

# PROMOTION ACTIVITIES OF WOOD INDUSTRY IN SLOVENIA AND IN CROATIA

## PROMOCIJSKE AKTIVNOSTI LESNE INDUSTRIJE V SLOVENIJI IN NA HRVAŠKEM

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### ABSTRACT

Wood industry is among the most important industrial sectors in Slovenia and Croatia. In both countries, wood sector is a part of the national strategy plans and one of the industrial branches considered national economy boosters. But media coverage of wood industry and furniture manufacturing in Slovenia, as well as in Croatia, is far behind the promotion enjoyed by other industrial branches. This paper will give the current situation in promotional activities of wood sector in Slovenian and Croatian media and demonstrate the existing differences among given countries. Also, it will present some ideas on improving this situation according to media share of other highly profiled industrial branches in some southeastern European countries.

**Key words:** wood industry, promotion activities, media coverage, promotion investments

### IZVLEČEK

Lesna industrija je ena izmed najpomembnejših industrijskih panog v Sloveniji in na Hrvaškem. V obeh državah je lesni sektor del nacionalnih strateških načrtov in se uvršča med industrijske panoge, ki naj bi ojačile nacionalno gospodarstvo. Toda medijska pokritost lesne industrije in proizvodnje pohištva v Sloveniji, kot tudi na Hrvaškem, je daleč za promocijami drugih industrijskih panog. V članku je prikazano sedanje stanje glede promocijskih dejavnosti v lesnem sektorju v slovenskih in hrvaških medijih, prikazane pa so tudi obstoječe razlike med obravnavanima državama. Prav tako so predstavljene nekatere zamisli za izboljšanje tega položaja glede na medijski delež drugih visoko profiliranih industrijskih vej v nekaterih državah jugovzhodne Evrope.

**Ključne besede:** lesna industrija, promocijske aktivnosti, medijska pokritost, naložbe v promocijo

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## 1 INTRODUCTION

### 1 UVOD

Slovenia and Croatia are on a similar level of wood processing and furniture manufacturing in state economy. Both of those countries are members of the European Union, so we decided to compare the status of wood sector of these two countries in our research. Both countries have very similar ways of investigating media coverage of particular industrial and economic sectors within the countries, so it made comparison much easier.

The research period was 10 years, from 2005 to 2014, which covered the years of good economic conditions, the years of global recession and years of new growth and development after the crisis.

The share of wood processing and furniture manufacturing in Slovenian GDP was about 1.5% in 2007. In 2007, the revenues reached over 1.5 billion EUR with over 22.5 thousand employees (Oblak et al., 2012).

Industrial production indexes also showed a significant decrease in the 2007- 2010 period. Total revenues decreased from 1.5 billion EUR in 2007 to 0.75 billion EUR. Total number of employees in wood processing and furniture production decreased from 22,500 in 2007 to 14,600 in 2009 and to 13,900 in 2010. So, the number of employees fell in two decades by more than three times. According to recent data, the current number of employees in wood processing and furniture making is only 11,000. Slovenian wood sector started to show signs of recovery in last few years due to the Action Plan (adopted by the Government of the Republic of Slovenia in 2012) to increase competitiveness of forest-wood chain in Slovenia by 2020.

In Croatia, wood constitutes a significant raw material. The share of wood processing and furniture manufacturing in Croatian GDP was about 2% in 2007. Domestic wood consumption in Croatia is over 3.4 million

m<sup>3</sup> annually; in 2007, the revenues were over 1 billion EUR with over 25,000 employees.

In Croatia, industrial production indexes showed a significant decrease from 2007 to 2010. The same goes for wood processing and furniture manufacturing, since these are the first industrial branches that have responded to any crisis, especially the global one. The main reason for such state of affairs is the fact that wood processing and furniture making in Croatia are highly export oriented. So, any global or European market disturbances have a significant influence on Croatian wood processing and furniture manufacturing (Jelačić, 2010).

The employment situation is almost the same. Total number of employees in wood processing and furniture production decreased from 25.000 in 2007 (which was 9.8% of all employees in industrial sector, and 1.67% of all employees in Croatia) to 21,000 in 2009 (9% in industrial sector, i.e. 1.41% of all employees) (Pirc Barčič at al., 2012).

The number of employees did not increase much since Croatia started to show signs of recovery in last 3 years of the research period, but export and industrial production indexes showed some significant increase, since export exceeded the total amount of 1 billion EUR in 2014 for the first time in Croatian history. In 2015, the Croatian wood industry sector was thus placed among 8 industrial branches considered Croatian economy boosters in the next period (Jelačić at al., 2012).

## 2 MATERIAL AND METHODS

### 2 MATERIAL IN METODE

According to the EFFIE index, 350 billion EUR per year is spent in the world on advertising and promotional activities. This amount increases by 5% each year at least (Žujo, 2011).

Large amount of that money is invested into advertising and promotion activities on TV and in printed media (newspapers, journals, magazines ...). (Stasiak Betlejewska and Borkowski, 2007).

In south eastern Europe, most of the adverts are presented on TV, radio and in printed media, although other ways of promotion, such as billboards or brochures and flyers, cover significant share of the market. At the moment the most successful promotions are those that cover several different ways of marketing, including social networks, such as Facebook (Žujo, 2011).

This article will consider those promotion activities on TV, in printed media and on the radio which have been under scrutiny of official agencies for promotion monitoring in most exposed media in Slovenia and Croatia.

AGB Nielsen is an agency which monitors insertions of adverts on national TV channels. Insertion is a number which shows how many times certain advert or group of adverts from a certain sector was broadcast on national TV channels.

IPSOS is an agency which monitors adverts in printed media and on the radio. Given data will be presented in financial investments into promotion in different printed media and on national radio stations.

For establishing the main differences in comparing Slovenian and Croatian results of the research, we used descriptive statistics to set mean, standard deviation, coefficient of variances and average change rate.

In the case of inhomogeneity of variances, we utilized the nonparametric Mann-Whitney U test to show the differences between parameters, while in the case of homogeneity of variances we utilized the parametric Student's t-test.

## 3 RESULTS

### 3 REZULTATI

Insertion is a number which shows how many times certain advert or group of adverts from a certain sector was broadcast on national TV channels. In the tables below the total numbers of insertions for the 2005-2014 period in Croatia and Slovenia are presented.

**Table 1:** Number of TV insertions in Croatia

| Category / Kategorija                                  | 2005    | 2006    | 2007    | 2008    | 2009    |
|--|---------|---------|---------|---------|---------|
| Furniture / Pohištvo                                   | 125     | 936     | 864     | 1,723   | 1,895   |
| Wood industry sector / Lesna Industrija                | 262     | 1,171   | 1,248   | 2,122   | 2,165   |
| Total number of insertions / Skupno število predvajanj | 195,642 | 242,843 | 277,126 | 336,999 | 301,928 |
| Category / Kategorija                                  | 2010    | 2011    | 2012    | 2013    | 2014    |
| Furniture / Pohištvo                                   | 1,083   | 1,111   | 3,524   | 3,884   | 5,299   |
| Wood industry sector / Lesna industrija                | 1,374   | 1,664   | 3,977   | 5,408   | 6,293   |
| Total number of insertions / Skupno število predvajanj | 342,407 | 440,357 | 481,223 | 631,074 | 744,934 |

**Preglednica 1:** Število predvajanj televizijskih oglasov na Hrvaškem

**Table 2:** Share of furniture and wood industry sector in general in total number of TV insertions in Croatia

| Category / Kategorija                   | 2005 | 2006 | 2007 | 2008 | 2009 |
|---|------|------|------|------|------|
| Furniture / Pohištvo                    | 0.06 | 0.39 | 0.31 | 0.51 | 0.63 |
| Wood industry sector / Lesna industrija | 0.13 | 0.48 | 0.45 | 0.63 | 0.72 |
| Category / Kategorija                   | 2010 | 2011 | 2012 | 2013 | 2014 |
| Furniture / Pohištvo                    | 0.32 | 0.25 | 0.73 | 0.62 | 0.71 |
| Wood industry sector / Lesna industrija | 0.40 | 0.38 | 0.83 | 0.86 | 0.84 |

**Preglednica 2:** Delež pohištvene industrije in lesnega sektorja v skupnem številu predvajanj televizijskih oglasov na Hrvaškem**Table 3:** Number of TV insertions in Slovenia

| Category / Kategorija                                  | 2005    | 2006    | 2007      | 2008      | 2009      |
|--|---------|---------|-----------|-----------|-----------|
| Furniture / Pohištvo                                   | 302     | 223     | 274       | 52        | 120       |
| Wood industry sector / Lesna industrija                | 1,683   | 1,602   | 1,991     | 1,097     | 925       |
| Total number of insertions / Skupno število predvajanj | 382,455 | 375,098 | 441,295   | 471,661   | 524,180   |
| Category / Kategorija                                  | 2010    | 2011    | 2012      | 2013      | 2014      |
| Furniture / Pohištvo                                   | 173     | 81      | 734       | 1,267     | 1,933     |
| Wood industry sector / Lesna industrija                | 1,954   | 1,833   | 2,992     | 13,120    | 9,722     |
| Total number of insertions / Skupno število predvajanj | 796,373 | 751,731 | 1,205,262 | 2,140,515 | 2,610,454 |

**Preglednica 3:** Število predvajanj televizijskih oglasov v Sloveniji**Table 4:** Share of furniture and wood industry sector in general in total number of TV insertions in Slovenia

| Category / Kategorija                   | 2005 | 2006 | 2007 | 2008 | 2009 |
|---|------|------|------|------|------|
| Furniture / Pohištvo                    | 0.08 | 0.06 | 0.07 | 0.01 | 0.03 |
| Wood industry sector / Lesna industrija | 0.44 | 0.43 | 0.53 | 0.25 | 0.20 |
| Category / Kategorija                   | 2010 | 2011 | 2012 | 2013 | 2014 |
| Furniture / Pohištvo                    | 0.02 | 0.01 | 0.06 | 0.06 | 0.07 |
| Wood industry sector / Lesna industrija | 0.25 | 0.24 | 0.25 | 0.61 | 0.37 |

**Preglednica 4:** Delež pohištvene industrije in lesnega sektorja v skupnem številu predvajanj televizijskih oglasov v Sloveniji

As shown in Tables 1 to 4, the total number of insertions in Slovenia demonstrates a constant growth year after year, while in Croatia total number of insertion decreased in the year after Croatia entered to financial crisis period. Afterwards, it showed growth yet again. It is interesting to observe that the total number of insertions in Croatia is much smaller than in Slovenia. Even the number of viewers in Croatia is more than twice the number of viewers in Slovenia (4,161,532 spectators in Croatia and 1,927,657 spectators in Slovenia). It is even more interesting since the number of national TV channels included in the research was 6 in Croatia and 5 in Slovenia at the beginning of the research and increased to 10 in Croatia and Slovenia.

At the same time, the share of wood sector in general within the total number of insertions in Slovenia was slightly decreasing in the 2005-2008 period, and then it remained almost constant with just one big jump in 2013. The share of furniture showed the same trend for the 2005-2011 period as for the wood sector

in general, but then it highly increased to the constant level in the 2012-2014 period. In Croatia, the share of wood sector in general showed a constant growth in the observed 2005-2014 period, except for two years, 2010 and 2011, when the crisis was on its peak and when that share showed a significant decrease. When observing the share of furniture in Croatian TV media, it showed the same trends as wood sector in general.

When talking about promotional activities in printed media and radio, they are monitored not as number of adverts in all Croatian or Slovenian printed media and radio, but as an amount of money invested for advertising in these media according to the valid price list in particular newspaper, journal or radio station.

Advertising is not monitored by sectors, as on TV, but according to groups of products or production programs. Therefore the data for printed media and radio are different than data for TV, but nevertheless the state of promotional activities of wood processing and furniture manufacturing branch in the countries

**Table 5:** Investments into promotion on radio and in printed media in Croatia (in €)

| Category / Kategorija   | 2006        | 2007        | 2008        | 2009        |             |
|---|-------------|-------------|-------------|-------------|-------------|
| Furniture / Ploštvo   | 3,238,474   | 3,247,640   | 3,461,730   | 3,040,894   |             |
| Wood industry sector / Lesna industrija                         | 5,020,964   | 5,165,001   | 5,429,222   | 4,873,098   |             |
| Total investments to promotion / Skupne investicije v promocijo | 177,732,087 | 202,840,625 | 211,649,662 | 193,187,937 |             |
| Category / Kategorija   | 2010        | 2011        | 2012        | 2013        | 2014        |
| Furniture / Ploštvo   | 3,101,617   | 2,333,708   | 2,817,435   | 2,463,337   | 2,971,821   |
| Wood industry sector / Lesna industrija                         | 4,570,335   | 3,664,757   | 3,948,894   | 3,273,640   | 3,825,273   |
| Total investments to promotion / Skupne investicije v promocijo | 200,902,934 | 207,667,747 | 186,913,690 | 172,137,814 | 166,914,959 |

**Table 6:** Share of investments into promotion of furniture and wood industry sector in total investments into promotion in printed media and on radio in Croatia

| Category / Kategorija                   | 2006 | 2007 | 2008 | 2009 |      |
|---|------|------|------|------|------|
| Furniture / Ploštvo                     | 1.82 | 1.60 | 1.64 | 1.57 |      |
| Wood industry sector / Lesna industrija | 2.83 | 2.55 | 2.57 | 2.52 |      |
| Category / Kategorija                   | 2010 | 2011 | 2012 | 2013 | 2014 |
| Furniture / Ploštvo                     | 1.54 | 1.12 | 1.51 | 1.43 | 1.78 |
| Wood industry sector / Lesna industrija | 2.27 | 1.76 | 2.11 | 1.90 | 2.29 |

**Table 7:** Investments into promotion on radio and in printed media in Slovenia (in €)

| Category / Kategorija   | 2006        | 2007        | 2008        | 2009        |             |
|---|-------------|-------------|-------------|-------------|-------------|
| Furniture / Ploštvo   | 590,127     | 685,102     | 643,867     | 936,890     |             |
| Wood industry sector / Lesna industrija                         | 3,276,961   | 3,813,716   | 3,786,612   | 4,289,180   |             |
| Total investments to promotion / Skupne investicije v promocijo | 124,537,395 | 144,306,272 | 157,783,126 | 145,329,583 |             |
| Category / Kategorija   | 2010        | 2011        | 2012        | 2013        | 2014        |
| Furniture / Ploštvo   | 1,004,846   | 409,059     | 696,287     | 665,279     | 446,261     |
| Wood industry sector / Lesna industrija                         | 3,703,991   | 2,891,417   | 994,920     | 1,004,337   | 686,928     |
| Total investments to promotion / Skupne investicije v promocijo | 150,803,183 | 147,151,950 | 176,829,396 | 160,149,784 | 145,119,065 |

**Table 8:** Share of investments into promotion of furniture and wood industry sector in total investments into promotion in printed media and on radio in Slovenia

| Category / Kategorija                   | 2006 | 2007 | 2008 | 2009 |      |
|---|------|------|------|------|------|
| Furniture / Ploštvo                     | 0.47 | 0.47 | 0.41 | 0.64 |      |
| Wood industry sector / Lesna industrija | 2.63 | 2.64 | 2.40 | 2.95 |      |
| Category / Kategorija                   | 2010 | 2011 | 2012 | 2013 | 2014 |
| Furniture / Ploštvo                     | 0.67 | 0.28 | 0.39 | 0.42 | 0.31 |
| Wood industry sector / Lesna industrija | 2.46 | 1.96 | 0.56 | 0.63 | 0.47 |

in question can be observed. The figures below show the share of financial assets invested into promotion in printed media and on radio by wood processing and furniture manufacture and total investments into promotion in these media.

**Preglednica 5:** Naložbe v promocijo na radiu in v tiskanih medijih na Hrvaškem (v €)**Preglednica 6:** Delež naložb za promocijo pohištvene industrije in lesnega sektorja v skupnih naložbah v promocijo na radiu in v tiskanih medijih na Hrvaškem**Preglednica 7:** Naložbe v promocijo na radiu in v tiskanih medijih v Sloveniji (v €)**Preglednica 8:** Delež naložb za promocijo pohištvene industrije in lesnega sektorja v skupnih naložbah v promocijo na radiu in v tiskanih medijih v Sloveniji

As it can be observed from Tables 5-8, the share of furniture production in the total investment into promotion in printed media and on radio is much higher than the share of promotion on TV channels. For example, in Croatia the share of promotion in printed media

and on radio in 2011 (the smallest) was only 1.12% just for furniture, i.e. 1.76% for wood industry sector. The same share of promotion space on TV channels in 2012 (the highest) was 0.73% for furniture, whereas in 2013 it was 0.86% for the whole sector.

In Slovenia, the situation is similar to the situation in Croatia, except that the shares are much lower than in Croatian media. The share of furniture in printed media and on radio was between 0.28% in 2011 and 0.67% in 2010. The share in this respect was higher than the share on TV channels: 0.01% in 2008 and 2011 to 0.08 in 2005. The share of wood industry sector in general on TV channels was between 0.20% in 2009 and 0.61% in 2013, while the share of wood industry sector in printed media and on radio was between 0.47 in 2014 and 2.95 in 2009.

In total values, Croatian companies invest into promotion in printed media and on radio more than companies in Slovenia. This is quite expected if we compare Croatia and Slovenia, since there are more printed publications in Croatia than in Slovenia with its much lower population.

**Table 9:** Descriptive statistics for number of TV insertions for the 2005-2014 period

| Variable<br>Spremenljivka | N  | Mean<br>Povprečje | Minimum<br>Minimum | Maximum<br>Maksimum | Std. Dev. | Coef. Var. | Aver. Rate |
|---------------------------|----|-------------------|--------------------|---------------------|-----------|------------|------------|
| HRWi                      | 10 | 2,568             | 262                | 6,293               | 1,987     | 77.37      | 42.36      |
| HRFi                      | 10 | 2,044             | 125                | 5,299               | 1,646     | 80.53      | 51.64      |
| HRTi                      | 10 | 399,453           | 195,642            | 744,934             | 176,087   | 44.08      | 16.02      |
| SIWi                      | 10 | 3,692             | 925                | 13,120              | 4,189     | 113.45     | 21.52      |
| SIFi                      | 10 | 516               | 52                 | 1,933               | 623       | 120.68     | 22.91      |
| SITi                      | 10 | 969,902           | 375,098            | 2,610,454           | 790,223   | 81.47      | 23.79      |

HRWi – number of insertions of wood industry sector in Croatia

HRFi – number of insertions of furniture in Croatia

HRTi – total number of insertions on TV channels in Croatia

SIWi – number of insertions of wood industry sector in Slovenia

SIFi – number of insertions of furniture in Slovenia

SITi – total number of insertions on TV channels in Slovenia

**Table 10:** Descriptive statistics for share in total number of TV insertions for the 2005-2014 period

| Variable<br>Spremenljivka | N  | Mean<br>Povprečje | Minimum<br>Minimum | Maximum<br>Maksimum | Std. Dev. | Coef. Var. | Aver. Rate |
|---------------------------|----|-------------------|--------------------|---------------------|-----------|------------|------------|
| HRWip                     | 10 | 0.5721            | 0.1339             | 0.8570              | 0.2418    | 42.27      | 22.71      |
| HRFip                     | 10 | 0.4528            | 0.0639             | 0.7323              | 0.2211    | 48.83      | 30.70      |
| SIWip                     | 10 | 0.3450            | 0.1765             | 0.6129              | 0.1375    | 39.85      | -1.84      |
| SIFip                     | 10 | 0.0461            | 0.0108             | 0.0790              | 0.0264    | 57.37      | -0.71      |

HRWip – share of wood industry sector in total number of insertions in Croatia

HRFip – share of furniture in total number of insertions in Croatia

SIWip – share of wood industry sector in total number of insertions in Slovenia

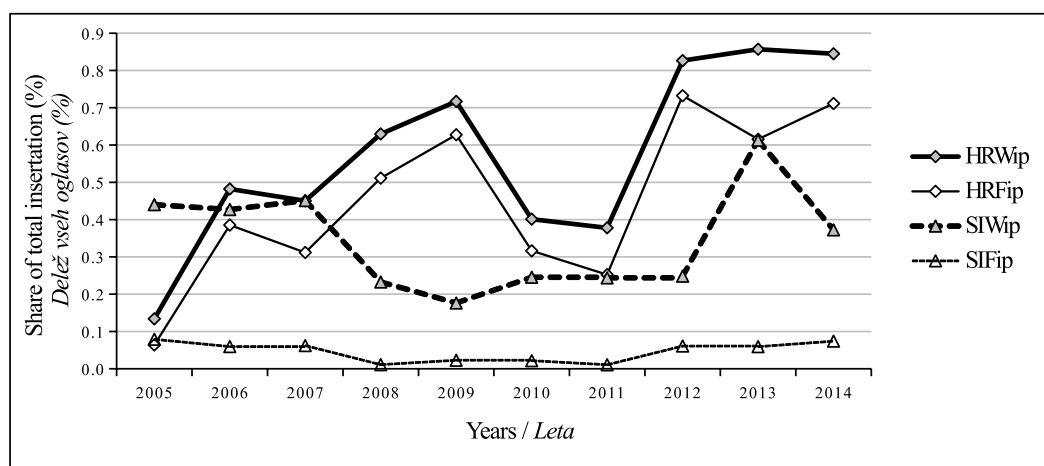
SIFip – share of furniture in total number of insertions in Slovenia

For establishing the main differences in comparing Slovenian and Croatian results of the research, we used descriptive statistics to set mean, standard deviation, coefficient of variances and average change rate.

As it can be observed from Table 9, the numbers for total TV insertions in Slovenia are higher than those in Croatia, and the average rate of growing for total insertions is bigger than the average rate of growth in Croatia (23.79% in Slovenia comparing to 16.02% in Croatia). The same can be stated for total numbers for insertions of wood industry sector, with only difference that the average rate of growing in Croatia is almost twice as high as the rate in Slovenia. But, for the same period of time, i.e. 2005-2014, insertions of furniture commercials on TV in Croatia are much higher than those in Slovenia with 2.25 times higher average rate of growth (51.64% in Croatia to 22.91% in Slovenia). It is even more obvious if we observe the share of insertions for furniture or wood sector in general within the total number of insertions (Table 10). It can be observed that the average rate of growth in Croatia is positive (positive trend), while in Slovenia the num-

**Preglednica 9:** Opisna statistika za število predvajanj televizijskih oglasov za obdobje 2005-2014

**Preglednica 10:** Opisna statistika za delež v skupnem številu televizijskih oglasov za obdobje 2005-2014



**Fig. 1:** Comparison of HR and SI shares in the number of TV insertions (Furniture vs.Wood)

**Slika 1:** Primerjava HR- in SI-deležev v številu televizijskih oglasov (Pohištvo vs. Les)

bers are negative, i.e. the total number of insertions is growing faster than the number of insertions for wood sector in general or for furniture.

**HRWip vs SIWip**

For comparison of HRWip and SIWip, the condition of homogeneity of variances was satisfied ( $F=2,36$ ;  $p=0,25$ ), so we utilized the parametric Student t-test, which showed that the difference between HRWip and SIWip was statistically significant ( $t=2.58$ ;  $p=0.02$ ).

**HRFip vs SIFip**

Because of inhomogeneity of variances between HRFip and SIFip ( $F=69.9$ ;  $p<<0.01$ ) we utilized, for comparison of HRFip and SIFip, the nonparametric Mann-Whitney U test, which showed that the difference between HRFip and SIFip was statistically significant ( $z=3.63$ ;  $p<<0.01$ ).

Comparison of the share of insertions of wood sector in general and of furniture on TV channels by years in the 2005-2014 period is shown in Figure 1.

As shown in Table 11, all investment numbers in Croatia are higher than those in Slovenia, but all the average rates of growth are negative, except the total investments into printed media and radio in Slovenia, which has a positive trend. It is also shown that wood sector in general and furniture in Slovenia have much higher negative trend than in Croatia, which means that total investments in Slovenia compared to those in wood sector and furniture are growing much faster than in Croatia.

**HRWep vs SIWep**

Because of inhomogeneity of variances between HRWep and SIWep ( $F=8.74$ ;  $p<0.05$ ) we utilized, for comparison of HRWep and SIWep, the nonparametric

**Table 11:** Descriptive statistics for investments into promotion on the radio and in printed media for the 2006-2014 period

**Preglednica 11:** Opisna statistika za naložbe v promocijo na radiu in v tiskanih medijih za obdobje 2006-2014

| Variable<br>Spremenljivka | N | Mean (€)<br>Povprečje | Minimum (€)<br>Minimum (€) | Maximum (€)<br>Maksimum (€) | Std. Dev. (€) | Coef. Var. | Aver. Rate |
|---------------------------|---|-----------------------|----------------------------|-----------------------------|---------------|------------|------------|
| HRWe                      | 9 | 4,419,020             | 3,273,640                  | 5,429,222                   | 760,163       | 17.20      | -3.34      |
| HRFe                      | 9 | 2,964,073             | 2,333,708                  | 3,461,730                   | 370,447       | 12.50      | -1.07      |
| HRTe                      | 9 | 191,105,273           | 166,914,959                | 211,649,662                 | 16,108,169    | 8.43       | -0.78      |
| SIWe                      | 9 | 2,716,451             | 686,928                    | 4,289,180                   | 1,421,122     | 52.32      | -17.74     |
| SIFe                      | 9 | 675,302               | 409,059                    | 1,004,846                   | 196,613       | 29.11      | -3.43      |
| SITe                      | 9 | 150,223,306           | 124,537,395                | 176,829,396                 | 14,221,983    | 9.47       | 1.93       |

- HRWe – investments into promotion of wood industry sector in Croatia
- HRFe – investments into promotion of furniture in Croatia
- HRTe – total investments into promotion in printed media and on radio in Croatia
- SIWe – investments into promotion of wood industry sector in Slovenia
- SIFe – investments into promotion of furniture in Slovenia
- SITe – total investments into promotion in printed media and on radio in Slovenia

**Table 12:** Descriptive statistics for the share in total investments into promotion on the radio and in printed media for the 2006-2014 period

| Variable<br>Spremenljivka | N | Mean<br>Povprečje | Minimum<br>Minimum | Maximum<br>Maksimum | Std. Dev. | Coef. Var. | Aver. Rate |
|---------------------------|---|-------------------|--------------------|---------------------|-----------|------------|------------|
| HRWep                     | 9 | 2.3116            | 1.7647             | 2.8250              | 0.3420    | 14.80      | -2.58      |
| HRFep                     | 9 | 1.5577            | 1.1238             | 1.8221              | 0.2046    | 13.13      | -0.29      |
| SIWep                     | 9 | 1.8566            | 0.4734             | 2.9513              | 1.0113    | 54.47      | -19.30     |
| SIFep                     | 9 | 0.4514            | 0.2780             | 0.6663              | 0.1332    | 29.50      | -5.26      |

HRWep – share of wood industry sector in total investments into promotion in printed media and on radio in Croatia

HRFep – share of furniture in total investments into promotion in printed media and on radio in Croatia

SIWep – share of wood industry sector in total investments into promotion in printed media and on radio in Slovenia

SIFep – share of furniture in total investments into promotion in printed media and on radio in Slovenia

Mann-Whitney U test, which showed that there was a difference between HRWep and SIWep, except that the difference was not statistically significant ( $z=0.31$ ;  $p=0.76$ ).

#### HRFep vs SIFep

For comparison of HRFep and SIFep, the condition of homogeneity of variances was satisfied ( $F=2.36$ ;  $p=0.25$ ), so we utilized the parametric Student t-test, which showed that the difference between HRFep and SIFep was statistically significant ( $t=13.6$ ;  $p<0.01$ ).

The average rate of growth in both countries is negative for wood sector as well as for furniture, but these rates are much lower in Croatia than in Slovenia. Comparison of the share of investments of wood sector in general and of furniture into printed media and radio by years in the 2006-2014 period is shown in Figure 2.

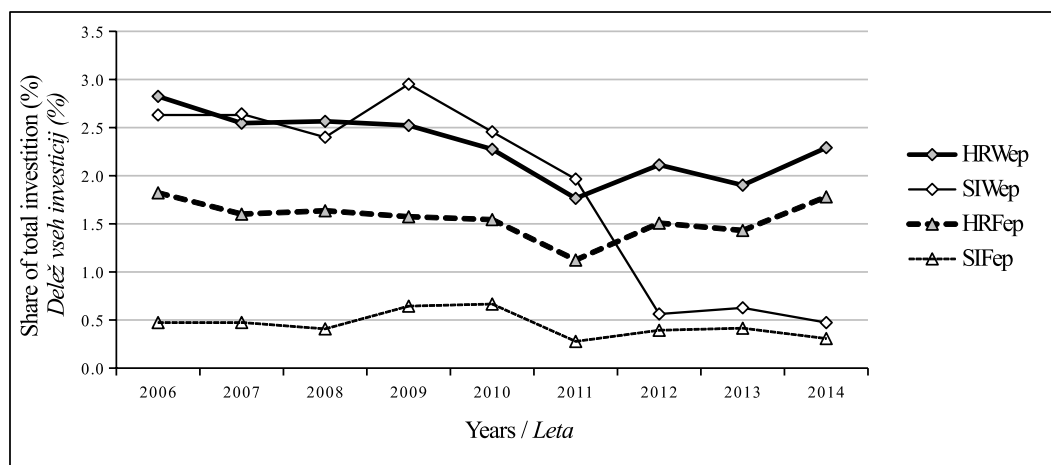
**Preglednica 12:** Opisna statistika za delež v vseh naložbah v promocijo na radiu in v tiskanih medijih za obdobje 2006-2014

## 4 DISCUSSION AND CONCLUSION

### 4 RAZPRAVA IN ZAKLJUČKI

Comparison of wood sector promotional activities in Slovenia and Croatia shows that these activities in these two countries do not follow the status that wood processing and furniture manufacturing as one of the significant industrial branches in these two countries have or should have. It is obvious that the industrial branch such as wood processing and furniture manufacturing, which is one of the official boosters of industrial branches in Croatia, deserves a better place in the promotion business of Croatia and Slovenia, especially on TV channels, since there is the following saying: "If it is not on TV, then it doesn't exist".

The share of wood industry sector number of insertions on national TV channels in Slovenia (between 0.18% and 0.61%) with the average rate of growth -1.84%, and especially the share of furniture number of insertions on national TV channels in Slovenia

**Fig. 2:** Comparison of HR and SI shares in investments into promotion on the radio and in printed media (Furniture vs. Wood)**Slika 2:** Primerjava HR- in SI-deleža naložb v promocijo na radiu in v tiskanih medijih (Pohištvo vs. Les)

(between 0.01% and 0.08%) with the average rate of growth of -0.71%, is far below the status that wood processing and furniture manufacturing have among industrial branches in Slovenia.

The situation in Croatia is similar. The share of wood industry sector number of insertions on national TV channels in Croatia (between 0.13% and 0.86%), and the share of furniture number of insertions on national TV channels in Croatia (between 0.06% and 0.73%), is far below the status that wood processing and furniture manufacturing have as one of the eight booster industrial branches in Croatian economy. What gives some hope is that the average rate of growth for wood sector in general (22.71%) and especially the average rate of growth for furniture (30.70%) are having a positive trend, so in the future these shares on TV as a media will meet the numbers wood industry sector has in GDP and other industrial indexes.

While the numbers show some improvements in promotional activities on TV as the most significant media in Croatia and Slovenia, the situation in printed media and on radio differs a great deal. The share of wood industry sector investments into promotional activities in printed media and on radio in Slovenia (between 0.47% and 2.95%) with the average rate of growth of -1930%, and especially the share of furniture number of investments into promotional activities in printed media and on radio in Slovenia (between 0.27% and 0.67%) with the average rate of growth of -5.26%, is much better than on TV channels, but with a negative trend of growth. These numbers, however, are still below the status that wood processing and furniture manufacturing have in Slovenia.

In Croatia, the situation is much better. The share of wood industry sector investments into promotion activities in printed media and on radio in Croatia (between 1.76% and 2.83%) with the average rate of growth of -2.58%, and the share of furniture number of investments into promotion activities in printed media and on radio in Croatia (between 1.12% and 1.82%) with the average rate of growth of -0.29% (almost constant), is much better than on TV channels, and these numbers are much closer to numbers that wood processing and furniture manufacturing have in Croatian GDP. Still, it is not satisfying since the trend of promotion activities in printed media and on radio is negative in general. It is encouraging that investments into promotional activities of wood processing and furniture manufacturing has been growing in the last 3 years, matching the growth of the wood industrial branch.

The main problem for promotion of wood products in Croatian media is the lack of working capital,

so wood processing and furniture manufacturing companies decide to invest it into something else instead of promotion activities. The second reason is the lack of lobby that would promote wood processing and furniture manufacturing as an environmentally friendly industry. Wooden clusters could and should improve that by making joined actions in that direction. The battle between wooden clusters and PVC lobby regarding joinery (windows especially) is very hard and PVC is winning it at the time. But that should be changed fast and soon. One more way to improve it is for companies to get together in cluster based on production program and not regionally, so that they could act together in promotional activities. Especially, it would be good toward promotion on TV, since it is much more expensive than promotion in printed media.

The research shows that there was a prominent increase in the commercial activities in the past ten years in general. The main reason is the rapid development of advertising media. Competition in this field allows the companies that can advertise for more reasonable prices. However, when the company creates an advertising plan and strategy, it is necessary to identify and examine the specific clientele it is targeting. Recognizing target market will help the company to choose the most beneficial type of advertisement for its specific business.

## 5 SUMMARY

Wood industry is among the most important industrial sectors in Slovenia and Croatia. However, media coverage of wood processing and furniture manufacturing in Slovenia, as well as in Croatia, is far behind the promotion of other industrial branches.

This article considers the data about promotion activities on TV, radio and in printed media, which have been under scrutiny of official agencies for promotion monitoring in most exposed media in Croatia and Slovenia.

For establishing the main differences in comparing Slovenian and Croatian results of the research, we used descriptive statistics to set mean, standard deviation, coefficient of variances and average change rate. In the case of inhomogeneity of variances we utilized the nonparametric Mann-Whitney U test to show the differences between parameters, while in the case of homogeneity of variances we utilized the parametric Student's t-test.

The share of wood industry sector number of insertions on national TV channels in Slovenia (between 0.20% and 0.61%) with the average rate of growth of -1.84%, and especially the share of furniture num-



ber of insertions on national TV channels in Slovenia (between 0.01% and 0.08%) with the average rate of growth of -0.71% is far below the status that wood processing and furniture manufacturing are having among industrial branches in Slovenia.

The situation in Croatia is similar. The share of wood industry sector number of insertions on national TV channels in Croatia (between 0.13% and 0.86%), and the share of furniture number of insertions on national TV channels in Croatia (between 0.06% and 0.73%), is far below the status held by wood processing and furniture manufacturing in Croatian economy. The share of promotion in printed media and on the radio is in both of these countries slightly greater but still very small.

The main problem for promotion of wood products in Slovenian and Croatian media is the lack of working capital, so wood processing and furniture manufacturing companies decide to invest it into something else than promotional activities.

## 5 POVZETEK

Lesna industrija je ena izmed najpomembnejših industrijskih panog v Sloveniji in na Hrvaškem, kljub temu pa je medijska pokritost predelave lesa in proizvodnje pohištva v Sloveniji, kot tudi na Hrvaškem, daleč za promocijami drugih industrijskih panog.

Članek prikazuje podatke o promocijskih aktivnostih na televiziji, radiu in v tiskanih medijih, ki jih objavljajo uradne agencije za spremljanje promocije in jih zajemajo v najbolj izpostavljenih medijih na Hrvaškem in v Sloveniji.

Za ugotavljanje glavnih razlik pri primerjanju rezultatov slovenske in hrvaške raziskave smo uporabili opisne statistike za izračun povprečja, standardnega odklona, koeficienta variance in povprečne stopnje sprememb. V primeru nehomogenosti varianc smo uporabili neparametrični Mann-Whitneyev U test, ki je pokazal razlike med parametri, v stanju homogenosti varianc pa smo uporabili parametrični Student's t-test.

Delež lesnega sektorja v skupnem številu predvajanj televizijskih oglasov v Sloveniji (med 0,20% in 0,61%) s povprečno stopnjo rasti -1,84%, in predvsem delež pohištvene industrije (med 0,01% in 0,08%) s povprečno stopnjo rasti -0,71%, je daleč od statusa, ki ga imata predelava lesa in proizvodnja pohištva med industrijskimi panogami v Sloveniji.

Na Hrvaškem je situacija podobna. Delež lesnega sektorja v skupnem številu predvajanj televizijskih oglasov na Hrvaškem (med 0,13% in 0,86%) in delež pohištvene industrije (med 0,06% in 0,73%) je prav tako daleč od statusa, ki ga imata predelava lesa in

proizvodnja pohištva v hrvaškem gospodarstvu. Delež promocije v tiskanih medijih in na radiu je v obeh obravnavanih državah malo večji, a še vedno zelo majhen.

Glavni problem promocije lesnih izdelkov v slovenskih in hrvaških medijih je pomanjkanje obratnega kapitala, zato se lesnopredelovalna in pohištvena podjetja odločajo, da kapital vlagajo v nekaj drugega, namesto v promocijske aktivnosti.

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