

## Analysis of digital marketing and branding for the purpose of understanding the consumers in digital age

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**Abstract.** The changes have brought us a new age – “the digital age” and this age has brought us some new challenges that seek to solve the problems of organization in a new way. The digital age, as far as branding is concerned, has brought many advantages to the organization and it can be an extremely valuable marketing tool, but only if the organization manages to gain a positive relationship between the brand and consumers and if it has a proportional advantage in comparison to its opponents; because, on the other hand, besides all advantages it brings us, the digital age can set up many traps. This paper is about the current situation in the global market and pays our attention to some segments of business which are important in digital age for subsistence and the success of an organization. It presents the current awareness of consumers and their way of thinking and acting. The purpose of this paper is to point out conceptual frameworks of branding in Internet form, to show how those frameworks can help marketing planners by organizing and integrating the existing knowledge in development of successful strategies of branding on the Internet. A real example of one of the leading global brands that succeeded to win the challenges of the digital age will be presented in this paper.

**Keywords:** digital age, digital marketing, Internet, branding, consumers.

### 1. INTRODUCTION

Modern business is characterized by frequent changes, that changes are rapid and often unpredictable. With the development of technology, digitization, the advent of Internet and changes that came with it, and will come, the market is becoming digital. The information is more accessible to manufacturers and consumers, and they should be used in the best possible way. Communicating on market is the key hypothesis for successful business of one organization. Organizations usually have different ways of communication, creating and conveying a special and perfectly clear message which is assigned to the consumer. By the appearance of modern technology and digital age, a change in attitude and awareness of consumers has happened which will be shown more detailed in this paper, some consumers are identified with traditional media, and younger modern generations apply digital media as a method of informing and shopping. Each type of media proffers some advantages as well as the constraints in the meaning of creativity. Today it is not enough to publish the message in different media, it is necessary to direct the marketing in media on what is important for the people, with special accent on additional product value.

## **2. THE METHODOLOGY AND DISCUSSION**

The methodology is based on an analysis of several literary and research sources and the purpose of this paper is to highlight the importance of digital marketing and advertising as key to attract consumers. This paper present an theoretical research, where the application of analysis, synthesis and comparison of relevant literature sources and research, given inclusive thinking on the subject.

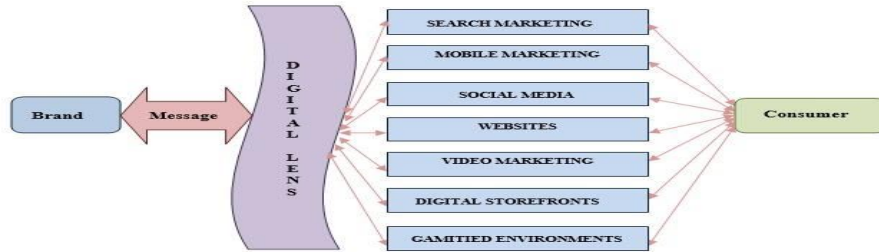
Questions that were analyzed in this paper are the following: *RQ1*: Reviewing of the new - digital age, and the advantages which it is provided? *RQ2*: Comparison of traditional and digital marketing / advantages and disadvantages? *RQ3*: Relationship between the digital age and the consumers?

The answers to these questions created the image of the current situation, through this paper.

### **2.1. THE NEW – DIGITAL AGE**

Modern marketing denotes a business activity which connects production with consumption in such a way to satisfy the needs of a society which appear on the market as the demand in a profitable way [1]. One of many definitions of marketing says that *marketing represents the art of finding and keeping the consumers*. Branding contributes to both goals, especially to keeping the consumer which is more important and valuable. The relationship between the cost of keeping and the price of the product is much more favorable than the relationship between the cost of acquiring a new customer and the same price of the product. The increment of customer retention, rating by 5%, can increase profitability by 35% to 95% depending on activity [2]. In not so distant past, the commercial functioned in a simple way. Brand messages that are brilliantly creative, found their way to consumers through various forms of media, through television, newspapers, and sometimes in the form of electronic mail. Consumers familiar with the brand through these media could choose and purchase a product or service. Instinct and brand recognition led to the purchase. Consumers had very little information in order to be able to make rational decisions. Consumers would compare the products on the shelves and chose a brand that is adequate for them. Simply put, marketing is the tool that has served and serves for the transmission of messages from the organization to the consumer.

But, it is different today; consumers have an unlimited amount of information at their disposal. There is a lot of competition which is strongly deployed in all market segments, a lot of competitive products and services, sending messages to the consumer; it has all become a difficult challenge. Fortunately, the digital age has created new forms of two-way channels that transmit the message to consumers throughout the market chaos. This can be represented in a following way (Fig. 1.):



**Fig. 1.** The New Digital Marketing: Marketing messages must be fragmented and creatively fed into various digital channels to reach consumers at the correct moment file [3]

The distribution area of information is unlimited, consumers now know much. Google connects potential buyers with the presented *online* opinion, articles, and reviews. Digital media channels provide the opportunity to develop deep relationships with consumers more than has ever before been possible. However, the digital age is a marketing double-edged sword.

The world has become digitized. More than half of the adult world population spends most of its waking hours, "*connected*", using the Internet, mobile phone or other digital media. We conclude that the social web does not belong to anyone, and yet, it belongs to everyone. The digital era requires the change of all without excuses, all leading organizations have initiated changes within the organization - one part refers to the aspect of products and solutions it offers, and the other on the issue of its own organization and the way it provides services to final users. The digitization is not only the use of the Internet and mobile applications, it changes the way of work and production, needed jobs, successful business models, products that the market wants [4]. Often there is no perception that the job market is changing every few years. It is noted that the requirements of customers and competitiveness significantly change every few years in industries such as steel production, telecommunications, healthcare and entertainment [5]. Globalization and technology are the leading drivers through which a new level of fragility in the global economy is created. The future is no longer what it once was, the changes are happening so fast that the ability to accept and adapt to change has become a competitive advantage; the organization will change or they will perish.

On this basis, it can be concluded that there are three types of companies:

- companies that make things possible,
- which view events from the side,
- those that wonder what happened.

Marketing challenges faced by today's organizations are:

- consumers are becoming more sophisticated and price sensitive,
- have no time and seek greater benefits,
- recognize that the equality of products from supplier to supplier is increasing,
- are less sensitive to manufacturing brand and are increasingly accepting dealers' brand and generic products,
- expect a lot from provided service,
- are less loyal to supplier.

All this indicates that organizations are faced with severe challenges trying to improve their performance on the market. Wise, market oriented organizations improve: their own knowledge about customers, technologies to connect customers and understanding their business [6]. Such organizations are urging their customers to participate in creating products, are available 7 days a week, 24 hours a day by phone or via email. They use technologies such as video conferences, sales automation, websites and Internet and extranet. Such organizations have adopted and apply the digital age. A premium will be achieved by organizations that have invented new ways of creating, communicating and delivering value to their target market. On this basis, it is concluded that organizations fall into two types: those that change and those that disappear.

**Table 1.** Differences between traditional and digital marketing [7]

<b>Traditional marketing</b>	<b>Digital marketing</b>
A closed system	Open system
Not transparent	Transparent
Mass communication	Communication is one to one
Oriented to the product	Focused on consumer
The message is created by a professional	In creating messages participating consumers
Formal communication	Informal communication
Paid	Free

In Table 1, we can observe a comparison of traditional and digital marketing:

**Traditional marketing** is considered to be traditional, because it contains original and basic methods of marketing and advertising on four basic ways: through the press, through electronic devices (TV, radio), through direct mail and by phone. Before the digital era began, those were the basic ways in which we were given the necessary information about products and services. **Digital marketing** is marketing that, with the help of electronic devices such as computers, smart phones, tablets, and sometimes even a game consoles, connects stakeholders. So, any type of device that can be connected to the Internet can participate in digital marketing. One of the leading methods and ways to interpret the digital marketing are social networks, which cannot be imagined without digital marketing today. The benefits to marketing via social networks are numerous and largely gained at a very low cost. Through social networks, the company can [8]: increase product and brand awareness, increase web traffic, increase customer loyalty and increase success of new product launches.

The essence of digital is the continuous dialogue with the target group, unlike traditional media where this is not the case. Today the results of digital campaigns are easily measurable in real time and this has probably had the greatest impact on the creative process. If the organization is not sure that a creative solution is better, it will make a one-day test, measure the results and continue with a better option. If a particular media channel does not work as planned, it will transfer the budget to the one that proved to be better than expected. The creative process does not stop when the campaign is launched; only then activities culminate.

## 2.2. THE RELATIONSHIP BETWEEN THE DIGITAL AGE AND THE CONSUMERS

Organizations have to accept that they do not know their consumers, not anymore. All researches and data collecting over the past few years can not provide an adequate picture of modern consumers now. The truth is: *the consumer develops much faster than the organization itself*. Today's world is the one in which technology and information flows will allow the consumers to always be several steps ahead of the organization. It can be concluded that organizations today do not know enough about their customers.

Today's consumers' awareness in the digital age can be presented (Fig. 2.):



**Fig. 2.** The New Consumer's Decision Journey: With brand loyalty diminishing, purchase decisions are increasingly driven by a single critical moment that is generally influenced by digital channels [3]

We can conclude that the contemporary consumer - *digital consumer*, conveys the decision to purchase the brand through one of the three ways:

1. **No-loyalty** – without the loyalty of consumers who were dissatisfied with a previous purchase, as if they buy a particular product for the first time, thoroughly investigate using all available information in order to make a good decision. In this case also comes to culmination of digital and traditional marketing channels together into a single valuable proposal that influences the consumer's decision at the time of purchase.
2. **Blind-Loyalty** – due to lack of access to information (or the will to use the technology) or an absolute loyalty to the brand, consumers will continue to buy the product of the same brand over and over again without considering the alternatives. They enter the loop of "blind-loyalty" and remain there until they feel the disappointed by the brand. Through genuine quality products, excellent service and a feeling of complete experience, all brands should seek to focus their customers this way.
3. **Quasi-loyalty** – in the digital world, there is an increasing percentage of consumers who are satisfied with the last purchase of the brand, but it is possible that under the influence of various factors they taste the product of another brand. Just a decade ago, most of these consumers would probably move into the "blind-loyalty" group and bought the product of a certain brand without question. Today, these consumers often have critical moment right before buying. By using the wealth of information that are available to them at this time, consumers will either opt to have the mood to purchase products from the same brand, or could be affected by one or

more factors to buy a product of another brand. For "quasi-loyalist" those can be negative information about the current brand, or positive information about another brand, which will determine the outcome.

The critical moment, often called *the zero moment of truth*, the outcome of this critical moment is defined as: *the digital marketing*. At the critical moment, consumers can visit the site via a computer or a mobile phone, can access a social network such as Facebook and see the experience with the brand, can be informed about a particular brand, run a search that reveals the most important news about the brand, and opt for shopping. Digital marketing can and should be applied, in the traditional sense to help shape and strengthen and perpetuate the image of the brand. From marketing point of view, loyal consumers make the major capital of an organization.

### 3. THE EXAMPLES OF DIGITAL MARKETING APPLY IN COMPANY NIKE

*Nike brand* has transformed its marketing strategy by accepting digital key strategies such as the use of analytics, social engagement and "storytelling".

*The problem* with which the Nike Company faced with is: as one of the biggest sports brands in the world, *Nike brand* has not fought for display or distraction for some time, simply put, for sometime the company has lived from its earlier popularity. However, the brand has noticed that their traditional strategy of advertising has contributed less and less as the time passed. The largest market for the *Nike brand* products represents the group of young people aged 15 to 25 years, who spend 20% or more on the *Nike brand* than any other group [9]. But these generations and buyers, through changing time and consumer awareness, were looking for the brand that offered constant changes and innovations, not just the same old thing over and over again. *Nike brand* understood that the new approach is needed to win this digital generation of consumers. The solution was found in the understanding that marketing in the digital age is the conversation, not a monologue. *Nike brand* has reduced the cost of advertising on television and the press by 40% between 2010 and 2012, but has increased the total marketing budget to \$2.4 billion in 2012 [9], which is directed as follows; *Nike brand* has chosen to use a combination of technological innovations, analytics and social media to win a new group of digitally educated consumers. Engineers and scientists associated with prestigious organizations such as MIT and Apple are engaged in building an exciting new technology and market research. One of their biggest achievements was the creation of *Nike +* products in 2010 - a device that allows users to monitor their workout, upload results to the web, monitor progress and share their achievements and experiences socially. It is essential that this new community is constantly creating incredible amounts of data, which *Nike brand* uses to track consumer behavior in online communities and created space for the Nike supporters and creates meaningful relationships between the brand and its consumers. Nike has moved its *Social Media Marketing* team in the homes of the consumers.

*Results:* Nike's new approach - creating various social digital strategy, which has achieved continuous communication with the customers and provided data to users, necessary for further successful business of the company, had great results. It all starts with understanding the business challenges the brand is faced with. Effective marketing strategy should be focused on the market; all important decisions must be based on solid research and data.

#### 4. CONCLUSION

Every time has its own rules, so that business activities in business and in life are effective, it is necessary to adapt and accept the rules. In this case we should accept the rules of the digital age. In order to become powerful, the brand, to be well-placed on the market, to guarantee the quality and gain the loyalty of consumers, it is needed a lot of time, a large number of different experts who will, through the process of creating and launching the brand in the market, go through a number of different analytical tests. Today, what helps to isolate a specific brand over its competitors is the emotional value of the product or "*higher value*". Modern consumers are not satisfied with the basic, default product quality, which is why the creators of the brand and marketing sector tend to create an adequate emotional component for a specific brand, and thereby differentiate the product in the minds of consumers. It is extremely important at all times to bear in mind the wishes of consumers and know their attitudes. Without digital marketing we have nothing to look for in the digital age, neither as an organization nor as a consumer.

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