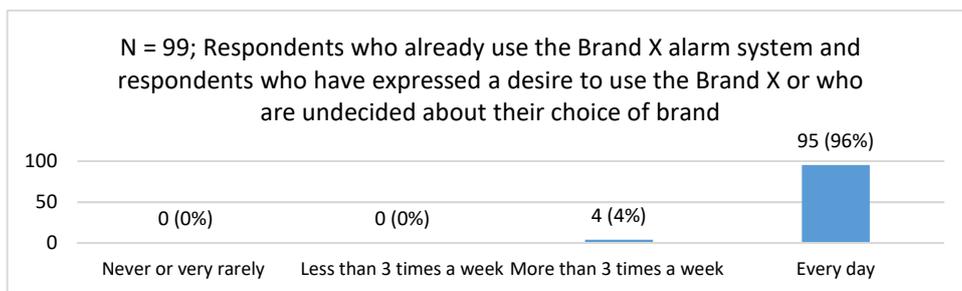


Figure 11. Responses to the question (Q3): How often do you check your emails?

Source: own research, 2023.

We also asked respondents how often they surf the internet. From Figure 12 we can see that 12% of respondents (frequency: 12) surf the internet more than 3 times a week, while 78% of respondents (frequency: 77) surf the internet every day. Only 1% of respondents (frequency: 1) do not or very rarely surf the Internet, and 9% of respondents (frequency: 9) surf the Internet less than 3 times a week.

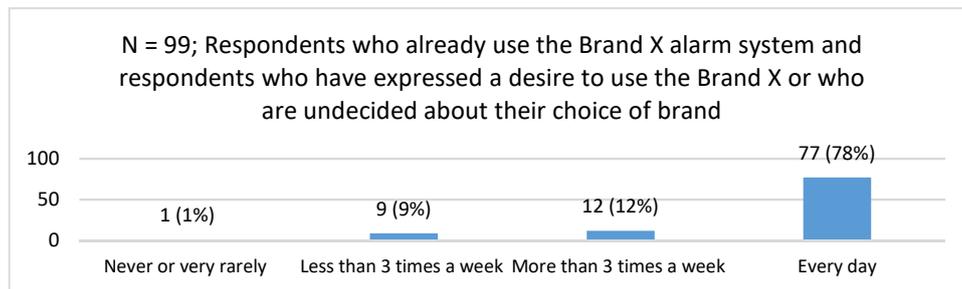


Figure 12. Responses to the question (Q4): How often do you surf the internet?

Source: own research, 2023.

We asked respondents who are users or potential users of an alarm system which advertising methods usually convince them to buy the product. Each respondent could give more than one answer. As can be seen from Figure 13, respondents are most persuaded to buy the product by recommendations from friends or acquaintances (frequency: 61%; 62%). Also persuasive, although half as much as recommendations from friends, are advertising on social media (frequency: 25%; 25%) and promotion in the form of

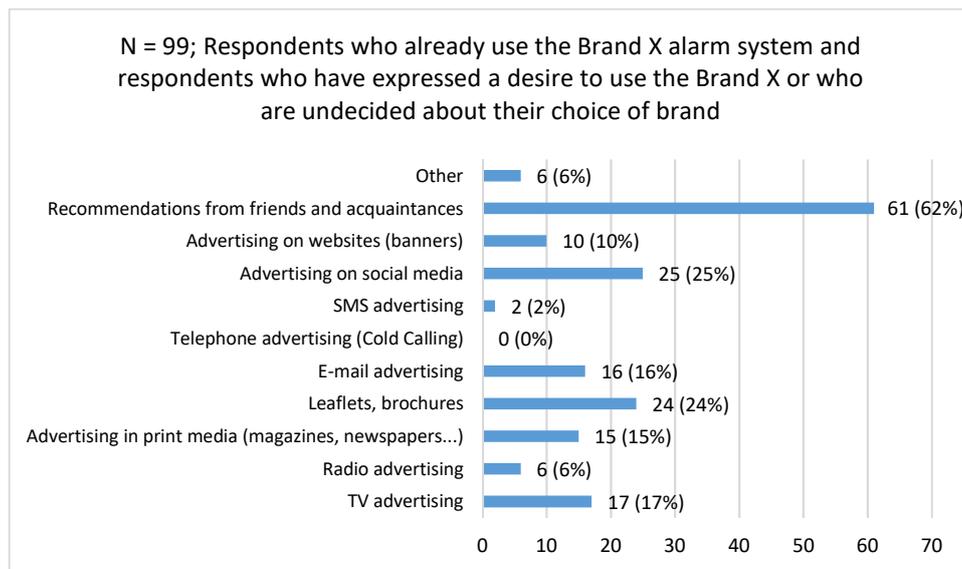


Figure 13. Responses to the question (Q8): Which advertising/messaging methods usually convince you most to notice or even buy a product? (Multiple answers are possible)

Source: own research, 2023.

a leaflet/brochure (frequency: 24%; 24%). Respondents are slightly less receptive to TV advertising (frequency: 17; 17%), email advertising (frequency: 16; 16%) and advertisements in newspapers/magazines (frequency: 15; 15%). Even fewer respondents are convinced by advertisements on websites, such as the Internet (e.g. Fewer respondents are convinced by banner advertisements (frequency: 10; 10%), radio advertisements (frequency: 6; 6%) and SMS advertisements (frequency: 2; 2%), while no respondents are convinced by telephone advertisements (frequency: 0; 0%). 6 respondents (6%) are not convinced by any of the advertising/messaging methods, as they entered the following statements under the answer other: (1) I buy when I need it, (2) I check on the internet, (3) when I need a product, I buy it, (4) none of the above convince me, (5) I check and review product reviews myself and (6) all advertisements put me off.

Respondents who are users or potential users of an alarm system were also asked which form of advertisement appeals to them the most. Each person could give more than one answer. Figure 14 shows that respondents are most attracted by pictorial advertisements such as photographs and graphic visualisations (frequency: 53%; 54%), followed by videos (frequency: 41%; 41%) and text advertisements (frequency: 27%; 27%). Respondents are least attracted by interactive adverts (frequency: 14; 14%), audio adverts (frequency: 7; 7%) and videos featuring pets (frequency: 5; 5%). Videos involving children do not appeal to any of the respondents (frequency: 0; 0%). 5 respondents (5%) gave the answer 'other' for the format of the advertisement, where four of them wrote down the following statements: (1) a video with a genuine and sincere presentation of the product, (2) different and (3, 4) none.

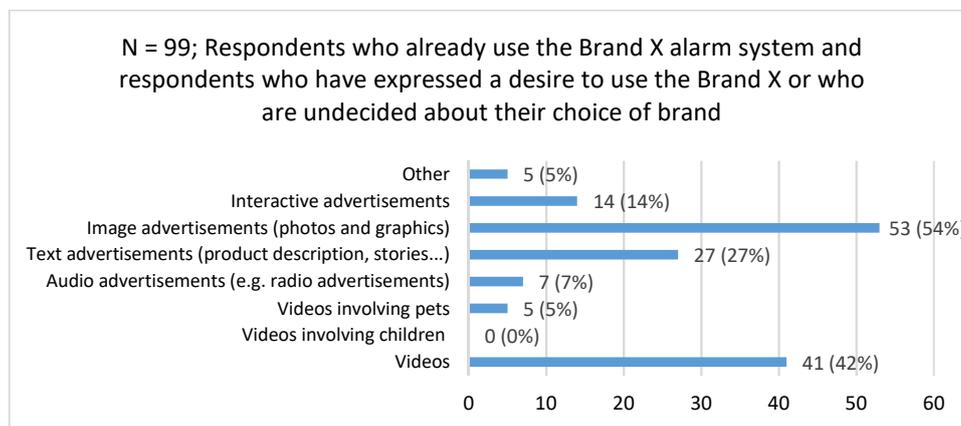


Figure 14. Responses to the question (Q9): Which form of advertisement/message usually appeals to you the most (Multiple answers are possible)

Source: own research, 2023.

We asked survey respondents who are users or potential users of an alarm system where they usually get information about a product worth around €300. Each person could give more than one answer. In Figure 15 we can see that most respondents (frequency: 77; 78%) look for information on the website of the seller or the manufacturer, but many respondents (frequency: 55; 56%) also look for information on forums and other websites where they can find user reviews and opinions. Much fewer respondents (frequency: 32%; 32%) ask friends or neighbours about the product and even fewer (frequency: 24%; 24%) ask the

manufacturer/seller via a phone call or in person. Very few respondents search for product information on social networks, either at the manufacturer/seller's address (frequency: 8; 8%) or at friends' addresses (frequency: 9; 9%). 4 respondents (4%) also search for information via other sources, such as: shop, abroad and YouTube review.

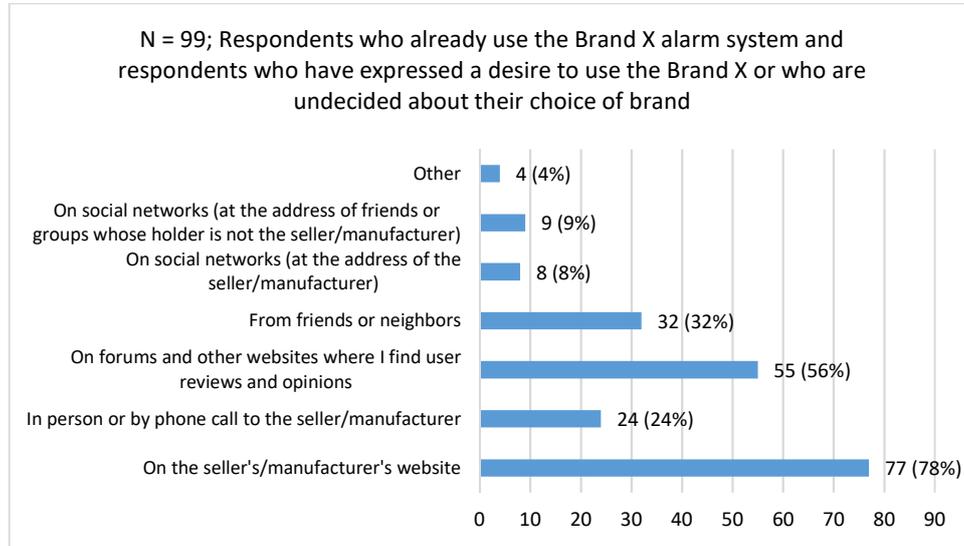


Figure 15. Answers to the question (Q10): When you want to buy a certain product worth about €300, where do you most often look for information? (Multiple answers are possible)
Source: own research, 2023.

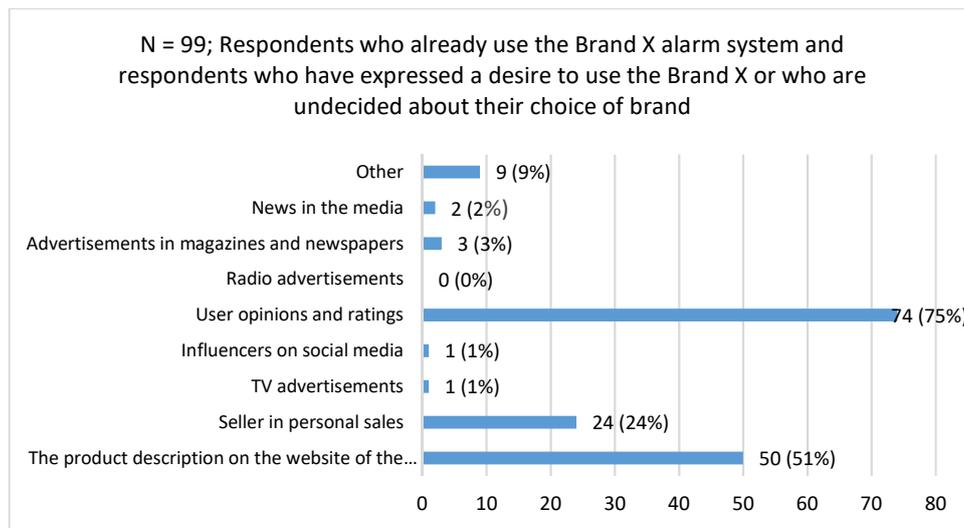


Figure 16. Responses to the question (Q11): When buying a product worth around €300, which source of information do you trust the most? (Multiple answers are possible)
Source: own research, 2023.

We also asked respondents which source of information they trust the most. Each person could choose several possible answers. In Figure 16 we see that the answer to this question that was chosen most often (frequency: 74%; 75%) was “User opinions and ratings”. More than half of the respondents trust the product description on the manufacturer/retailer's website (frequency: 50; 51%), while only 24% trust the salesperson when selling in person (frequency: 24). Very few respondents trust advertisements in magazines and newspapers (frequency: 3; 3%), news in the media (frequency: 2; 2%), influencers on social networks (frequency: 1; 1%) and TV advertisements (frequency: 1; 1%), while no respondents trust radio advertisements (frequency: 0; 0%). 9% of respondents (frequency: 9) trust other sources of information more, with six specific answers: (1) opinion of friends, (2) friends, (3) independent reviews in professional media, (4) Consumer Federation Slovenia or other testing body (depending on the type and value of the product), (5) information in forums and (6) own analysis.

3.3. Hypothesis testing

H1: Men in Slovenia are 20% to 30% more likely to use or buy an alarm system than women.

Hypothesis H1 was tested by cross-sectional analysis of two variables, i.e. (1) gender and (2) interest in using or buying an alarm system. Based on Figure 17, 81% of the respondents who already use or want to use an alarm system are male, while the proportion of females in this category is slightly lower, at 59%. Looking at the proportions of respondents who are undecided about whether they want to use an alarm system or not, only 19% are male and 41% are female. The percentage difference between female and male sex is the same in both categories, i.e. 22%. The results show that hypothesis H1 is confirmed. It is therefore true that men in Slovenia are 20% to 30% more likely to use or buy an alarm system than women.

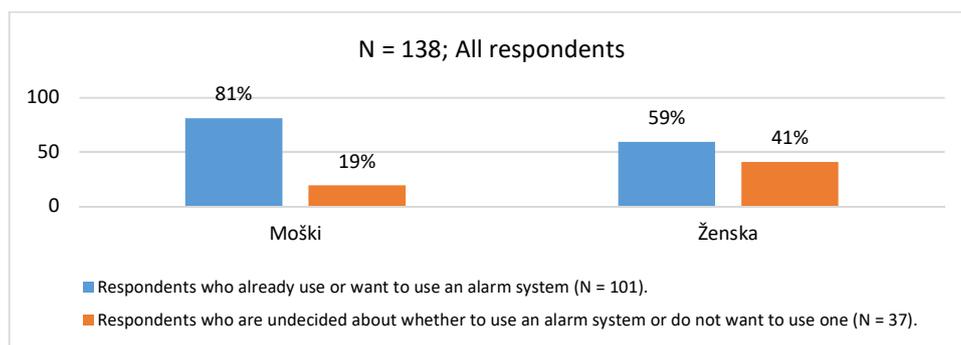


Figure 17. Relationship between respondent gender (Q33) and interest in using/purchasing an alarm system (Q12)

Source: own research, 2023.

H2: More than 50% of all respondents who are buyers or potential buyers of the Brand X alarm system are most attracted by the image format of the ad (photo/graphic).

Hypothesis H2 was tested by asking “Which form of advertisement/message usually appeals to you the most?” and confirmed it after analysing the responses. In Figure 14,

54% of respondents (frequency: 53) are most attracted by the pictorial form of the advertisement, such as a photograph or a graphic visualisation.

H3: Respondents who are buyers or potential buyers of the Brand X alarm system are more likely to be persuaded to buy the product by TV advertising than by social media advertising.

In order to confirm or reject hypothesis H3, we asked respondents who are users or potential users of an alarm system which advertising methods usually persuade them most to buy the product (Q8). Based on the results shown in Figure 13, we found that respondents are most persuaded to buy the product by recommendations from friends or acquaintances (frequency: 61%; 62%). Social media advertising is also persuasive, although half as persuasive as recommendations from friends (frequency: 25; 25%). The persuasiveness of TV advertising ranks fourth in our survey (frequency: 17; 17%), and we therefore reject hypothesis H3.

H4: Respondents who are buyers or potential buyers of the Brand X alarm systems watch TV daily or more than 3 times a week to a greater extent than other communication media.

Figure 18 shows that the highest percentage of respondents use e-mail more than 3 times a week or every day (frequency: 99; 100%), followed by surfing the web (frequency: 89; 90%) and listening to the radio (frequency: 79; 80%). Watching TV is only the fourth most frequent activity according to our survey, with 73% (frequency: 72). Based on the data, we reject hypothesis H4.

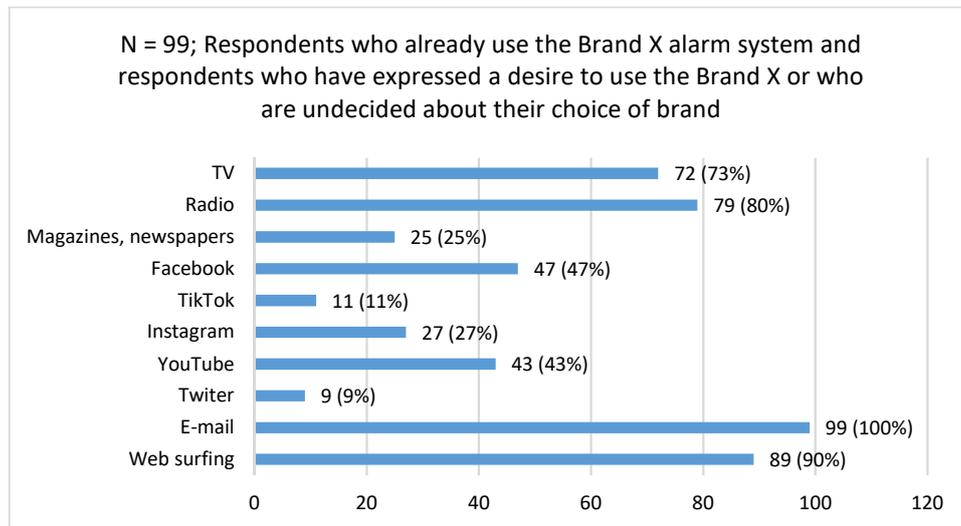


Figure 1. Extent to which respondents use communication media more than three times a week or every day

Source: own research, 2023.

4. INTEGRATED MARKETING COMMUNICATION STRATEGY

We recommend that the company that owns the brand X ensures that the content SEO on the brand X homepage is perfect at all times and adjusts the Google advertising settings according to the results of the survey. The aim of these measures is to (1) increase traffic to the homepage and (2) optimise Google advertising costs. The website should also be equipped with a blog with interesting and relevant original or curated content. By providing interesting and high-quality content and using the right keywords, we can attract target customers who, according to the results of the quantitative research, are harder to reach with other marketing methods.

It is also essential to be active on social networks on a regular basis, not just for a certain period of time. A continuous social media presence increases audience reach, brand awareness, positive brand image and audience loyalty (Steuer, n.d.). We therefore suggest that at least once a month, interesting content should be posted on both Facebook and YouTube. When it comes to publishing video content, the same content can be published on both media. On Facebook, however, in addition to the various forms of content, we can also post a simple call to read the blog. Regardless of the frequency of posting, user activity on these media should be monitored on a daily basis and responded to promptly in the event of a demand. By being active on social media, a company shows customers and potential customers that it is interested in them and wants to meet their needs. This approach helps to build a strong relationship with customers and potential customers and to increase trust in the brand. If consumers are satisfied, they are more likely to return to the company, buy their product and share their positive experience with others. Through our research, we have found that customer reviews and recommendations from friends, or word-of-mouth marketing, is convincingly the most powerful advertising channel. In other words, positive consumer experiences are key to building a brand's or product's reputation. If customers or potential customers share good experiences with others, the brand or product is more likely to be perceived as reliable, quality and trustworthy, which strongly attracts new customers. (Gavin, 2022; Szyndlar, 2023). In any case, strengthening customer relationships and gaining a great reputation is not only done through communication on social networks, but also through physical contact, phone, email and forums. Whatever the medium of communication, it is important that the company always ensures continuous and effective communication and, above all, a reliable and rapid response to customers, especially in the event of any problems or complaints.

The process of raising awareness, building a positive brand image and attracting new customers can be accelerated through advertising and a rewards programme. In addition to Google advertising, we also recommend advertising on Facebook and YouTube, as these platforms allow for a large reach, micro-targeting and displaying ads in different formats (Flamingo Marketing Strategies, 2022). A clearly defined target group is crucial for effective delivery of the advertising message on Facebook and YouTube. To reach the right audience, relevant demographics such as age, gender, location and other segmentations need to be set. If this data is not defined or not defined correctly, the ad will not be shown to the first audience and the advertising investment will be ineffective. The key message and the format of the advert are also important, as they must engage the target audience to the extent that they click on the advert. The message should be supported by visual elements and should relate to home burglar alarms, evoking a sense of security and peace of mind. Clicking on the advertisement should lead to a landing page in the form of a pop-up before entering the homepage. The function of the landing page is to convert the

visitor into a potential customer and should therefore include a short and clear message about the benefits the visitor can expect and a call to action (CTA). In the case of the Brand X, this should be a sign-up to a newsletter about special offers and discounts for subscribers only. The landing page should also be supported by survey data, i.e. a positive rating from existing users of the Brand X alarm system. Social proof helps to establish trust in the credibility of a product or brand (Moore, 2023). When a company receives a visitor's email address, it means that it receives a potential customer's contact and thus a great opportunity to convert a potential customer into a customer through email. While the results of the primary research show that consumers are not receptive to e-mail advertising, the fact is that all visitors who subscribe to the newsletter from the landing page expect it in their e-mail inbox, otherwise they would not have subscribed to it. In addition, consumers are very receptive to special offers and discounts and, as such, are more likely to make a purchase of a product. (Hoffman, 2021). When creating this type of newsletter, we recommend offering a time-limited discount or an exclusive offer only to the first 10 customers, which encourages the potential customer to act quickly. As with social media communication, it is important that the email marketing process is carried out regularly, even if subscribers do not read each message or respond to the available prompt. The point of sending regular emails is to maintain the presence of the Brand X in the minds of the subscribers. This approach increases the likelihood that when a potential customer feels the need for this type of product, they will buy an alarm system of this brand.

It is also important in the landing page that the visitor who has arrived at the landing page continues on to the home page, whether or not they have entered their e-mail address. (Steinbrinck, 2023). On the homepage, in addition to a good presentation of the product, which the Brand X already has in place, there are two very powerful marketing moves to be ensured: (1) reviews from satisfied customers, which make it easier for potential customers to make a purchase decision and (2) several different calls to action (CTAs), e.g. encouraging the visitor to read the blog, to explore the product's capabilities, to subscribe to the e-newsletter, to follow the Facebook page, to follow the YouTube channel, to buy the product, etc. The CTAs are also very powerful marketing moves, e.g. (3) the visitor's ability to read the blog, to explore the product's capabilities, to subscribe to e-newsletters, to follow the Facebook page, to follow the YouTube channel, to buy the product, etc. Exactly what we encourage the visitor to do depends on the content the visitor is reading at the time. With the help of a well-chosen CTA, we maintain the visitor's interest in the product and, as a result, convert him/her into a potential customer or a buyer.

5. CONCLUSION

The results of the survey provided insight into the key message for advertising purposes, namely: (1) the most important motives for buying an alarm system from the target customers' point of view are a sense of security and peace of mind, either when away from home or when at home, and (2) the primary factors that target customers look for when choosing this type of product are burglar-proof security and the reliable performance of the alarm system. It was also found that the target audience most frequently uses the online environment to search for information on products worth around €300. The most popular sources of information are the seller's or manufacturer's website, forums and platforms with user reviews and ratings. Therefore, as part of the marketing communication plan, we focused on the use of digital channels such as the website and social networks. We proposed the introduction of a blog with content that might be of interest to the target

audience and regular improvements to the SEO content on the website. We also suggested regularly posting interesting content on Facebook and YouTube, as these two social networks are the most popular among the target audience. We stressed that the activity of users on these media, and on the various forums, should be monitored on a daily basis and responded to immediately in the event of a query. This approach demonstrates the company's interest in its target audience, instils confidence and, as a result, contributes to positive word-of-mouth marketing, which, according to the survey, is the most powerful channel for increasing brand awareness. To speed up the recognition process, we also recommended that the Brand X should pay for advertising on Facebook and YouTube and maintain Google advertising through keyword optimisation. We also detailed an email marketing strategy to convert target customers into customers. Although we have not included traditional channels such as radio, television, print media in the marketing communication strategy for the Brand X, we believe that our plan is effective in increasing awareness and sales of the Brand X alarm system, as all decisions are supported by qualitative, quantitative and secondary data research. At this point, it is worth noting that a certain degree of risk should be taken into account when making decisions based solely on the findings of a quantitative survey, as our sample is ad hoc and as such limited to a specific geographical area and therefore cannot be generalised to the whole population. For accurate and reliable results, it would be reasonable to repeat the survey using a probability sampling method.

During the preparation of this article, we also realised that continuous and accurate analysis of target customers and rapid adaptation of communication approaches are key to successful marketing communication, but this is not possible without process automation and technological support. Therefore, we also proposed the use of a Customer Relationship Management (CRM) software tool for all marketing communication activities, which enables automated collection, storage and analysis of customer data and simplified collaboration between all team members, helping to achieve competitive results, as well as saving time, labour and money.

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