MARKETING COMMUNICATION IN THE DIGITAL ENVIRONMENT

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Abstract:
The article is devoted to the role of marketing communication in digital environment. The key features of marketing communication strategy are revealed. Authors analyze the efficiency of marketing communication, which make enable companies to increase their business results. The ways how companies interact with customers and carry out their operations are considered. The article refers to vital marketing trends in the digital environment.

Introduction

Traditionally the theory and practice of marketing considered attracting new customers and selling their goods and services to them as their main activities. However today modern marketing prioritizes not only attracting new customers, but also maintaining strong and long-term relationships with existing customers. Marketing includes a range of activities such as analysis, planning, event management and monitoring of activities aimed at establishing, strengthening and maintaining beneficial relationships with target customers. The ultimate goal is to achieve the required sales level, profit margins and market share using a series of marketing activities such as new product development, marketing research, communication, distribution, pricing and service. Marketing communications is the process of communicating product information to the target audience. Nowadays marketing communications play a key role in the whole process. It can be anything: advertising, personal selling, direct marketing, sponsorship, communication, and public relations.

1. The role of marketing communication in digital environment

Marketing communications is the process of communicating information about companies, their brands, products and services to the target audience using various channels and tools. Marketing communication is the one of the elements of the marketing mix (promotion) aimed at delivering information to consumers about companies, their brands, products and services to achieve the following business goals.

- Creation of awareness of the company, its brands and products among the target audience or the general public.
- Delivering information about the company and its proposals to the target audience.

- Stimulating purchases by the target audience in a specific place and at a specific time. Alignment of seasonality and dips in sales.
- Detachment from competitors, realized through communications (delivering information to consumers about the uniqueness and advantages of the company, its brands, goods and services).
- Formation of loyalty of existing consumers to the company, its brands and products.

Marketing communication is implemented as part of a business communication strategy, developed separately for each brand, business direction, product category and so on. The communication strategy is formed in accordance with the chosen business development strategy (corporate strategy), taking into account market trends, motivation, value system, characteristics of consumer behavior of the target audience, the level of competition in the market, as well as the goals of the company. In addition, marketing communications cannot be divorced from the rest of the marketing mix (product, price, place). This means that the communication strategy and communication plan must be interconnected with the assortment plan, sales plan and price positioning.

2. Efficiency of marketing communication strategy

The rapid development of digital communications stimulates the development of Internet marketing strategies for the company. According to the forecast on the Fig. 1, by 2025, there will be more than 75 billion Internet of Things (IoT) connected devices in use. The IoT refers to a network of devices that are connected to the internet and can "communicate" with each other. Such devices include daily tech gadgets such as the smartphones, smart home, industrial devices. These smart connected devices are able to gather, share, and analyze information and create actions accordingly. Hence, companies should develop in the frame of marketing communication strategy.

Figure 1: *Internet of Things (IoT) connected devices installed base worldwide from 2015 to 2025(in billions)*
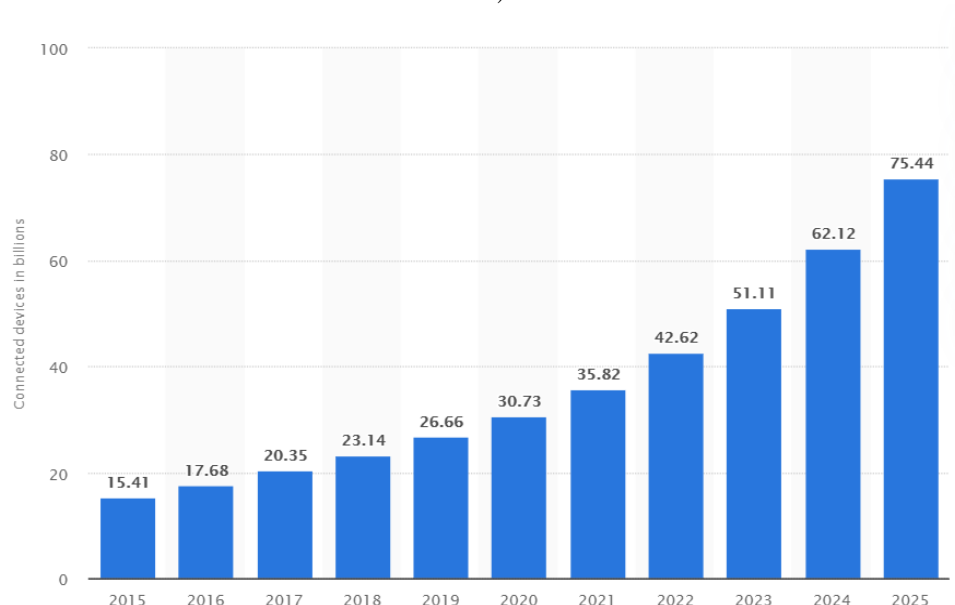
Source: Statista (2021)

Internet marketing communications strategy - a set of methods that allow a company to be present in the digital environment and ensure the achievement of marketing goals. The modern internet

marketing strategy includes the following areas and tactics: Search engine optimization of the site (SEO-strategy), Pay-Per-Click (PPC) marketing, webinar production, content marketing (blogging & article writing), targeted and contextual advertising, display advertising, PR, social media marketing (SMM), mailing list, viral marketing, call-to-action strategy, website design A/B testing.

The main problem of creating an effective Internet marketing communications strategy is the selection of the optimal Internet marketing tools both in terms of target audience and in terms of the cost of a contact. In internet marketing, media planning is used for this. Successful media planning is facilitated by the presence of a clear and understandable metric for assessing the effectiveness of a company's digital communications. Evaluating the effectiveness of marketing communications is the most discussed topic among marketers. Approaches to assessing the effectiveness of digital communications are constantly being improved, which is facilitated by the development of modern software, which somewhat simplifies the problem of assessing effectiveness. On the other hand, quantitative data obtained by a marketer regarding the number of visits, clicks on links, etc., may not always reflect the real picture, since they often need a qualitative interpretation of visitor behavior.

The main criterion for the effectiveness of activities in the digital environment can be recognized as CTR- click-through rate, measures how many people click on a link or advertisement. CTR is one of your key performance indicators (KPIs) and is commonly used to determine the success of digital marketing campaigns. A CTR can be used to measure the effectiveness of emails and digital ads. In the case of online advertisements, such as Google Awards and Facebook advertising, a higher CTR will lead to a greater Quality Score or Relevance Score. This can help to save on cost-per-click rates and lead to more visible ad positioning (Little, 2019).

Also, a popular approach to assessing the effectiveness of digital communications is assessing traffic to the company's website, moving the target audience to the most important sections of the website and improving social actions, such as: buying a product, leaving information about yourself, the number of comments, etc. This approach also reflects communicative efficiency, since the actions of visitors on the site do not always end with a purchase but can lead to it in the future (delayed communication effect). It is obvious that practitioners want to get a specific toolkit for assessing the economic efficiency of digital communications, that is, an approach that links communicative efficiency with the sale of goods.

However, there is a risk, when the company focuses only on the economic efficiency of digital communications, to lose some of the Internet users who are not the company's customers, but who can create a positive atmosphere around the brand in the Internet environment, be a link between the company and the end consumer through active product recommendations and company services.

Measuring the effectiveness of various digital media tools allows to assess what is happening at different points in the purchasing decision process. Promotion in the digital environment, as a type of marketing communication used to inform target audiences, is assessed by the following performance indicators, which are used depending on the project objectives:
- engagement - the interaction of the audience with the content (the number of subscribers, comments, responses, republishing, clicks on shortened links and other social actions);
- the number of conversions of the target audience to the target web page;
- forecasts of sales in pieces (or in margin);
- PR-effect (number of references and coverage of readers of the 1st and 2nd circles);

- user cost (costs per user who joined the group, for interaction, or reduced costs for user support);
- dynamics of changing the tone of statements about the company;
- the share of positive votes about the company in relation to similar indicators of competitors.

The following stages of assessing the effectiveness of digital communications are distinguished:
1. Development of goals for the use of digital communications, expressed in a specific set of indicators of communicative and economic efficiency. A set of targets can be viewed as a performance metric. Achieving or not achieving these goals will show the effectiveness of digital communications.
2. Fixing the level of baseline indicators (by metric) in comparison with which further assessment will be carried out. (for example, sales volume, number of customers, number of site visitors, etc.).
3. Development of a calendar plan for communicative events. This is necessary in order to be able to correlate events with the web analytics data that the company receives.
4. Implementation of the digital communications plan and ongoing monitoring of the dynamics of target indicators.
5. Study of additional data available in the company and allowing better interpretation of the results of digital communications. For example, it is possible, in parallel with an advertising campaign, to carry out consumer surveys, to attract data from consulting companies, etc.
6. Comparison and analysis of data such as activity, social media data, web data, transactions, customer loyalty and other data.
7. Evaluation of the effectiveness of digital communications and the degree of achievement of targets.

Achieving or not achieving goals will show the effectiveness of digital communications used by company. The effectiveness of digital communications should, by analogy with offline communications, be divided into communicative and economic. Post-tests are used to assess the communicative effectiveness of digital communications. Post testing answers a wider range of questions, more specified, and generally inexpensive. Moreover, it calculates how advertising performed, and finally examines whether the conditions of introduction and purchase are genuine, not imitated.

So, evaluating the influence of marketing communication, particularly advertising on a brand (its recognition, customer attitude, memorability, etc.), it is vital to take into account following factors:
1. Measuring exposure – the average duration of contact of Internet users with advertising.
2. Measurement of interaction with advertising - reflect indicators of duration and frequency (the proportion of Internet users who interact with advertising; time of user interaction with advertising.).
3. Assessment of "brand experience" (brand experience) - visiting the site of the brand or partners, participating in digital promotions, etc.

Marketing communications, as a process of forming and maintaining relationships with real and potential consumers of the company's goods and services in digital era are beginning to play a particularly crucial role. The growing global competition, risks, the widespread decline in consumer loyalty to traditional brands, and high consumer awareness thanks to Internet technologies force companies to reconsider their approaches to developing customer relationships and switch to something new.
3. Key trends in digital marketing 2021

Digitization is transforming how companies in every industry go to market, interact with customers, and carry out their operations. The digital transformation is complex, time consuming, and expensive process, and it affects every aspect of the enterprise. Hence, it is essential that companies actively plan and monitor their digital investments in order to get their money's worth out of the effort. Some of the change agents are Apple, Amazon, Facebook, Twitter and Google—representative companies that are shaping the digital landscape and redefining what it means to find information, connect with people and buy products and services. Change is largely being driven by affluent customers and millennial (also known as Generation Y) who are between ages 18 and 30 and have grown up largely as "digital natives." To them, online experiences are as important as in-person experiences (PWC, 2016). So there are 10 marketing trends that should be taken into account by companies:

1. Artificial intelligence and machine learning

Gradually and almost imperceptibly, artificial intelligence (AI) crept into the life of modern people and took a significant place in it. Already, the role of artificial intelligence in marketing and business can hardly be overestimated. Artificial intelligence helps to analyze consumer data and interests, offer them targeted ads, track sales, improve communication with customers and predict their behavior patterns. The use of machine learning is also growing, useful in the analysis of text, images and audio, as well as so valuable for the development of another trend - personalization. (Bondade, 2019). As for example, Microsoft and Uber use Knightscope K5 robots to patrol parking lots and large outdoor areas to predict and prevent crime. The robots can read license plates, report suspicious activity, and collect data to report to their owners. There is a possibility to rent these robots for acceptable price which is less than a human security guard's wage.

2. Chatbots

Consumers appreciate the ability to instantly resolve issues and receive feedback from a company or seller 24/7. AI-powered chatbots are capable for deep learning and can develop dialogue, get customer requests, collect data and analyze consumer needs and concerns, and naturally interact with a person, forging their connection with a company or brand. In 2020, even the World Health Organization launched a chatbot: a free service in English provides information about the coronavirus and how to stop its spread. Chatbots will continue to be an important part of digital marketing in 2021. This AI-based technology uses instant messaging to chat in real-time, day or night, with your customers or site visitors. Surveys show that the top benefits of chatbots are 24-hour service (64%), instant responses to inquiries (55%), and answers to simple questions (55%) (Gigante, 2019). Many brands already use chatbot technology, the brands that are successfully using chatbot technology include Whole Foods Market, Fandango, Sephora, Staples, The Wall Street Journal and Pizza Hut.

3. Voice search

Voice search is a technology that allows person to search the Internet by making a request orally. For consumers, this way of searching has ceased to be just entertainment - people are getting used to it and are increasingly using it in everyday life. And although regular forecasts promising that voice search will outstrip and supersede text queries are not yet justified, there are still more people who like to chat with Alice, Siri, or just turn to Google out loud, and it is important to take into account their preferences and optimize content not only for text but also for voice search.

4. Personalization

Personalization means personalized content, products, emails and more - individual approach. Statistics show that: 63% of consumers are highly annoyed with generic advertising blasts, then 80% say they are more likely to do business with a company if it offers personalized experiences, and finally, 90% claim they find personalization appealing. Kevin George from EmailMonks asserts that "personalized, triggered emails based on behavior are 3x better than batch-and-blast emails." As an example of the power of personalization, it's necessary to underline the Netflix and Amazon actions, with their tailored recommended products or movie titles. Recommendation algorithm consistently makes headlines for its strategic approach to personalized marketing. Moreover, Starbucks uses a gamified mobile app that draws on data like purchase history and location to get as personal as possible, allows customers to customize their drinks, and encourages further use with its rewards system. The personalization system skyrocketed the revenue to $2.56 billion (Keane, 2019).

5. Influencer Marketing

Influencer marketing is a type of word-of-mouth marketing that focuses on using key leaders to amplify brand message to a larger market. Influencers can be well-known celebrities or Instagram or YouTube personalities with a huge niche following who can help spread the word about the business and its product through their social channels. Consumers trust influencers' opinions of products much more than what brands say about themselves.

6. Marketing through video and visual storytelling

Competition in this area is growing rapidly, and we have to invent more and more original formats in order to compete with those who create truly professional content to attract an audience. About 86% of businesses use video as a marketing tool. Video is by far the most popular way customers want to learn about new products (Rinaldi, 2019).

7. Micro-Moments

A micro-moment is an intent-rich moment when a person turns to a device to act on a need – to know, go, do or buy. The growing popularity of micro-moments means that marketers must rethink the following things: awareness, consideration and decision. In 2021 and beyond, the customer journey will be more dynamic and unpredictable, as it needs to respond to rapid changes in consumer desires. After all, in the digital environment, people have become accustomed to instant gratification - they think or talk about something, have a desire to learn more, see more and buy more of the product or service with just a few clicks of a button.

8. Browser Push Notifications

Push notifications are on the rise, with 85% of online stores using them in 2019. At least twice as many people sign up for web push notifications compared to a newsletter. Only 10% of the best email marketers can achieve a newsletter sign-up rate that matches the performance of web push. 6.4 hours is the average time that passes before the recipient opens a newsletter. In the case of web push, the recipient will see the message immediately. The updates to the GDPR (General Data Protection Regulations) and stricter filters have dented the potency of email marketing. Moreover, the younger audience favors other methods of communication and prefers to deal with less touchpoints when engaging brands. As part of the bid to engage users on multiple channels, browser push notifications. More and more brands adopting push notifications and they are getting more sophisticated and personalized. In fact, using personalized push notifications increases conversions: 7% open rate for segmented push messaging compared to a 3% open rate for generic, broadcast messages (a 2x improvement). 54% of users convert from a segmented push notification, compared to only 15% for broadcast messages (a 3x improvement). Notifications triggered by

behavior are being used to re-engage people who have shown interest but failed to convert, and in recovering revenue from abandoned shopping carts (Ann, 2019).

9. Augmented Reality (AR) & Immersive Technologies

The leading research and advisory company Gartner predict that by 2022, 70% of enterprises will be experimenting with immersive technologies, and 25% will have deployed to production. While virtual reality (VR) makes a lot of noise and gets everyone excited with grand sci-fi ideas, AR is much more implementable from a marketing standpoint. Experts predict that AR will continue to outpace VR in terms of market share. As an example – ModiFace company, which has recently been acquired by L'Oreal, produces AR applications for brands. Sephora Virtual Artist, an outstanding example of ModiFace's technology, allows you to see how the different colors of various forms of make-up will look on your face, without having to go to a store and physically apply it (Panetta, 2018).

The above trends will help the leaders of organizations overcome uncertainty about the future and take the necessary measures. Understanding these trends will enable them to properly respond to changing customer needs, adjust their business models as needed, and improve marketing communications.

Conclusion

The theoretical substantiation of the marketing communication in digital environment is important both for the development of the market itself and for increasing the competitiveness of companies. Digital environments enable marketing to develop current ideas about marketing, contribute to the effectiveness of marketing activities in enterprises and create new trends. Sweeping technological change has revolutionized marketing and its tools, while societal challenges have raised expectations about marketers' social performance. This has altered customer needs, accelerated the entry of new types of competitors, and generated novel opportunities for value creation.

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