

# **DIGITAL TRENDS IN MARKETING AND STRATEGIC COMMUNICATIONS**

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# INFLUENCER MARKETING IN A SOCIAL MEDIA CONTEXT\*

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**Abstract:** *The expansion of the use of social networks has led to changes in the communication of brands and companies with consumers. Currently, the leading trend in marketing, according to the magazine Forbes, is influencer marketing. The paper examines this new trend in a social media context. The purpose of the paper is to explain the concept of influencer marketing in a social media context by finding its "roots" in a marketing concept known as word of mouth and by setting the same concept in the digital era and in a world connected by social media. Lastly, the paper presents the classification of influencers into different types to help campaign creators in monitoring, analyzing, and choosing the most appropriate influencers for a specific campaign and brand.*

**Keywords:** *influencer marketing, word of mouth, social media, eWOM*

## 1. INTRODUCTION

The expansion of social media has reached an even higher level according to the latest results in the Global Digital Report 2018 made by "We are social", a global marketing agency, and "Hootsuite", a well-known social media management platform. Data from this research show that the number of social media users worldwide has passed 3.1 billion. Social media has changed the way companies and consumers communicate. Companies began addressing consumers' issues with social media by hitting clicks, sending links and being responsive and interactive. This especially refers to Generations Y and Z (Obradovic et al., 2017), as 85% of them learn about new products on social media and 59% of them are more likely than older generations to connect with brands on social media (researched by Hootsuite and Pew Research Center).

Motivated by the rise of innovative approaches and strategies in marketing on social media and by statistics from different surveys, this paper examines the new trend of influencer marketing in a social media context. Data from an influencer marketing survey conducted by Collective Bias, an influencer marketing company, which included 14,000 respondents in the United States, reveal that 70% of millennial consumers are influenced by the recommendations of their peers in buying decisions. In the next few years, influencers will become a vital staple in marketing in a social media context and in the service of businesses around the world. Some of the most popular and successful companies, such as Microsoft, Starbucks, Rolex, Virgin America, etc., have started implementing influencer marketing in social media campaigns (Solis&Webber, 2012).

The rise of using influencers in marketing campaigns on social media motivated us to examine this trend by explaining the relationships between some well-known marketing concepts and relatively new but increasingly important phenomena, such as influencer marketing. As the paper deals with a subject that is not yet sufficiently represented in academic work, the authors seek to explain the roots and basic elements of this concept, especially in the context of social media.

The purpose of this paper is to explain the concept of influencer marketing in a social media context by finding its "roots" in a marketing concept known as word of mouth (WOM) and by setting the same concept in today's world and digital era where everything is connected by social media.

## 2. WORD OF MOUTH AS A PRIMORDIAL CONCEPT

### 2.1. Word of mouth

Word of mouth marketing is mostly defined as the process of sharing information from one person to another through face to face contact, telephone, social media, etc. The term "word of mouth" was coined by Whyte (1954) and on the basis of observations he claimed "People who talk about products and services together

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also show alike purchase behavior and have similar product preferences". Arndt (1967) was one of the earliest researchers of the influence of WOM on consumer behavior. He characterized WOM as oral, person-to-person communication between a receiver and a communicator whom the receiver perceives as non-commercial, regarding a brand, product or service. He also concluded that senders of WOM messages may be motivated by "the desire for enhanced status, ego-defense, or dissonance reduction" and that messages flow through shared-interest groups, friendships, or family members in a multistage interpretation process.

Brown and Reingen (1987) claim that word of mouth plays one of the most important roles in consumer behavior by shaping consumers' values, attitudes, preferences and behaviors. Nowadays, this notion is widely accepted. Additionally, consumers are more likely to trust in informal communication when they make a purchase decision than in advertising campaigns (Bansal and Voyer, 2000). A similar conclusion was reached by Silverman (1997), who argued that word of mouth has been proven to be an effective method of obtaining useful information for purchase decisions.

Word of mouth has been acknowledged as an enormous influence on people's knowledge, feelings and actions (Hennig-Thurau et al., 2004). The main cause for presenting this concept as very important in communication with potential consumers is the rising occurrence of lack of trust in advertising. For this reason, customers prefer to find out information from other sources. The findings of the research by Buttle and Francis (1998) support the previous claim that consumer behavior is more submissive to and influenced by word of mouth than by other marketer-controlled sources.

As markets change, marketing theories, concepts and strategies must also change to accommodate them. So, WOM theory and practice has developed in parallel with the development of technology and the emergence of new approaches in marketing (Kozinets et al., 2010). With the expansion of the Internet and the advent of the digital and social media era (the emergence of posted-views, discussion forums, personal mails, chatrooms, instant messaging, blogging, use of social media, etc.), the WOM concept has evolved into eWOM, which is more pervasive and more important in purchase decision-making (Chang et al., 2010).

## **2.2. Social media and eWOM**

The phenomenon and growth of the Internet gave consumers a new empire in which they could communicate and thus influence each other (Negroponte and Maes, 1996). The Internet has become an important source of information for consumers. We can find a great deal of content on the Internet for "entertainment and providing reviews on products and services" (Minazzi, 2015). As a sustainable marketing channel, the Internet has allowed "the democratization of knowledge giving companies, public or private; brands, small or big; and people local or celebrity, an equal footing to share information" (Booth and Matic, 2011). This led to the conceptualization of electronic word of mouth (eWOM).

Hennig-Thurau et al. (2004) define electronic word of mouth as a communication process where one individual may influence others on the Internet. Furthermore, the authors explain that eWOM refers to a "positive or negative statement made by potential, actual, or former consumers about a product or company, which is made available to others via the Internet" (Hennig-Thurau et al., 2004). eWOM is a particular form of communication that has emerged especially with the advent and great evolution of social media. "Thanks to the shifting landscape of information and communication technologies, users have begun to electronically exchange opinions and information about products and services" (Tabbane and Debabi, 2015).

Social media and eWOM have radically changed the relationship between consumers and companies. Also, social media platforms allow eWOM to be seen by consumers around the world (Hennig-Thurau et al., 2004). These platforms give the chance to their users to collaborate and share opinions and experiences as well as sharing different perspectives. Social media provides a sharing platform with its tools, such as social networks, forums, e-mails, and blogs. The shared views, experiences and opinions of online users are actually an electronic type of word of mouth (Cheung&Thadani, 2012).

eWOM information shared in social media can be presented in several different ways. Users can intentionally post information about products and services made by some brand. Furthermore, users can show and display their preferences to their network, such as becoming fans of brands, they can be interactive with brand posts through engagement they provide by liking, commenting and sharing. Also, users can post a brand content without any advertising purpose (Erkan and Evans, 2016).

### 3. SOCIAL MEDIA INFLUENCERS

Katz and Lazarsfeld (1955) refer to “influentials” as “consumers who influence the purchase decision of other consumers”, and Watts and Dodds (2007) use this term for “highly-connected people”. Goldenberg et al. (2009) claim that influential people are believed to have three important traits: (1) they are convincing (may even be charismatic), (2) they know a lot (i.e. are experts), and (3) they have a large number of social ties (i.e. they know many people).

Nowadays, digital influence is becoming one of the hottest trends in social media. With an effective digital influence strategy, “businesses will spark beneficial word of mouth, create brand lift, and ultimately influence the actions of other consumers much more authentically than does traditional marketing” (Solis&Webber, 2012). These authors define digital influence as the ability to cause effect, change behavior, and drive measurable outcomes online.

Influencers, as they are often labeled, form strong unions with like-minded individuals within social networks and fortify those connections with value and meaningful interaction. These influencers are individuals who may possess the capacity to influence based on a variety of factors, such as a substantial or concentrated following in social networks, notable stature, or authority within a community, and the size or loyalty of an audience. Because competition in eWOM marketing has become fierce and social networks are now the most important marketing channel for communication with consumers, identifying influencers is vital to increasing the efficiency of social network-based marketing (Liu et al., 2015).

Social media influencers represent a new type of independent third party endorsers who shape audience attitudes through blogs, tweets, and the use of other social media (Gorry and Westbrook, 2009). They can be also defined as a new type of “independent actors who are able to shape audience attitudes through the use of social media channels in competition and coexistence with professional media” (del Fresno García, Dely and Segado Sánchez-Cabezudo, 2016).

Influencers are usually novel information contributors who have the ability to affect the behavior and attitudes of others (Liu et al., 2015). Due to the persuasive power of social media influencers, technologies have been developed to identify and track the influencers relevant to a brand or organization. Most of these efforts rely on factors such as the number of daily hits on a blog, number of times a post is shared, or number of followers (Freberg et al., 2011).

Uzunoğlu and Kip (2014) explain that when companies and brands started considering the Internet as a strategic communication tool and channel, they also recognized the power of influential users of this platform. The authors conclude that digital influencers have an impact on the members of particular groups, all gathered around similar values and interests.

Kempe, Kleinbert and Tardos (2003) suggest that the main question should be how to select initial influencers who will take part in a social media campaign. To do that, managers need to have “an intelligent system that supports them in finding the optimal group of influential customers”. The selection of a group of individuals who are most likely to generate the largest cascade of influence through eWOM is also known as the influence maximization problem. Roelens, Baecke and Benoit (2016) add that there are several developed approaches to resolving the influence maximization problem. They also warn that these algorithms typically are “not based on data that represent influence flow as it is not straightforward to gather such data set”.

A framework for influence is built upon three pillars to clarify the role they play in assessing the capacity to cause change or effect. These pillars are reach, resonance and relevance (Solis&Webber, 2012):

- **Reach** is “a measure of popularity, affinity, and potential impact”.
- **Relevance** is “the glue of the interest graph and the communities of focus. Individuals aligned through subject matter create a series of linked relationships that send information along communities of focus”.
- **Resonance** is “the measurement of the duration, rate, and level of interactivity around content, a topic, or conversations. High resonance ensures that more people will see each post or update”.

According to the same authors, in the world of social media, practitioners are transforming the way to communicate with their target audiences. With the immense growth of bloggers and their increasing power as influencers for media and consumers alike, analyzing and evaluating the most influential will be a vital part of any social media campaign.

Through social networks, blogs and videos, consumers are entrenched in the dissemination of information.

Long gone are the days when the media would communicate a brand's message to consumers. Consumers are now the individuals broadcasting personal or second-hand stories to their social networks and the world – they are a brand's storytellers – the new brand ambassadors (Booth and Matic, 2011).

### 3.1. Typology of social media influencers

The classification of influencers into different types can help campaign creators in monitoring, analyzing, and choosing influencers most appropriate to a specific campaign and brand. There are different ways to make a typology of influencers. In his article in *CRM* magazine, Sam Del Rowe (2018) suggests that influencers can be categorized by the number of followers in their networks. Accordingly, there are two main types of influencers: mega-influencers and micro-influencers. Mega-influencers have a big community and a huge number of followers, numbered in hundreds of millions, while micro-influencers are "everyday people" who promote a specific brand on social media. Also, influencers may be segmented by the industry in which they are promoting products and services (fashion, beauty & cosmetics, gaming, food, electronics, etc.).

In most cases, influencers are segmented by two types of classification: the 4Cs or the 3Rs. According to the online marketing company SEO.com, the 4Cs represent a combination of context, consistency, connection and content that should relate to the selection criteria for influencers. The second classification, the 3Rs, is based on reach, relevance and resonance, which are explained above (Solaris and Webber, 2012).

On the other hand, Traackr, a leading influencer management platform, suggests ten types of influencers. Their typology is based on three pillars that clarify the influencer role: reach, resonance and relevance. Table 1 shows the characteristics of all types of influencers based on the 3Rs typology.

**Table 1:** Types of online influencers by Traackr

Type of influencer	Reach	Resonance	Relevance
The celebrity	High	Medium	Low
The authority	Medium to High	Medium to High	Medium to High
The connector	Medium to High	High	Low
The personal brand	Medium to High	Medium	Medium
The analyst	Medium to Low	Medium to Low	Medium to High
The activist	Medium to Low	Medium to High	High
The expert	Low	Medium to Low	High
The insider	Medium to Low	Low	High
The agitator	Medium to High	High	Medium to Low
The journalist	High	Medium to Low	Medium to Low

Solis and Webber (2012) emphasize that the choice of influencers in a campaign needs to be aligned with campaign objectives. For example, if raising brand awareness is the desired outcome, then the campaign should engage individuals who are popular or have earned image and reputation, while if the desired result is to establish thought leadership, the campaign should engage individuals who possess authority or trustworthiness.

## 4. CONCLUSION

The expansion of the use of social networks has led to changes in the ways in which brands and companies communicate with consumers. According to the magazine *Forbes*, the leading trend in marketing is influencer marketing. Furthermore, research shows that a great number of millennial consumers are influenced by the recommendations of their peers in buying decisions, and projections are that in the next few years, influencers will become a vital staple in marketing in a social media context. This motivated us to examine this trend. We started with the primordial concept of word of mouth, which we then set in today's world and digital era connected by social media, thus introducing and explaining the concept of electronic word of mouth. Afterwards, we explored digital influence as well as social media influencers, in terms of the role they play in assessing the capacity to cause change or effect. With the immense growth and increasing power of influencers, analyzing and evaluating the most influential people will be a vital part of any social media campaign. To help campaign creators monitor, analyze, and choose the most appropriate influencers for a specific campaign and brand, the paper presented a classification of different types of influencers and emphasized that the choice of influencers in a campaign needs to be aligned with campaign objectives.

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# ANALYSIS OF THE GLOBAL ELECTRONIC RETAIL MARKET

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**Abstract:** *This paper describes the phenomenon of the growing electronic retail market. It explains its main characteristics and gives an overview of the level of maturity by regions and also describes main players on the market. The goal of this paper is to get a better understanding of e-retail market by showing its main trends. Retail market as it was ten years ago will never be the same. This transformation period, termed by some as apocalyptic with serious changes, left behind the old way of doing business and brought new rules and new formats. Technology has a significant influence on the e-retail market, and some already implemented innovations are described in this paper. In addition to the leading e-retail companies, the trend is emerging of physical stores called brick-and-click. We can expect that electronic retail market and traditional retail market will converge in the future. Future growth in sales in the retail market will be driven by the growth in sales in the e-retail. The observation data are collected on the basis of secondary resources.*

**Keywords:** E-retailing, E-tail, B2C, Internet, electronic retail market, Amazon, Alibaba

## 1. INTRODUCTION

In the past twenty years, retail has experienced great changes that have been influenced by technological progress. Beside the traditional retailing, e-retailing also emerged. This new type of retailing uses electronic market. At its very beginning this market was separated from brick-and-mortar retailing. After some time electronic retail market evolved and got connected with the traditional market. A new term was introduced, brick-and-click. It is difficult to make a clear division between traditional and electronic market. In this paper e-retail is defined and main aspects of electronic market explained. The biggest concern is that the traditional brick-and-mortar store will disappear. Trends in e-retailing are explained, and countries that are global leaders in online retail are listed. There is also a brief overview of companies which are genuine innovators and have a leading market position. Finally, the research findings are presented.

## 2. ELECTRONIC MARKET

### 2.1. Definition

As the electronic market grew, so did the number of definitions explaining e-retail. Luce (2013) in her report explains e-tail as: "commerce done via computer or smartphone." The following definition is given by Kashyap and Maurya (2013): "the electronic retailing (e-Tailing) is the perception or approach to sell retail products & services using digital/electronic media, in particular, the internet. E-retailing is synonymous with business to consumer (B2C) transaction model of e-commerce. Electronic retailing or e-tailing can include business-to-consumer and business-to-business sales. E-tailers are not dependent solely on the Internet; some brick-and-mortar businesses also operate through websites to reach customers. Online retailing in general is referred to as e-tailing. Revenue in E-tailing can be calculated from the sale of goods and services, through contribution to website content, or by advertisement." A similar definition is presented by Laudon and Traver (2014): "Retailing conducted over the Internet is called electronic retailing (e-tailing), and those who conduct retail business online are called e-tailers. E-tailing can be conducted through catalogs with fixed prices as well as via auctions. E-tailing also makes it easier for a manufacturer (e.g., Dell.com) to sell directly to the customer, cutting out the intermediary. The concept of retailing and e-tailing sales of goods and/or services to individual customers – that is, B2C EC."

It can be said that it is common for all the definitions that they say e-retailing is a trade conducted over the Internet. It is not unified because it is constantly developing and changing, so there exist many definitions.

### 2.1. Status of the global electronic retail market

We can measure the level of development of the electronic retail market with the number of possibilities to realize the online store. A good indicator of this is the number of websites. Today exist more than 1 billion websites. There were 29 million in 2001. In 1993 there were only 130 websites (Chen, 2017). The same author also says that "retail sales through e-commerce jumped from \$4.4bn in the last quarter of 1999, to

\$105.7bn in the first quarter of 2017.” Growth rate of e-commerce sales in the past thirty years is always above 10%, and that is a reason why e-retailing is gaining in importance. It is clear that there is a correlation between the number of websites and sales through e-commerce.

When online shopping started, sales of computer hardware accounted for 30% of electronic sales and it was the main product category for online trade. That was in 2000, but fifteen years later computer hardware is not in the top five categories of e-retail. Consumers accepted that many product categories could be sold via Internet. Today, e-retailers are trying to get a share in all product categories sold by traditional retailers.

There is competition in all products groups. On the other side, brick-and-mortar retailers are also important players on the electronic market. “We can see that eight of the top 10 e-commerce companies own traditional brick-and-mortar stores. The online-and-offline (“bricks and clicks”) business model would help traditional retailers to get the market share of e-commerce (Chen, 2017).

Electronic market is very specific, it is at the same time both local and global market. While rules of the game differ from country to country, on the one hand rules are the same from a global point of view. There is a need for law harmonization, addressing security issues, protection of customers, customs barriers, data protection (Končar, 2008). Every day, e-retailers find new ways to reach their customers.

A prerequisite for e-retailing is readiness of a market. If a country does not have conditions for electronic market, e-tailor cannot access this country. UNCTAD in the course of its regular activities developed a B2C e-commerce index. UNCTAD in its report B2C E-COMMERCE INDEX 2017 (2017) calculated a country B2C E-commerce index with four components: share of individuals using the Internet, share of individuals with an account (15+ old), secure Internet servers per 1 million people, and postal reliability score. In 2017, the highest ranking is Luxembourg with an index value of 96.5 in 2016. It is same ranking as in the previous year, but with 0.5 index point less. Switzerland is ranked second, with a very close index value of 96.43. But it is an improvement compared to 2015 and ranking 8<sup>th</sup>. Norway is ranked 3<sup>rd</sup>, as it was in 2015. The rest of list is as follows: The Netherlands, Republic of Korea, United Kingdom, Sweden, Japan, Germany, and New Zealand.

From our region, Slovenia is ranked 25<sup>th</sup>, ahead of the USA, Croatia is 32<sup>nd</sup>, Hungary is 36<sup>th</sup>. Serbia is ranked 41<sup>st</sup> with an index value of 73. Our share of individuals using Internet and secure Internet servers per 1 million people are the main reason why we do not hold a higher position. Serbia was ranked 39<sup>th</sup> in 2015, and our index value was higher by three points. Countries ranked below us are Romania (45<sup>th</sup>), Bosnia and Herzegovina, (52<sup>nd</sup>), Montenegro (69<sup>th</sup>). The full list contains 144 countries.

According to the Global E-commerce Report 2017 (2017), the share of population using the internet in Europe is 80.5%, 74.6% in North America, 63.3% in South America, 46.6% in Asia Pacific and 67.1% in Middle East & Africa. Without an internet access there is no e-retailing, so this indicator is good to show the level of electronic market.

The report Global Powers of Retailing 2018 “finds that global grocery sales through e-commerce channels jumped 30 percent in the past year. Countries leading the growth charge were China (+52%), South Korea (+41%), the UK (+8%), France (+7%), and Japan and the US (both +5%). China is the world’s dominant e-commerce-and mobile-market” (Deloitte, 2018). China, the largest e-commerce market in the world, is setting the benchmark for global retailing. E-commerce is expected to account for 18% of China’s \$5 trillion retail market, compared with 8% in the US, according to the National Bureau of Statistics of China. The country represents 47% of digital retail sales worldwide, driven by its 731 million Internet users (Weinswig, 2017).

According to Eurostat report, the volume of retail trade in euro area had an increase of 1.8% in February 2018 compared with February 2017. The main reason is increase in trade volume of non-food products. “The highest increases in the total retail trade volume were registered in Malta (+11.7%), Poland (+7.9%) and Ireland (+7.1%), while decreases were observed in Slovenia (-1.6%) and Austria (-1.2%)” (Eurostat 2018).

The report Tomorrow’s World Retail, (2017) shows the electronic “UK market being the most mature in Europe, whilst Southern Europe and Central Eastern Europe remain relatively immature in terms of online penetration. In 2016, over 80% of UK individuals had ordered goods online compared to less than a third of the Italian population. On another measure, Spain’s e-commerce sales account for 2.1% of total GDP vs. the UK’s E-GDP at 7.2%.” The decision on Brexit resulted in sterling depreciation and UK based e-retailers becoming cheaper abroad leading to the increase in online sales. Consumers in Southern Europe are not at the same level of maturity. They still want to touch the product they want to buy.

### 3. E-RETAILERS

Global E-commerce Report (2017) gives a list of the top highest market value internet companies. Their market value in billions of USD in May 2017 was as follows: Apple 801, Google/Alphabet 680, Amazon 476, Facebook 441, Tencent 335, Alibaba 314, Priceline.com 92, Netflix 70, Uber 70, Baidu 66. It can be seen that two biggest e-tailors on the top 10 list are Amazon and Alibaba. These two companies are leaders in innovations and in e-retailing.

Amazon and Alibaba are main players on the electronic market. Amazon is the leader in the West, and Alibaba is the leader in the East. Amazon has 244 million active users, and at same time Alibaba has 500 million active users across its websites and apps. Amazon increased the number of employees from 32,000 five years ago, to 110,000. It offers 400 million products and operates websites in 15 countries. Amazon started with the Kindle books and moved quickly to electronic products. Now, Amazon is entering the grocery sector with the purchase of Whole Foods and is exploring growth possibilities on the apparel market. Alibaba started as a pure e-commerce player when it launched the online shopping website Taobao in the early 2000s. It became world's biggest retail platform, and also entered the financial sector through the digital payment business Alipay and digital wealth management companies like Yu'e Bao. Alibaba also entered the entertainment industry.

Alibaba is in a unique position to understand the consumer more thoroughly than anyone else. Sophisticated 'big data' analytics has allowed Alibaba merchants to make use of visitors' shopping history, not only to recommend products but also customize storefronts that are catered to various types of shoppers (Tomorrow's World retail, 16. November 2017). French grocer Auchan and Chinese e-commerce technology platform Alibaba are bringing together their respective offline and online expertise to explore new retail opportunities in China's food sector, leveraging the physical presence of Sun Art Retail Group, in which Auchan is a leading shareholder (Deloitte, 2018).

According to the report Global Powers of Retailing 2018 (Deloitte, 2018) the world's largest retailer Wal-Mart has made it clear that e-commerce is one of the company's strategic pillars. They removed from the name of the company the word "store", just to send a message that it is not limited to brick and mortar stores. Wal-Mart and JD.com formed a strategic alliance in June 2016, positioning themselves as the world's No. 1 retailer in China.

When we take a look on top ten retailers in 2001 and in 2016 we can see that just four companies are on both lists. Those companies are Wal-Mart, Kroger, Home Depot and Carrefour. Only Wal-Mart kept the leading position, the other three companies lost the positions they took in 2001. On the 2016 list real e-tailer Amazon is ranked 6<sup>th</sup>. It can be expected that more e-tailors will be on the list in 20 years, and some retailers will switch to e-tailors. The complete 2016 list is as follows: Wal-Mart, Costco, Kroger, Schwarz Group, Walgreens Boots Alliance, Amazon, Home Depot, Aldi Group, Carrefour and CVS Health (Global Powers of Retailing 2018, Deloitte 2018). It is very interesting that no company has in its sales structure more than 70% share in e-commerce sales. It is also interesting that seven of the top ten retailing companies are from the USA, two are Germany-based companies and one is from France (Kalish, McGarrigle, 2018).

The report Global Powers of Retailing 2017 (Deloitte, 2017) finds that with the rapid rise of click-and-collect services, more retailers, including those selling primarily food, have established an online presence. Also, online growth has slowed down compared with a period 20 years ago, and a greater share of retail sales continues to shift to digital channels. This research included top 250 global retailers, and e-commerce is the primary driver of (their?) revenue growth.

Majority of the top 50 e-retailers are based either in the United States (26 companies) or Europe (19 companies). The other five are emerging-market companies (four from China and one from Brazil). Although some of the largest and fastest-growing e-commerce companies are based in Asia. Two of the top three fastest-growing retailers in 2016 are China-based e-commerce retailers, Vipshop and JD.com" (Deloitte, 2018). In total, just 12 of the 50 top e-retailers are non-store or web-only retailers.

The rapid shift to e-commerce is quite literally transforming the retail landscape. With online growth outpacing overall growth in retail sales, retailers are rationalizing their physical footprint and intensifying their e-commerce presence. Given the negative impact of e-commerce on store productivity, many have concluded that their existing store base is simply too big. This is resulting in a rash of store closures, a move to smaller-footprint and more flexible store formats, and new roles of brick-and-mortars.

Consolidation and fragmentation are trends in a changing retail environment. "Macy's, Sears, Kmart, J.C. Penney, Kohl's and even Walmart have been closing stores. American Apparel, Aeropostale, BCBG, Chicos,

Finish Line, Men's Wearhouse and The Children's Place are restructuring with fewer stores. Many more, such as The Limited, Pac Sun, Sports Authority and Wet Seal have said goodbye to their customers" (Creating a Unified, Personalized Shopping Experience with Live Data, April 2017). Although some brick-and-mortar stores slumped this past holiday season, and mall-based retailers like Macy's, Sears, and Kmart are closing more than the usual number of stores, that doesn't mean that shopping centers themselves are doomed (Retail News February 2017). Up to 25% of U.S. shopping malls may close in the next five years (Retail News June, July, August 2017). There is a fear that traditional retail will disappear, but the research shows that it is just a transition period which will transform both traditional retail companies and new e-retail companies.

#### **4. CHARACTERISTICS OF ELECTROINC MARKETS AND TECHNOLOGY INFLUENCE**

Electronic market is closely connected with technology development. We can say that without technology solutions e-retail would not be possible. Technology has a great influence on market improvements, and all innovations can find any role in online shopping. Development of retail and e-retail are connected with technology innovations. It is interesting how customers access online shops. First, they were using desktops and notebooks, then they were replaced with tablets, and the past ten years are the era of smartphones. According to the report Tomorrow's Word Retail (2017) from October 2016, the use of phones and tablets is higher than the use of desktops and notebooks. Japan and the UK are leaders in online shopping via mobile devices. Personal computer era in Africa did not exist, they started with mobile markets, so they have enormous business opportunities for m-commerce.

As stated in the Global E-commerce Report 2017 (2017) the main reason for shopping online instead in stores is the possibility of 24/7 shopping for 58% consumers. The second most frequent reason is a possibility of price comparison (54%). The third most frequent reason is better prices for online shopping (46%). Other reasons are: time saving, convenience of not going to shops, greater variety of items, free shipping offer, everything in one place, possibility to find rare items, avoiding crowds, unavailability of items in own country and avoiding checkout lines.

Mobile purchasing has a growing importance and the main reason for its use is convenience and saving time and it is the same in all regions in world. Other reasons are: better prices, purchase of items that cannot be found in stores, getting goods immediately, entertainment, safer than cash buying and so on.

E-commerce is very effective for customer feedback. The most popular website and social media platform in 2017 for feedback was definitely Facebook. In Europe, WhatsApp and Instagram follow Facebook. In North America, Instagram is the second most popular and it is followed by Twitter. The Asia Pacific region prefers WeChat and Instagram. In the Middle East and Africa WhatsApp is ranked second, and Instagram third. South America, after Facebook prefers WhatsApp, while Instagram and Twitter together are ranked third.

Consumers want a personalized experience and retailers are focused on improving their personalized services. While 40% of retailers indicate they are focused on personalization as a top digital priority, many are not currently offering the personalized services consumers expect (BRP special report, 2016). Personalization is not just a trend – it is a critical way for retailers to differentiate themselves from companies like Amazon and survive.

According to Weinswig (2017), 3D scanning and printing will give a comparative advantage to retailers who deliver customized products. It is important for fashion retailers, with scanning of customers they will be able to offer unique products using 3D printers. Another trend in retail is the speed to market and social media marketing. With the mobile market, speed is a very important factor. In the past period, the focus in the supply chain was on the cost of lead time, but now speed is more important. There will be a great improvement in visual search, which will enable a possibility of finding some products where the name and description are missing.

Walmart is developing a facial recognition technology to detect frustrated or unhappy shoppers. The technology uses video cameras at store checkout lines that monitor customers' facial expressions and movements to try to identify varying levels of dissatisfaction (RETAIL NEWS June, July, August 2017).

Technology has enabled the emergence of omnichannels that give a new retail approach by combining multiple retail channels into one. According to a research done by Hooijdonk (2017) US shoppers like to use omnichannel shopping for consumer electronics (70%), toys (66%), apparel (58%), home appliances (57%). At the end of the list are: cleaning products (14%), OTC medications (15%) and food and beverages (15%). Retailers are focusing on innovative areas when they prepare omnichannel strategy. For instance, according to the same research (Hooijdonk 2017) "while in Germany 85% of retailers consider physical stores as the

most important trade channel, in Nordic countries, retailers are using mobile channels to sell their products.“ Retailers are aware of all benefits from omnichannel strategy, but some of them still find it very challenging to implement these features.

## 5. CONCLUSION

E-retail is a commercial activity over the Internet which involves businesses and consumers, B2C. Brick-and-mortar stores are changing to brick-and-click and establish connection between traditional retail and e-retail. It is evident that majority of main players on the electronic retail markets are not involved in online sales only. They are making a combination of traditional physical stores and online stores.

Electronic retail market is permanently booming, and the growth rate is changing year by year, but has never been below 10%. However, in total retail sales e-retail accounts for 10%. In next five years we can expect that this share will grow by 1% per year. But it cannot be expected that the traditional retail format will disappear within a short period. There is an obvious trend of closing physical stores. However, there is also a trend of changing their format due to an impact of e-retail. Electronic retail market is specific because it is at same time local and global. Internet is the main prerequisite for online retail. And we can see that e-retail is more accepted in a region in which the structure of internet users is dominant. Europe and America are leaders in the number of top global e-retail companies.

It is interesting that Luxemburg and Switzerland have a leading position according to the E-commerce index 2017, which takes into consideration four factors important for online retail. Serbia is ranked 42<sup>nd</sup> out of 144 countries included in the research.

China records the highest growth in electronic retail and this country is also a leader in innovation. Two companies are global leaders and trendsetters, Amazon and Alibaba. These two companies have a great impact on the development of global electronic retail. Alibaba is a China based company with 500 million users. With this number of users they combine the big data analytics and artificial intelligence (AI) to customize customer experience on both sides: in physical store and in online store.

Wal-Mart, as the biggest retail company for a few decades, also entered the electronic retail market. One of the pillars of their strategy is digitalization. It can be concluded that traditional retailers will become digital and that e-retailers will not have only online sales.

Technology has a great influence on e-retail and it directly creates characteristics of electronic markets. All innovations can be very easily tested and implemented in real time. High level of online sales using tablets and smartphones enables using e-retail anytime and anywhere. Mobile technology enables shorter time between the buying decision and realization. Time reduction is experienced in many segments, including payment, delivery, and customer feedback. Using 3D scanners and printers, robots, AI, Internet of Things (IoT), Big Data, high level of personalization and of other innovations has a significant role in the development of electronic retail market. E-retail will have one new role, e-retail will have to create a new emotion for customers.

Retail will continue to grow, e-retail, combined with geographic expansion, will be the primary drivers of the growth in retail.

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## CASE STUDY: AIRBNB SOCIAL MEDIA CAMPAIGN

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**Abstract:** *This paper represents the summary of basics related to marketing promotion and its communicational aspects. Communication is the key to establish successful long-term relationship between the company and its potential customers. Marketing strategy and online marketing, as a part of overall marketing strategy, is the central topic of this paper. New technologies and the usage of different tactics and tools are the essence of online marketing. In order to create effective online campaign marketers conduct market research to segment the audience properly. Different social media platforms, social networks and mobile phones are inevitable media for launching successful promotional campaigns. To promote brand, company or a product, marketers usually launch the campaign over various social media and platforms. The Case study is the result of gathered data by studying Airbnb successful campaigns launched through different social media.*

**Keywords:** *promotion, campaign, customer, social media, digital marketing, brand*

### 1. INTRODUCTION

Marketing strategy includes selection and analysis of targeted audience and creating and conducting adequate marketing mix (product, price, placement, promotion) to satisfy that audience. It represents planning and coordination of all available marketing resources in attaining the objectives of the company. Good strategy should define market, determine and engage all organizational strengths, fulfil the needs of the market in a superior manner than the competition. Marketing plan is based on the strategy of one particular company and is a written statement of necessary marketing activities. Once marketers decide which market to target, marketing plan is made containing clear set of actions to penetrate the market with a particular brand or product (service). Marketing mix has been defined as “the set of controllable, tactical marketing tools” (Kotler, Wong, Sounders, Armstrong, 2007) that the company uses to pursue its marketing objectives in the targeted market. The 4Ps (product, price, place, promotion) concept is a framework for marketing management decisions and was extended by marketers, especially for services, to 7Ps, and 8Ps (people, process, physical evidence, performance) and, sometimes, politics. As an extension to basic 4Ps concept, a more customer driven model was defined as 4C (consumer with his needs and wishes, cost to the customer, convenience and communication). Promotion refers to communication between the company and its customers, and thus is elastic and dynamic. Communication refers to the process of transmitting the message or a concept to a wider audience.

### 2. PROMOTION AND COMMUNICATION

Communication is the key to establish fertile long-term relationship between the company and its customers. New technologies created new markets and new opportunities for marketers. Technology lifecycle significantly reduces, trends are changing very fast and marketers need to follow those changes seriously in order to break the barrier between them and their customers, establish and maintain consistent brand image and to differentiate their own brand against similar brands and product in very crowded global market. The essence of marketing nowadays is to predict and recognize the needs and wishes of customers, to shift the communication from public toward private, satisfy the customers and convert them into leads and brand evangelists. Marketers link all communications in targeting customers and coordinate all messages they send to their customers over a variety of disposable media. Internet and contemporary network communications define the phenomena of the crowd through the existence and norms of online and cyber community behavior. These virtual flash mobs connect and behave over common interests and are defined by specific language of the computer and mobile communications (to like, to dislike, to share, haters, trolls, bots, LOL, hashtags, emoticons, Facebook-friendly, Insta-friendly, mobile-friendly etc.). Designing communication requires defining the content of the message that needs to be communicated to the customer

message strategy), to whom the message should be sent to (creative strategy), who sends the message (the sender) and through which channels is the most effective message to be transmitted (media).

## **2.1 Communication**

Successful communication implies following steps, of which each needs to be undertaken accurately to result in a fertile long-term relationship with customers:

- Identifying the audience
- Defining communication objectives
- Communication channels design
- Selection of communication channels
- Setting the promotional budget
- Mix of communications selection
- Measuring the results of communication
- Conducting the integrated marketing communications

Communication objectives are usually: creating awareness and knowledge about the company or brand/product/service, positioning the company, projection and affirmation of brand image, shaping attitudes, stimulation of need and desire and improving sales. Positioning is the process of defining an image of the company or developing its brand. Branding is the essence of the promotion and the key to positioning a product/service. The American Marketing Association defines brand as “a name, term, design, symbol or any other feature that identifies one seller’s good or service as distinct from those of other sellers” (Kotler, Keller, 2006). Branding is about creating mental projections about the particular brand and developing emotional images inside customer’s mind, in order to differentiate product from similar product and to affirm the strength of the brand. Before marketers design and choose communication channels it is a priority to choose and define the audience. Marketers conduct the market research to segment the audience. The most common research methods used are: previous sales analysis, buying patterns history, questionnaires, focus groups, interviews, different online statistics etc. Marketers ought to know their targeted audience, and therefore they use as many segmentation criteria as possible: location, age, gender, education, employment, hobbies and interests, priorities, buying habits, cultural characteristics in global business etc. Communication channels are selected after deep analysis of the company’s marketing strategy and orientation, financial aspects, corporate culture, defined objectives of communication activities, specification of segmented audience, approximated presence in media, period of planned campaign and necessary budget for planned campaign.

## **2.2 Communication mix**

After the budget for promotion is set the marketers select the most suitable among the elements of communication mix: mass media, sales promotions, public relations, personal selling and direct marketing. Mass media uses outdoor ads, business directories, magazines and newspapers, television, movies, radio or infomercials. Sales promotions includes coupons, discounts different loyalty incentives. Public relations conduct media instructions, PR events, media releases, causes and charity, customer appreciation events and other. Personal selling includes activities of sales force, showrooms, exhibitions, trade shows, point-of-sale, end-cap etc. Direct marketing targets segmented market with direct mail, catalogues, bulk mailers, e-mail, telemarketing and digital marketing.

Digital marketing is the imperative of contemporary marketing campaigns and it implies the activities via company website, social media, blogging, mobile phone promotions, YouTube, search engine optimization (SEO) etc.

## **2.3 Online campaign media**

Digital marketing campaign is the set of actions within the marketing communications strategy that move the company toward meeting the objectives determined in overall marketing strategy. Overall digital campaign must consider each media, method and approach to ensure they all work in harmony to give the single message to a proper audience. Due to the growing impact, usage and distribution of online media, promotional tactics are classified according to media used in online campaign: paid, earned and owned



media. Owned media are all web properties that the company can control, such as: website, blogs, social media accounts, case studies, educational contents, e-books, whitepapers etc. Owned media are driven by content marketing strategy. Earned media are all content and conversations about the brand or product created by customers, public or press and published elsewhere than company-owned media (valuable content, press mentions, shared links, positive reviews, reposts, retweets, recommendations etc.). Earned media are more trusted and credible, and therefore very valuable in online marketing. Paid media are very effective to direct traffic to own media, create more exposure and generate more earned media (social media paid advertising, pay per click and display ads Google AdWords, sponsorships, advertising on third party sites etc.). Paid or bought media are media where there is investment to pay for visitors, reach or conversions through search, display, ad networks or affiliate marketing (Dave Chaffey, 2012). Different studies show that the best campaigns combined traditional and digital media.

There are numerous software and applications to measure effects of different campaign media. For owned media it is essential to follow numbers of followers, "seen", likes, comments, shares, subscribers, retweets, top stories, top hashtags and etc.

Google analytics, Google AdWords, Bing, Facebook, Pinterest, Twitter, LinkedIn, Instagram analytics, Brandwath analytics, all can provide some metrics for measuring campaign media. Conversion rate (number of conversions divided by total number of visitors, e.g.: number of those visitors who made a purchase or a call to company on a company page divided by a total number of visitors) is also very useful metric for marketers. There are numerous analytic tools that can assist marketers to conduct market research in order to assess the competition and to determine segment of the market and niche for promotion, but also to measure the effects of campaigns ran through various digital media.

### **3. ONLINE CAMPAIGN**

Online campaign is usually ran in several online media and platforms at the same time. People use different media, depending on their age, occupation and interest, and it is important for marketers to combine different media and platforms to reach particular segment of the audience.

According to Smart Insights statistics (Dave Chaffey, 2018), and their results match other statistics online, the world population is 7.593 billion in 2018. There are 4.021 billion Internet users, which makes 53% out of total population number, and that is 7% more than in January 2017. Out of total population, 3.196 (42%) use social media, 13% more than in January 2017. Mobile users are 5.135 billion (68% of total population number, and 4% growth since January 2017), social media users accessing via mobile are 2.958 (39% out of total world population) and active mobile Internet users are 3.722 billion (49% out of total population). With total number of 2.17 billion users, (15% growth since 2017) Facebook is still the most important social media to use for marketing. YouTube with 1.500 billion users, WhatsApp 1.300 billion users, Instagram 800 million users and (annual growth of 11%), Tumblr 795 million and Twitter with 330 million users (Statista, The Statistics Portal, 2018) worldwide are platforms with a huge potential to be used for brand promotion.

More than 4 billion people spend approximately 6 hours per day using computers. These are very serious statistics to consider when planning online campaign.

#### **3.1 Web site**

Most customers nowadays undertake online query before making decision to buy some product, and therefore it is important to create a website that will be easy for potential customer to use. In order to attract visitors to explore website and to encourage repeated visits, web designers need to consider following rules (Kotler, 2007):

- Context: layout and design
- Content: text, pictures, sound and video
- Community: enable communication with visitors and among visitors
- Customization: adjust the page to different users and their needs and enable personalization
- Communication: models of communication between the site and users
- Connections: connection to other pages and platforms
- Commerce: enables purchasing transactions
- Constant change

Website must be attractive to customers and updated with relevant and useful information. The content needs to be easily shared or downloaded, must contain links to other pages on various media and platforms,

outlined product and services that can be easily explored, contests, loyalty programs (67% of buyers spend more money with loyalty programs), coupons etc. Oversized content that take long time to open or download can result in potential buyers to leave the site. Some statistics (HubSpot, 2018) show that 47% of customers expect a webpage to load in 2 seconds or less, 64% of smartphone users expect pages to load in less than 4 second, 79% of customers who report dissatisfaction with website performance are less likely to buy from that same site again, 1 second delay in page load time means 11% of page loss viewers and 7% reductions in conversions. Consumers do not want to be interrupted while searching the web and according to some data 85% of people do not watch interrupting commercials, 11% of global Internet users use adblock on the web and those numbers grow. Broken links, 404 pages and poor landing pages can all make customer to abandon the site. Landing page or a Call-to-action is the page where the potential buyers “land” once they click on a Google AdWords or other site or link.

### **3.1 Search engine optimization-SEO**

SEO is important for online success since it refers to the process of optimizing online content (web site or webpage etc.) in a web search engine's unpaid results (organic, earned or natural results). Content highly ranked on the search result page attracts more visitors. SEO requires technical and creative efforts to improve ranking and visibility of online content. Search engine provide user who clicks on a certain keyword with the selection of most trusted, functional and informative sites. Marketers must consider both, on-page and off-page optimization. On-page optimization refers to creating high quality content, fast-loading sites, proper keywords, easy to follow navigation, pages that are easily read and indexed by search engines and proper heading and image titles. Off-page optimization refers to creating links from other relevant websites or social media platforms. It is important to create links from reliable and trustworthy websites with content related to the topic. Search engine marketing (e.g. Google AdWords and Microsoft Bing Ads) is related to pay-per-click or cost-to-click advertising, where advertiser pays a publisher when the ad is clicked on. Websites and some social media platforms display advertisements when advertiser's keyword list matches a keyword query (sponsored ads).

### **3.2 Blogging**

Blogs contain high-quality, valuable, educational and interesting content created for the blog followers. Blogs are very useful for brand promotion, communication with potential customers, growing brand's community and establishing trust and authority. Blogs and social media have produced many instant celebrities and influencers. Many bloggers have large community of followers who highly appreciate content they publish and share and due to that fact they became brand ambassadors. Companies cooperate with bloggers and other influencers, such as athletes, actors, musicians, photographers, journalists and reality TV stars in brand promotion since potential customers tend to relate with them which leads to increase in product sales.

### **3.3 Social media**

Social media is Internet space where likeminded users connect to communicate to each other. Appearance of social media platforms has changed the way people socialize, interact and do business. If conducted properly social media campaigns are very effective and there are numerous examples for that. Social media have massive audience and marketers can connect to their customers in a very direct and personalized manner by creating useful, interesting content to promote their company/brand/product. Social media campaigns are more than broadcasting promotional message. These platforms are used as very powerful conversion tools. Marketers use social media and platforms, such as Facebook, Twitter, Instagram, YouTube, Pinterest and others, to post advertisements, stories, videos, helpful and relevant posts, calls for participation in different contests, coupon codes, links to exclusive offer pages, limited time deals, experts and satisfied customers testimonials, links to company blogs, to generate more leads and to convert them into buying customers. The key to success is to add a warm approach to a business and to show customers that company appreciates them. Free recourses like e-books, free webinars, how-to-videos, behind-the-scene videos or helpful guides (that are send via e-mail after leaving data that can be used for creating very useful data base for company) are very interesting for customers. Social media users look for entertainment and therefore interesting videos are very useful tool to create long-lasting relationship with the customers and to build brand trust. Marketers need to follow and to take part in conversations related to brand and

product that are ongoing on social platforms since these are the word-of-mouth of the Internet. The way marketers handle complaints and negative comments are very important for brand image, since almost 45% of online users read reviews and feedbacks prior to making purchasing decision.

#### **4. CASE STUDY: Airbnb ONLINE CAMPAIGN**

Airbnb is a peer-to-peer travel marketplace and network that allows people to book, rent or to list accommodations around the world in more than 34 000 cities and 191 countries. Peer-to-peer is a decentralized communication model or distributed application architecture in which peers are equally privileged and either party can initiate a communication. In traditional client-server model, client makes a service request and the server fulfils the request. In peer-to-peer model peers are both consumers and suppliers of the resources.

Based in San Francisco, USA, Airbnb is an online service, which does not own real estate and does not organize tours, but acts as a broker that connects people who want to lease or rent short-term lodging. With the notion that “anything is bookable” the experiences that this company provides to its customers, besides regular accommodations are apartments in the centre of cities, nights in castles, tree houses, airplane accommodations, floating houses, private islands of Fiji, train carriages, private rooms, boats, manors, igloos etc. On each booking the company charges guests 6-12% and hosts 3-5% service fee. For hosts offering special experience (e.g. excursions) Airbnb charges 20% of total charge. Hosts and guests must sign-in and attach their verified ID, profile picture, other documents or accommodation certificates (if required), e-mail, phone number, verified address and etc. The hosts list their accommodation with all details, location, price and picture taken by themselves or by professional photographer provided by Airbnb. Hosts and guests are both encouraged by Airbnb to write reviews about accommodations.

The company was founded by Brian Chesky and Joe Gebbia in 2008. in San Francisco. With no money to pay their own rent, they decided to rent three air mattresses which they placed in their own living room and turned it into bed and breakfast. They made a computer booking application and their first guests were two men and one woman who attended Industrial design conference in the city and had problems to book a place to stay. That first night they earned 80\$. With Nathan Blecharczyk they founded AirBed & Breakfast and launched the website Airbedandbreakfast.com. In order to finance their site and company they created special edition of breakfast cereals “Obama O’s, Hope in every bowl” and “Cap’n McCain’s, a Maverick in every bite” with Barack Obama and John McCain (president candidates) as the inspiration. In two months time they gathered more than 30 000\$, by selling 800 boxes for 40\$ each.

In 2009, they renamed the company to Airbnb and expanded the website contents from just bed and breakfast to various types of accommodations. In April the company received 600 000\$ seed money from Sequoia Capital, and until today the company raised 3.95 billion dollars of very important investments in ten rounds. In February 2011, they announced the first millionth night booked, in January 2012 its 5 millionth night booked, in June 2012 10 millionth night booked and today they have 4 million listings worldwide and 80 million of guests enlisted. In 2011 Airbnb set a sum of 50 000\$, that was increased to 1 million \$ in 2012, as a host guarantee to cover property damage and thefts. In May 2011 they opened the first international office in Hamburg, and after that in London, Paris, Milan, Barcelona, Copenhagen etc. In June 2012 Airbnb launched a wish list that enabled users to make their online list with lodgings they would like to visit and share it with other users.

After Hurricane Sandy Airbnb partnered with New York Mayor and launched “Open homes. Open your heart and home to someone in need” campaign to offer free housing for displaced persons by building a microsite for victims to register and connect with property owners willing to rent for free. The Airbnb set a goal to provide short-term free lodging for 100 000 people in need (refugees, disaster survivors and relief workers), and to donate 4 million dollars to International Rescue Committee to support needs of displaced persons globally. They invited members of their community to share their homes and to help displaced persons to not just find a place to stay, but to feel connected, respected and a part of community. “Open homes” program also provides free or low cost accommodations to individuals and families in time of need, medical patients travelling for treatment, students with low income when traveling to universities, people working for charity or other good causes.

Hotel industry claimed that the hotels have been forced to lower their prices due to Airbnb. In 2016 the US Federal Trade Commission began investigating how Airbnb effected housing costs and by now many states

in US and worldwide discussed this matter. Many laws and regulations have been implemented imposing restrictions to Airbnb and their hosts. Until today Airbnb continued to grow rapidly and made many partnerships and acquisitions. The value of the company is estimated to 30 billion dollars.

#### 4.1 Airbnb content marketing and online campaign

Airbnb encourages people all over the world to rent accommodations from local hosts and to embrace experience of living like locals. Their “Don’t go there, Live there” social media campaign, launched in 2016 via social media encourage travellers to experience places they travel to like locals and to explore attractions that local people visit. The campaign advised people not to go to different places (Paris, New York, Los Angeles, Tokyo etc.) but to live there and do things they normally do. The campaign earned 11 million views on Facebook, 56 000 likes and 5 200 comments. On YouTube channel “Don’t go there” video earned over 13 million views.



Don't Go There. #LiveThere | Airbnb  
Unlisted

13,720,658 views

6.9K 5.5K SHARE

**Figure 3.** “Don’t go there. Live there.” campaign

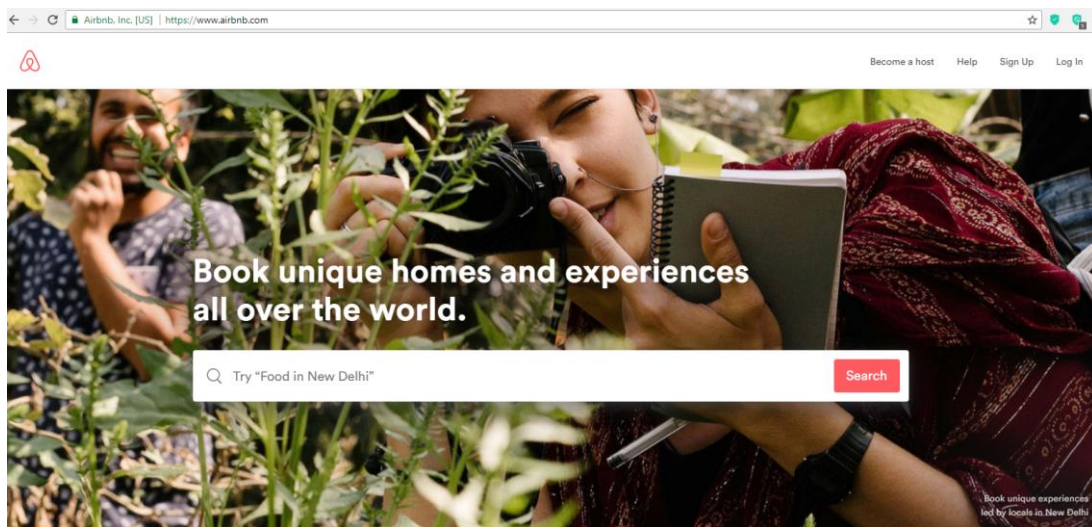
“Airbnb Neighbourhoods” is digital content marketing product, a travel guide that informs travellers about where local people go in the neighbourhoods they visit, by photos, maps, tags, essays and information about public transportation, dining, nightlife, what to see and visit. “Airbnb Concerts” is content for music fans to find local musical events to visit. Airbnb encourages storytelling approach in content marketing by having “Airbnb stories” where guests and hosts post their images, videos and stories sharing their experiences. Local photographers and Airbnb staff produce story movies that provide in-depth experience of different places.

In 2018. Airbnb launched “Airbnb Plus” with a listing of more than 2000 homes in 13 countries with high ratings of 4,8+ and consistently strong reviews. These accommodations satisfy Airbnb 100-points checklist of requirements. Airbnb CEO and Head of Community Brian Chesky (Brian Checky, 2018) tweeted: “We finally think we have a home for everyone”.

Airbnb partnered with many non profit organizations in promoting good will and common goals. Many profs of that can be found on Airbnb official website [www.airbnb.com](http://www.airbnb.com) and their blog <https://blog.airbnb.com>.

Airbnb encourages their community members to take part in different contests. In 2015 Airbnb created a Halloween contest and partnered with the city of Paris to provide a contest winner unforgettable experience of spending the night in the largest cemetery in the world and to sleep with the skeletons of 6 million people in the Parisian catacombs. In 2016 Halloween season, the contest winner got a flight to Romania and had a chance to sleep in red velvet coffins in Dracula’s castle with no phone, TV or any other connection to the outside world. The winner got a dinner and was left alone during the night to freely explore the castle. The contest that was organized in partnership with KLM, Royal Dutch Airlines, brought the winner the opportunity to stay in a luxury Airplane apartment.

When a bookstore Waterstone customer tweeted the company to inform them that he has been, by accident, locked in their London store for two hours, Airbnb used the opportunity to connect to Waterstone and within 24h the partnership with Waterstone provided Airbnb community members the opportunity the book the night in their store. Airbnb organized the competition and the prize for a winner was to spend the night in the very same store where Twitter user was locked in. IKEA also joined Airbnb in offering people to have such experience in their stores. What happened to be very unpleasant experience for one customer turned out to be a trigger to launch a very successful campaign “Night At” for Airbnb whose marketers used a viral trend to make a campaign out of it. Airbnb organized many similar contests (e.g. floating house on the river Thames) and launched some very successful campaigns (“Airbnb-Belong anywhere”, “#OneLessStranger”, “Never a stranger”, “Live there with your family”, “#LiveInTheMovies” etc.) that brought Airbnb huge success.



Explore Airbnb

Figure 4: Airbnb website

Airbnb developed a Facebook and Instagram campaign for mobile phone users, that used carousel and canvas ads for these platforms. Sound-off auto-play videos provided users with unique experiences. The campaign was very successful in targeting people of age 18-54 interested to travel to UK, Australia, Germany, France etc.

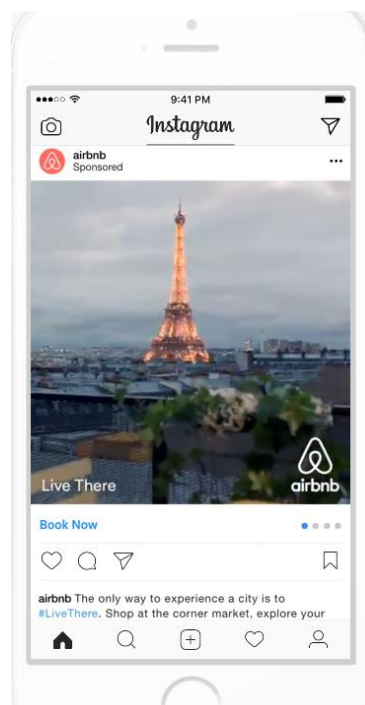
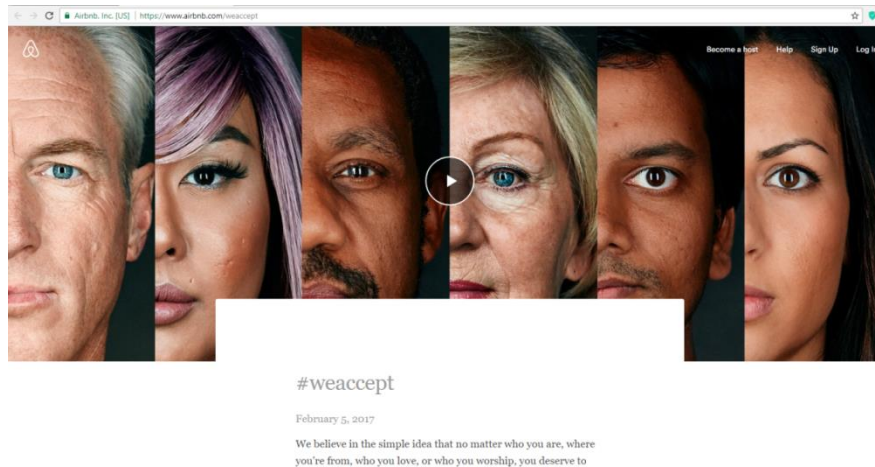


Figure 5: Instagram ad for mobile phone



In 2017 Super Bowl, Airbnb promoted its “We Accept” campaign that caused many talks and controversy. By promoting message of diversity and acceptance in their video Airbnb stated their attitude related to President Trump’s order to temporary close America’s border for refugees from seven Muslim countries. Airbnb had one more reason for launching this campaign. It was Airbnb’s way to show the public their opinion and attitude about some accusations that Airbnb hosts discriminate some guests.



**Figure 6:** “We accept” campaign

The 30 second line-up featured different faces and promotion message: “We believe no matter who you are, where you’re from, who you love, or who you worship, we all belong. The world is more beautiful the more you accept” (Airbnb website, 2017).

## 5. CONCLUSION

Airbnb appeal adventure, nostalgia and cultural heritage in their campaigns to encourage people to travel and connect. They include their hosts and guests in a process of storytelling, content creating and brand image establishing and that approach made this company grow so fast. Inspiring digital campaigns launched over various platforms and media using modern marketing techniques and tools made them one of the leaders in modern tourism business.

Online promotion and digital marketing take primacy over TV and printed media advertising. Growing competition and dramatic business conditions changes force companies to fight for every potential buyer by using new and more effective methods and tactics. It is the imperative for companies to make their customers satisfied and even delighted, since customers are more educated and informed today and expect desired products to be available by acceptable price in a short period of time. Marketing as the economic, social, business and scientific process takes part in almost every aspect of human life nowadays. Customers do not want their daily activities to be interrupted by marketing and therefore creating interesting and attractive promotional campaigns became very challenging for modern marketers.

Due to the habits of new generations of people who use technology in almost every aspect of life, digital marketing will enhance and develop faster in time that is coming.

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## CHALLENGE OF HOLISTIC MARKETING IN ARTISTIC PROJECTS

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**Abstract:** Challenge of holistic marketing approach and strategies in artistic projects is based on inclusion of internal marketing, integrated marketing, relationship marketing and social responsible marketing. Challenge of holistic marketing approach in artistic projects is, also based, on inclusion of classical and modern media, as well as in opportunities to get close artistic projects to target audiences, in modern ways. Marketing in arts is specific field of marketing and require sophisticated approach, what is real challenge. Researching needs and wants of target audiences of artistic projects is point for success and good way to present artistic ideas and messages. Goals of artistic projects are to motivate public for thinking and to inspire them for social changes. Art is support for social changes, that's why marketing strategies in artistic projects are challenge in holistic marketing approach. In modern environment, strategies of branding change shape and become adaptive for modern, social media. Today, public has opportunities to get inform about artistic projects, as well, to create their own artistic projects. Very often artistic projects are support by new media communications platforms. Strategies of relationship marketing are good way to communicate with public. Social media give these communication easy ways. Strategies of emotional branding of artistic projects present special challenge for holistic marketing approach. Modern museums, like *Louvre*, *Tate Modern*, use social media communication with target audiences, especially for new exhibitions in field of paintings, photography's and sculptures. Artistic projects have innovative approach. Creating innovative strategies to lead artistic projects represent challenge for marketing managers in arts.

**Key words:** Holistic marketing, marketing strategies, artistic projects, strategies of branding, strategies of relationship marketing, strategies of innovation, social media.

### 1. INTRODUCTION

Artistic projects are very important in past decades. Artistic projects have to be organized, through exhibitions, performances, literature evening, educational programs and social responsible programs. Artist usually find support for their artistic projects in some institutions of culture and art. Planning of artistic projects is holistic process which includes organizational and marketing skills, as well as, continuing communications with public audiences.

Artistic project has specific period of duration, social responsible goals and modern communications instruments in order to improve communications with target audiences. The process of planning artistic projects can be perceived as products. There are so many theoretical approaches in holistic marketing process of planning artistic projects. It is important to implement strategies of relationship marketing, strategies of internal marketing, strategies of integrated marketing, all based on social responsible approach. In process of holistic marketing planning of artistic projects, strategies of branding are crucial.

Holistic marketing approach has challenge in improving planning process of artistic projects. All parts of holistic marketing approaches are important, internal marketing, integrated marketing, relationship marketing and social responsible marketing. Internal marketing strategies improve organizational structures of artistic projects and communications with team workers. Strategies of integrated marketing improve consistency of artistic project's storytelling. Social responsible approach is base for every artistic project. The key message of artistic project is social changes and movement. Strategies of relationship marketing make platforms for clear and direct communications with target audiences of artistic projects. In all these ways holistic marketing approach is base platform for realization of artistic projects. The elements of holistic marketing approach are present on Figure 1. (Kotler, 2017)





**Figure 1:** Elements of holistic marketing approach

Implementation of holistic marketing approach in artistic projects is challenging, because target audiences are sophisticated, process of planning and organizing artistic projects is requesting, as well as, social responsibility is strong.

Strategies of relationship marketing and modern media give opportunities for direct communication with target audiences. It is important to make good connections with audiences of artistic projects, as well as, trust, based on truth and openness of artists. The key strategies in artistic projects are strategies of innovations, strategies of adaptation, strategies of relationship marketing, social responsible strategies and strategies of communications with target audiences.

Many artistic projects include audience in organization and performance of artistic projects, using volunteer work, focus group discussion, social media discussion and in the way of interactive communications with management of artistic projects. Mostly, artistic projects have social responsible impact on social problems, through history. Artistic projects have impact on social movement, as well as, improve social awareness about social problems. History facts prove that arts develop awareness about future movement. Arts and educations are the base for development of modern society.

In that way holistic marketing approach present base for improve artistic projects. Modern society needs interactive communications through modern media. Artistic projects send messages to audiences and, also, listen needs and wants of target audiences. Specific opportunities of social media are that artistic projects can impact on awareness and attitude of public audiences.

## 2. MARKETING IN ARTISTIC PROJECTS

Modern term of arts theoretical is describe in second part of 18. and first part of 19. century. Modern theoretical approach established intellectual society, againts previous aristocrates approach. In previous approach arts were symbol od status. New approach gives arts opportunities to be challenge of human's souls. In the first period art included literature, music and painting. New era include art as holistic project that impact on human's souls and thoughts. Nowadays art are not revolutionar, as it was in past. Today arts stimulate human's atitude, souls and thoughts by mesaages and storytelling. (Books of modern culture, 2012)

Artistic projects are independent and present attitude of artist, whose present their views of world. (Kolber, 2010)

Holistic marketing approach has integrated marketing communication with target audiences, which present opportunities for research needs and wants of public, as well as, social movements. It is very important that integrated marketing communications have consistent storytelling with target audiences. Artistic projects send social impulses to public and call people to think about social problems, ways, social attitude, educations, young people, future, modern civilizations, life, life stories, history, sociology. In that way artistic projects drive people to react, to have attitude, to communicate with other people and to create better world. Artistic projects are creative and drive public to think and feel. (Pelsmacker, 2007)

The creative idea motivate public, as well as, creative idea is original approach, base on imagination. Creative idea has to be clear, simple and inspire. (Reid, 2008)

Strategies of public relations are very important in process of planning of artistic projects. These strategies improve communications and connections between artistic projects and target audiences. (Pelsmacker, 2007)

Strategies of public relations develop and improve communications between cultural institutions and their target audiences. Social responsible approach gives platform for artistic projects, as well as, purpose and message to target audiences. Strategies of relationship marketing have specific impact in leading of artistic projects. They give opportunities of interactive communications with public, through traditional ways of communication and modern, social media. Two way communications give opportunities for listening of wants and needs of public, that shows ways for future development. (Kotler, 2008)

Media communications are part of artistic projects. Media culture is also culture of high technology. This new technology gives opportunities for better communications and gives to artistic projects global dimension. (Kelner, 2004)

In this paper is present modern example of artistic projects.

### **3. INCLUSION OF HOLISTIC MARKETING APPROACH AND ARTISTIC PROJECTS**

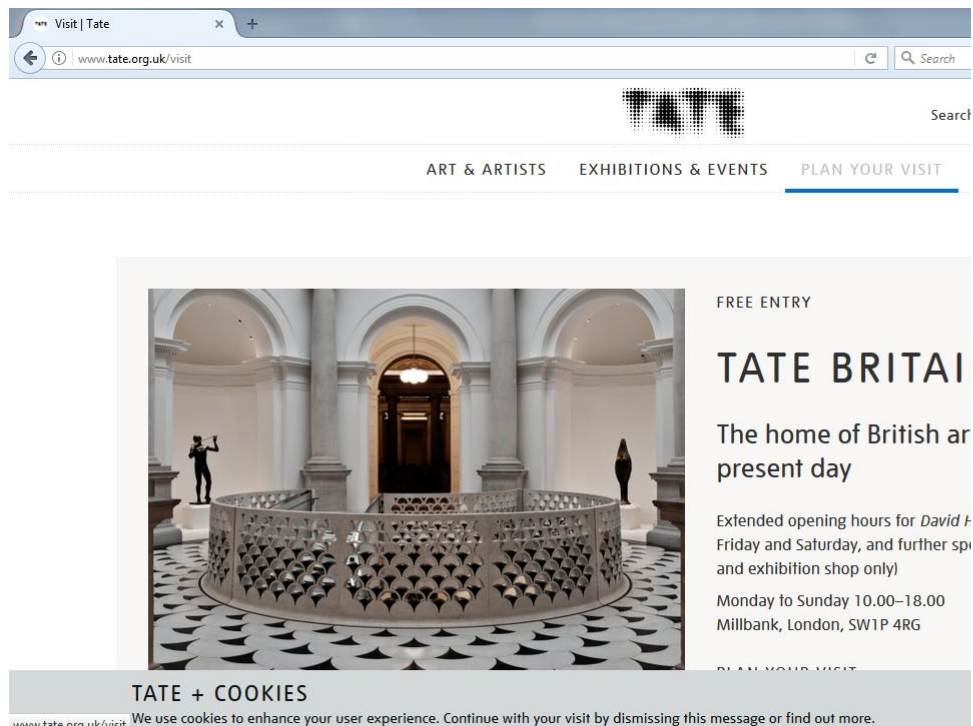
Good example of holistic marketing implementation on artistic projects is museum Louvre, whose is one of the most important museums in the world. Museum Louvre is in Paris, near river Siena. Museum has 35.000 presentations from prehistory period to 20 Century. Total number of presentations is 380.000. Museum Louvre is the most visited museum in the world. In work day museum visit 15.000 people, from all over the world.

In description of good examples of artistic projects, this paper gives focus group with students and their opinions about artistic projects. In the paper their opinions are so valuable, modern and interesting.

Museum Louvre has profile on all social media, Facebook, Twitter, and Instagram. Professional marketing team lead these pages, in order to present cultural, historical, artistic values of museum to wide audiences, all over the world, especially to young people. Museum Louvre is in modern communications process. There are many virtual platform that present values of museum Louvre. People can discuss, ask and be part of interactive conversation about art and culture. Today, museum Louvre is open in traditional and modern way for all people.

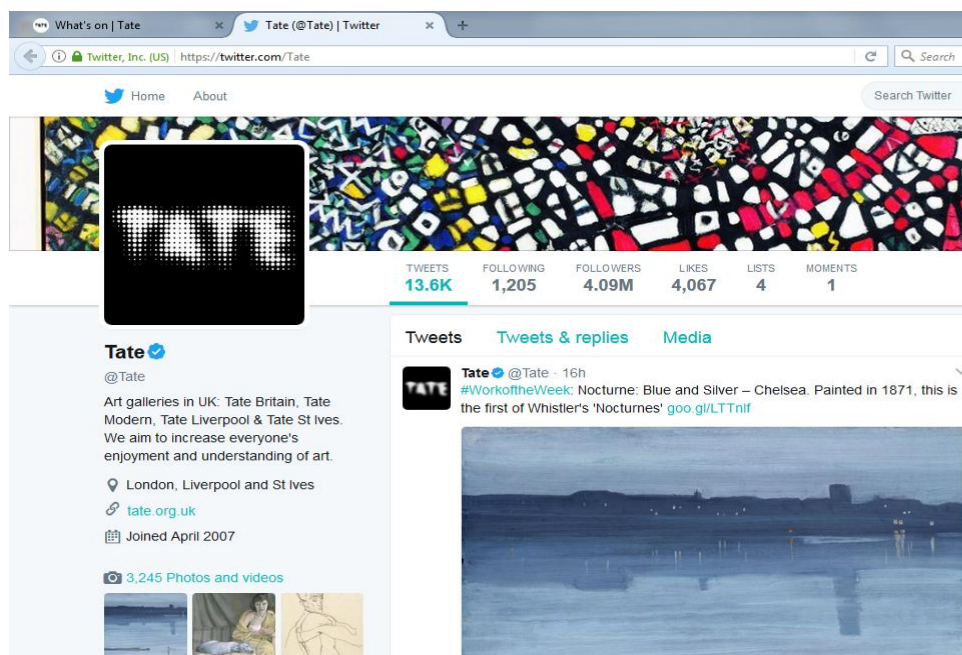
In focus group, students told that museum Louvre has modern strategies of holistic marketing and that museum Louvre is open for modern technology platform, based on strategies of innovations and adaptations. Young people think that nothing can replace traditional visit of museum, but new technology gives opportunities to visit museum in virtual way.

Good example is museum Tate Modern in London. This museum get together modern and traditional ways in arts, as well as, get together traditional and modern generations, through artistic projects. In museum Tate Modern border does not exist. In focus group students told that museum Tate Modern is so innovative and inspirational. Students especially like installations as way of artistic projects, as well as, digital exhibitions. Young people told in focus group that they can go in Tate Modern and spend beautiful time thinking about arts, be a part of artistic projects, discuss about artistic projects, be inspire to present their own art's work, listen music, play with arts, watch digital exhibitions all around world and be a part of artistic, cosmopolitan planet. Digital presentation of museum Tate Modern is present on Figure 2 and Figure 3.



**Figure 2:** Museum Tate Modern on Social Media

Young people told that Tate Modern is the most modern museum in the world. Museum has profile on Facebook, Twitter and Instagram. Students told us that it is excellent opportunities to interactive communicate with other young people.



**Figure 3:** Museum Tate Modern on Twitter

Historical example of Luddite revolution in London, gives facts that modern technology has to be accepted in new way. Modern technology gives opportunities for development. People have to raise awareness about new approaches and new technology, as well as, to use new technology in their ways. For artistic projects, new technology gives opportunities for share opinions, for new experiences, for new approaches, for new inspirations, for new ways of educations.

Museum of Cycladic Art in Athens gives opportunities to visitors to see digital, interactive movies about sculpture reconstruction, as well as, archeological researches in ancient Greece. In museum, visitors can

use media, interactive players, where they can learn about history, archeology, sociology, philosophy, culture and art. Museum has profile on all Internet platforms.

Modern way of development of artistic projects is combination of digital media and arts. Last modern exhibition in the world was digital, interactive exhibition about life of Vincent Van Gogh, which includes traditional exhibition of paintings, as well as, digital, multimedia, interactive movies about Vincent Van Gogh life, thoughts, dilemmas and family life. Social media followed exhibition with good comments and expressions. This project is the whole digital implementation of artistic projects.

#### **4. CONCLUSION**

Theoretical analysis, comparative analysis, examples from practice and focus group with students about challenges of holistic marketing implementation in artistic projects, give conclusion that it is necessary to innovated marketing strategies in the field of leading of artistic projects. Conclusion is that it is necessary to improve support of society about artistic projects. Conclusion is that holistic marketing approach has impact on social movement.

Young people, as part of focus group, emphasize that it is important to improve knowledge in fields of history, sociology, culture and arts, through modern media, multimedia and digital, interactive movies. Young people emphasize that it is necessary to make connection between artistic projects and target audiences.

Modern museums and galleries accept multimedia, digital approach, as well as, holistic marketing approach. Conclusion is that good traditional ways of marketing planning of artistic projects have to stay, but it should be improve with modern, multimedia, digital approach.

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# INTEGRATION OF PERFORMANCE INDICATORS FOR DIGITAL AND TRADITIONAL ADVERTISING

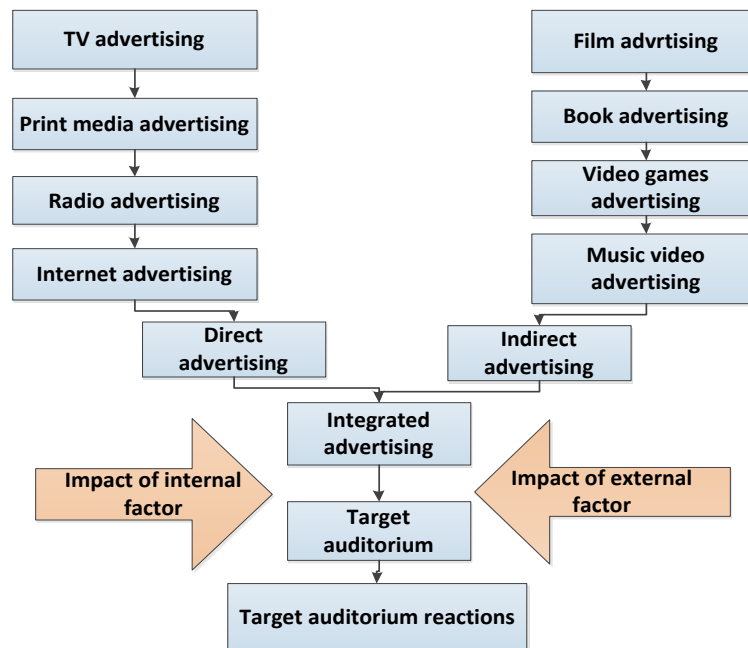
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**Abstract:** Imperative of modern company management, especially nowadays, when the market is liberalized and completely new systems are being created known as “post-industrial society”, era of knowledge and information age, represent different types of advertising, especially emphasizing the importance of digital advertising. Budgets intended for different types of advertising are often limited, and this raises the question of efficiency of the selected promotional mix and communication channels for the target segments. The paper points out the fact that the best promotional results are achieved through a combination of advertising channels, integrated communication, adjustment to target segments and application of advertising performance indicators which determine the efficiency of digital and traditional advertising. The mentioned set of activities contributes to: strengthening the strategic position brand through various activities of improving both communication activities and company offerings, increasing brand visibility, increasing its market value, and achieving of superior management performance.

**Keywords:** advertising, marketing metrics, strategy, competitiveness, web and media indicators.

## 1. ADVERTISING IN MODERN MANAGEMENT CONDITIONS

Advertising, labeled as one of the most expensive marketing communication tools, is the basis of marketing strategies with a significant impact on other marketing activities of companies, which is also indicated by the fact that promotion and advertising have been considered as synonymous for a long time, although there is a significant difference between the mentioned terms (Kotlr& Keller, 2017; Moriarty et al., 2012). Modern advertising is increasingly characterized by focused and moderate performance, as well as the fragmentation of auditorium and target media (Perez-Latre, 2009).



**Figure 1:** Model of integrated advertising

Nowadays increasing attention is paid to integrate advertising that combines direct and indirect advertising tools as shown in Figure no1. Direct advertising means the usage of traditional advertising instruments

(advertising on television, radio, newspapers, etc.), while indirect advertising implies instruments categorized by the format in which they are broadcasted, such as: advertising in films and series, advertising in books, video games, music videos etc. (Cvijovic, 2016). The two opposite views indicate that implementing advertising activities have an impact on target segments, and thus management performance. The first one is a rational view which refers providing assistance to the target audience when estimating the value of the product / service displayed through the price, quality, location etc. Another approach focuses on the psychological reactions of consumers and points to the fact that the purchasing process is conditioned by both the psychological and emotional state of consumers (Farris et al., 2014; Moriarty et al., 2012). In addition, when creating and implementing integrated advertising, the analysis of the impact of internal and external factors is one of the most important elements of success of created strategies, which is conditioned by the modern business environment (Petresen et al., 2009; Seggie et al., 2007). Collecting data on impact of internal and external factors, determining the causative-consequential connection between circumstance and business performance (Voiculet et al., 2010; Atanasov, 2016). Essential steps in differentiating internal and external factors are (Larkin, 2003; Atanasov, 2016):

- Influential factor definition,
- Influential factor identification,
- Analyzing influential factors analyses,
- Factor evaluation and possible sequences (adapting to the circumstances of management, attempt of change of the resulting circumstances and the absence of reactions)).

Considering these characteristics, it is necessary to determine the productivity of advertising activities, on one hand, and invested funds on the other hand (Farris et al., 2014; Zarkic-Joksimovic 2013). The effectiveness of advertising is determined by the application of appropriate performance indicators of marketing communications.

## **2. EFFICIENCY OF MEASUREMENT SYSTEM / DIGITAL AND TRADITIONAL ADVERTISING INDICATORS**

Considering the fact that companies are investing significant funds in the market communication, especially advertising, measurement and analysis of advertising efficiency by using adequate performance indicators has a very practical significance (Kostic-Stankovic et al., 2017). Evaluation of success can be related to the marketing campaigns in the whole or to the different elements - advertising message, using a variety of media (Hanic et al., 2012). The effectiveness of advertising activities is assessed through three different time periods: before, during and after the campaign (Ewing et al., 2009).

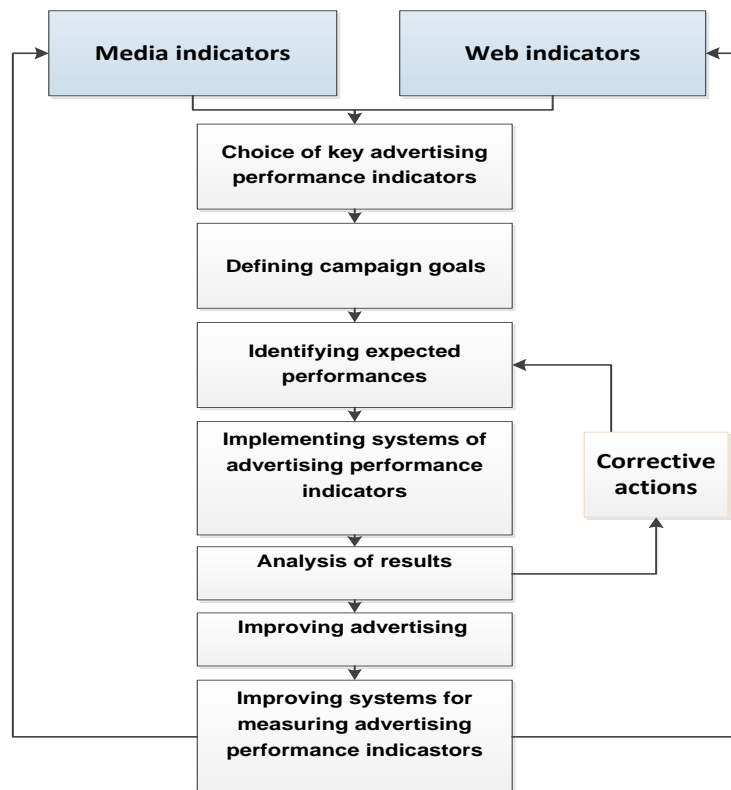
The goal of pre-testing is to evaluate the efficiency of different advertising elements, their composition and the creation of the advertising message. Rationality of pre-testing is shown in the fact that it is better to determine previously the inadequacy of the message at a lower cost, than to state it after the completed campaign. Researches before the start of the campaign are carried out on a small number of potential targets, and the most appropriate research techniques are: focus groups, techniques of incomplete sentences, associations, portfolio tests etc. (Farris et al., 2014; Hanic et al., 2012). Researches during marketing campaigns are usually conducted during the propaganda broadcast on the radio or television or shortly after the end of the broadcast. Researches are carried out by telephone based on a questionnaire containing a small number of precisely defined, short and clear questions in order to obtain certain information from respondents who have been exposed to a particular ad message (Ewing et al., 2009; Hanic et al., 2012). The above mentioned surveys provide an insight into the preliminary results of campaign efficiency. If preliminary results are below the planned level, simple corrective actions are undertaken that aim to promote campaigns during the implementation of the mentioned advertising activities (Velimirovic, 2016; Domanovic, 2013).

After the campaign, research focused on the effectiveness of campaign as a whole and less the individual elements of the advertising message that contribute to the achievement of the goals of the advertiser are carried out. Depending on the objectives of the campaign, researches may be targeted at collecting information relating to: identifying the degree of image enhancement (image) of the brand (measured by the difference in attitudes and opinions of the target group members on advertising product "before" and "after" propaganda campaigns), identifying the degree of exposure of the target segment (measured by the number of target group members (propaganda targets)), who observed the message (identifying the retention (memory) degree of the message, measured by the number of target group members who remember the message) (Farris et al., 2014; Quevedo et al., 2015; Cvijovic, 2016).

The techniques that are most commonly used in collecting information necessary to determine the effectiveness of advertising are: recognition tests and memory tests. Recognition tests are conducted in a way that specific ads are primarily shown to the participants, and then they are asked to identify those they



recognize. The main disadvantage of recognition tests is the inability to conclude on the positive and negative attitudes of the respondents about a particular brand. Memory tests are carried out in two ways with the help of reminding (along with the question asked, and certain brands are listed) and without the help of reminding. Tests of memory provide information on the affection of the respondents to the specific brand (Cvijovic, 2016). There are also different advertising indicators used to measure, monitor effectiveness and promotion of advertisement (Figure 2). For the purpose of simplicity of the analysis, the advertising indicators are divided into two groups: media advertising indicators to determine the effectiveness of traditional advertising and web advertising indicators to determine the effectiveness of digital advertising (Farris et al., 2014).



**Figure 2:** Identification and implementation of advertising indicators

After identifying key media indicators (display, gross scoring, net scoring, cost per thousand display, visibility) and web Indicators (page views, click rates, cost per click / display / orders) it is accessed to the process of selecting adequate performance indicators of advertising in compliance with the needs and circumstances of the business. In line with the needs of stakeholders and user expectations, it is assessed to defining the advertising goals and performance of the business, to which the company seeks.

Implementation of the performance indicators is the central part of the system shown. Table No.1. (media indicators) I (tables no.2 web indicators) shows the method of calculating the indicators as well as the limitations and possibilities of these indicators, which should be considered in order to achieve the highest quality analyses on which results improvements and achievements of superior business performance will be based (Neely et al., 2000; Farris et al., 2014; Atanasov 2016). Sometimes advertising through traditional media (televisions, radio, newspapers, etc.) within the domestic market was the basis of communication of companies with the targeted groups and throughout the public. Technological progressive and market liberalization have influenced that the use of web advertising occupy a primary position (Quevedo et al., 2015; Reid et al., 2015; Lovreta et al., 2013). Digital media efficiency is determined by using appropriate web indicators (Farris et al., 2014). Digital channels support the ability of accurate applying the appropriate web indicators to determine the effectiveness of digital advertising through sophisticated software which helps to follow wishes, needs and behaviour of the consumers (Homburget al., 2009).

Web advertising also enables the establishment of two-way communication with existing and potential consumers (Kostic-Stankovic et al., 2017), with great importance in creating profitable brand strategies and achievements of market dominance of companies (Milojevic et al., 2016). After calculating the key advertising indicators, an analysis of the achieved results is approached, i.e. whether the achieved results are in accordance with the planned values or below the level of planned values.

**Table 1:** Web indicators

Indicator	Method of calculation	Questions for discussion
Pageviews	$\text{Pageviews} = \frac{\text{Hits}}{\text{Files on the page}}$	Neglected difference between presenting and coming to the website
Clickthrough rate	$\text{Clickthrough rate} = \frac{\text{Clickthroughs}}{\text{Impression}}$	Clicks are an intermediate goal of advertising (a step in the buying process)
Cost per click	$\text{Cost per click} = \frac{\text{Advertising cost}}{\text{Number of clicks}}$	They are often used as payment mechanism.

**Table 2:** Media indicators

Indicator	Method of calculation	Questions for discussion
Impression	$\text{Impression} = \text{Reach (number of individuals exposed to ad)} \times \text{average frequency}$	As an indicator, it does not accept the quality of ad review
Gross rating points (GRP)	$\text{Gross rating points} = \frac{\text{Impression}}{\text{Defined population}} \times 100$	Inaccuracy of precise data for calculating indicators.
Net reach	$\text{Net reach (the number of people who remembered the ad)}$	Equivalence to display / reach; measures unique monitors
Cost per thousand impression (CPM)	$\text{Cost per thousand impression} = \frac{\text{Cost of advertising}}{\text{Impression generated (000)}}$	Simplicity of calculation
Share of voice	$\text{Share of voice} = \frac{\text{Brand advertising}}{\text{Total market advertising}}$	Estimation of advertising within the home market

Significant exceptions of the actual from the planned sizes require the implementation of corrective actions aimed at promotion of communication activities of digital and media advertising, advertising messages, media choices as well as the improvement of the products or services of a particular company (Velimirovic, 2016, Reid et al., 2015). Corrective activities enable expanding knowledge to the companies both on communication activities and on, consumers themselves, their needs, desires and habits in order to adjust the offer and the way of communication of the company with the target segments. In addition to this, corrective actions are a process of reinvestment that must be economically justified and time-limited (Constantine et al., 2016; Radun&Djuricin, 2012). In a situation where the achieved values are in a level with the expected ones, simple corrective actions are also undertaken.

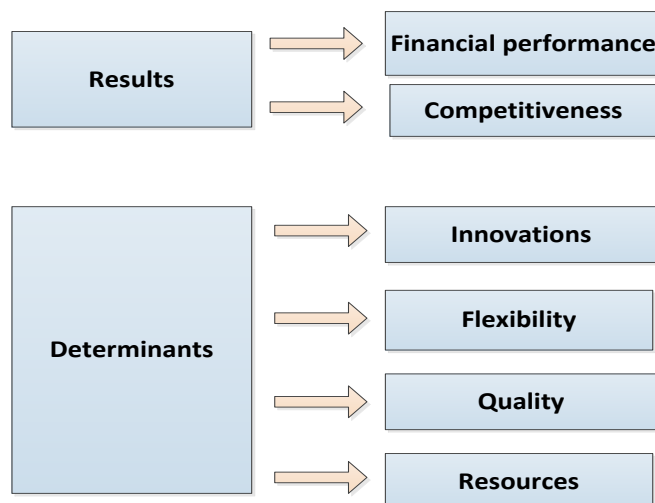
They aim at continuous progress and innovation that are a requirement for the sustainable competitive advantage of the brand on modern markets. At the end of the process of managing system based on the application of the performance indicators of advertising, checking, evaluating and improving the presented system is performed. These activities are conditioned by the constant change of the market as well as the respect of the concept of innovation as an imperative for the creation of profitable brand strategies (MC Donald & Mouncey, 2009).

### 3. EVALUATION AND IMPROVEMENT OF PERFORMANCE INDICATORS

The former prerequisite for achieving dominance on the market and superior business performance was to possess the specific resources necessary for conducting activities. Today, the situation has been drastically changed. Resources are increasingly more available, markets are liberalized, customers are better informed, and products or services are becoming more accessible (Kostic-Stankovic et al., 2017). Considering that major global companies invest significant funds in advertising activities and consider it the source of brand competitiveness and achievement of market dominance, it is necessary to look at justification of long-term investment, which conditions the application of appropriate digital performance indicators and media advertising (Seegie et al., 2007; Ling-yee et al., 2010; Ambler, 2003). The generally accepted attitude is that traditional measurement systems are based exclusively on the application of financial indicators, which requires the improvement of advertising indicator systems and the equal application of financial and non-financial indicators related to quality advertising, media selection, message creation, consumer satisfaction etc. (Seegie et al., 2007; Gupta & Zeinthmal, 2006; Ambler et al., 2004).



Based on the above mentioned advertising indicators can be divided into two groups: indicators of results (financial indicators) and indicators determinant of the result (non-financial indicators), as shown in Figure 3 (Atanasov, 2016; Fitzgerald et al 1991). This classification of indicators is particularly important because it indicates that non-financial indicators (determinants) of advertising performance are primary and that without their realization it is not possible to achieve the financial indicators related to achieving profit, competitiveness and domination of the particular brand (Kaplan & Norton, 2001; Corman et al ., 2011). The system of advertising performance indicators enables quantification both of the efficiency and effectiveness of management actions (Neely & Adams, 2000).



**Figure 3:** Financial and nonfinancial advertising performance indicators.

The mentioned system is also characterized by rationality and numerical expression, which has a huge positive impact on making profitable business decisions. By applying key performance indicators for media and digital advertising, company managers can look at current positions, determine future business goals and operate in the most economical and effective way. These systems also allow company managers to see if the planned goals have been achieved and whether the company has made progress in the whole (Reid et al., 2015; Farris et al., 2014).

#### 4. CONCLUSION

The goal of this study is to point out the importance of the application of media and digital advertising as the most effective marketing communication tools completely adapted to the modern business conditions presented through the trend of galloping globalization, trade and investment liberalization, technological innovations, information revolution, intense competition, and unlimited choice of customers. Since companies are investing significant resources in advertising activities, it is necessary to calculate the return on invested funds by using key performance indicators for digital and traditional advertising. These measuring systems enable rational and numerical expressive quantification of the efficiency and effectiveness of management decisions, based on which directions of operation are determined in the future, improvement of both the advertising process and offer of certain companies.

Modern business conditions imply the need to innovate the system of advertising performance indicators presented through the equal application of traditional (financial) and modern (non-financial) advertising indicators. One of the basic prerequisites for successful implementation of the advertising performance indicators is based on the application of an optimal number of advertising indicators in order to avoid "suppression" analyzes. In domestic companies, the trend in the application of various financial and non-financial advertising performance indicators has not yet been fully accepted, which is one of the existing limitations reflected on both the competitiveness of companies on domestic and international market. The presented system would solve the problem of "short-sightedness" of company managers, enabling them to predict threats and business opportunities in order to create profitable business strategies.

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## TENDENCIES OF CONTEMPORARY MARKETING COMMUNICATION IN DIGITAL ENVIRONMENT

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**Abstract:** *Due to intense technological development and the shift of focus from traditional to digital media, marketing practice has undergone specific transformations with the aim of adapting marketing strategies and tactics to the online environment. Considering the interactive nature of Internet communication which resulted from social media and other online platforms occurrence, marketing communication has become interactive as well, with growing significance of customers' role within it. Therefore, this paper examines contemporary marketing communication tendencies as well as the possibilities of combining specific aspects of digital marketing communication with the aim of establishing and improving long-term relationships with customers.*

**Keywords:** *contemporary marketing communication, digital marketing, social media marketing, mobile marketing, e-WOM.*

### 1. INTRODUCTION

On a global market which is characterized by intense competition and dynamic changes, organizations are making efforts to find the most efficient way to communicate with customers in order to present them with the specific benefits of their products or services (Clow, 2010). As a consequence of this need, marketing communication has become fundamental aspect of marketing, as well as organization's vision and strategic aims, since companies are striving to achieve their financial and non-financial aims by implementing different forms of marketing communication (Shimp, 2003). However, since contemporary customers are exposed to thousands of marketing messages on a daily basis, their attention has become limited resource. Bearing that in mind, companies are trying to find new methods for establishing communication with customers in order to ensure that their message is noticed, accepted, and remembered (Ognjanov, 2013).

Intense development of information and communication technologies and changes in consumer behavior have led to changes in marketing field and the need to digitize marketing activities (Rakić & Rakić, 2015). Observing from the customer perspective, the use of information and communication technologies offers numerous advantages, such as efficiency, convenience and cost reduction in collecting information which are more specific and comprehensive, as well as the access to a greater variety of products at more competitive prices (Bayo-Moriones and Lera-Lopez, 2007). Rapid development of digital economy raises the question of existing marketing practices relevance and demands a radical redesign of marketing theories in a way that adapts them to the needs of the economy and consumers of the 21st century (Wymbs, 2011).

Sass (2006) in Tanyel et al. (2013) states that the changes regarding the use of media, especially by younger generations of customers, caused advertisers to rely less on traditional media and more on other types of marketing communications, such as Internet advertising, product placement, advergames, consumer-generated advertising and buzz marketing. As a result of social network sites occurrence and their fast-growing popularity as platforms through which an increasing number of users is expressing their views and interests, and exchanges multimedia content, organizations have shown interest in using these media as means of sending promotional messages to customers (Duffett, 2015). Wymbs (2011) states that the development of digital technologies has resulted in the emergence of new sales channels of products and services, but also led to a fundamental change in marketing dynamics by placing customers at the center of marketing activities. Furthermore, the author explains that the essence of digital marketing is to find the best way to communicate with customers, adapt to changes in their needs, and build a loyal and sustainable relationship with them.

In accordance with the aforementioned claims, this paper examines the role of new media in creating contemporary marketing communications, their characteristics and advantages in relation to traditional marketing communication. By reviewing current and relevant literature sources in the subject area as well as analyzing the results of the research on trends and tendencies in the application of social media in creating

marketing communications flows, this paper presents the conclusions about the possibilities of establishing and improving relationships with consumers in the online environment.

## **2. THE IMPACT OF SOCIAL MEDIA ON DIGITAL MARKETING COMMUNICATION DEVELOPMENT TRENDS**

Due to the fact that, by their occurrence, social media changed communication trends in the world causing globally networked users to control market movements, and especially their communication aspect, Schultz (2010) states that in these conditions customers determine what kind of marketing content they will hear, see and process. More specifically, customers have proactive attitude in terms of seeking information from companies through the Internet, searching websites, using social media and consuming and creating content on blogs and forums. Also, new communication trends are characterized by the fact that, on a global level, customers are exchanging information about products and services which are based on their experience. These activities have resulted in development of digital word of mouth communication that often takes place without the knowledge of companies or marketing experts who create communication strategies. Furthermore, new communication systems allow customers to access information about products and services at anytime and anywhere that additionally disables marketing experts in controlling the content that will be created and distributed. Therefore, the author points out that the 4P concept in which the focus of organizations was on the product, promotion, price, and point of sale should be replaced by the approach in which organizations listen to customers as they are now the ones leading the marketing dialogue.

Based on their technological characteristics as well as communication trends that they provoked, social media have resulted in significant changes in practice of planning and implementing marketing communication. Kaplan and Haenlein (2010) define social media as a group of applications based on Internet technology, which are created on ideological and technological foundations of Web 2.0 and which are enabling the creation and exchange of user generated content. Wagner and Jiang (2012) state that social media are social structures that are based on the usage of Internet and defined by interaction and relations between individuals, groups and organizations. Mangold and Faulds (2009) claim that communication essence of social media is dual, given that they enable organizations to communicate directly with customers, but also provide customers with opportunity to communicate mutually. Coursaris et al. (2016) emphasize the significance of social media in creating and improving brand image through the creation of specific online experiences and values for customers, which indirectly influence the attitude and affection of customers towards the brand.

Social media as virtual communities allow Internet users to create and share content mutually (Thackeray et al., 2012) whereby user engagement is observed as one of the most important features of social media (Morgan et al., 2010). Lipsman et al., (2012) claim that key aim of implementing successful interaction with customers through social media is to encourage their engagement with brands, and then expand the scope of consumer generated content distribution towards other social media users. Bearing that in mind, it can be said that realization of marketing activities on social media can be divided into three phases:

- Converting social media users to fans or brand followers and increasing their number;
- Encouraging brand fans or followers to actively engage with the brand, which should result in increased word of mouth communication, increased brand awareness and turning brand followers into brand advocates;
- Making profit as a result of these activities (Wildfire, 2012).

Since contemporary marketing communication is based on mutual information exchange between organizations and customers, and dialogue between customers which implies exchange of experiences and attitudes towards brands, products and services, social media have become central channel of marketing communication since their architecture allows this kind of information exchange. Rakić and Rakić (2015) claim that social media provide organizations with multiple opportunities for development of marketing activities, among which following can be stated:

- Establishing direct communication and interaction with customers;
- Informing, persuading and reminding consumers about the company's products and services;
- Establishing and retaining customer relationship;
- Providing feedback on consumer complaints and suggestions;
- Establishing customer communities that are gathered around an organization or its brands;
- Creating digital WOMM content;
- Generating unpaid publicity for the organization, or its brands, products and services from social media users by encouraging e-WOM communications between them by implementation of e-WOMM activities;

- Creating and distributing digital content that presents customers with a new product or service, or in order to improve preferences for existing products and services;
- Positioning the company and its products or services in customer awareness, and creating and improving favorable attitudes about them;
- Creating brand advocates, generating buzz communication and customer referrals, development of viral marketing.

### **3. THE IMPACT OF SOCIAL MEDIA ON THE DEVELOPMENT OF NEW PARADIGM IN MARKETING COMMUNICATION**

Duffett (2015) emphasizes the significance of marketing communication on social media as a valuable source of information based on which organizations can anticipate trends in consumer behavior and evaluate customer affection for their products and brands. The reason for such claims can be found in the fact that today about 7 out of 10 Americans use social networks for mutual communication, informing, information sharing and entertainment (Pew Research Center, 2017). According to the data provided by this research center, from 2005 onwards, there has been an increase of 64% in terms of the number of adult Americans social network users. When it comes to the use of social networks in Serbia, a survey conducted on a sample of an online population of 1000 citizens aged between 18 and 64 indicated that 89.5% of respondents had an account on one of the social networks. The respondents stated social network Facebook as the most commonly used (94.1%), followed by Instagram which is used by 36.7% of respondents and Twitter which is used by 31.3% of respondents. Meanwhile, 75.3% of the respondents stated that they always or very often checked their social network accounts as soon as they get up (pioniri.com).

Coursaris et al. (2016) claim that these statistics and data about frequency of social media accounts usage indicate that these platforms generate large databases of like-minded people, making them the ideal medium for establishing, maintaining and improving relationships with target groups of customers. Furthermore, authors emphasize numerous advantages of digital marketing communication for organizations, citing, for example, its influence on decision making processes and creating positive attitude towards the brand among customers which directly affects the value of the brand. Likewise authors state that the process of digital communication implies active customer influence, since consumer generated content achieves 22 times more powerful communication effect on other customers than the message created by marketing experts (Goh et al., 2013 in Coursaris et al., 2016).

Duffett (2015) emphasizes the convenience and cost-effectiveness of these sites in directing marketing communication towards target markets since they provide organizations with possibilities for precise customer segmentation based on their gender, age, education profile and other characteristics since, through the use of these platforms, consumers themselves provide their personal information to organizations. Furthermore, organizations use digital communication with the aim of encouraging customers to create new types of value for the company that are not only related to the process of product purchase. More precisely, by encouraging customers to write recommendations and reviews as well as take part in the process of new product development through expressing personal preferences on websites, applications created by companies or their social media accounts, companies tend to improve their business results and generate profit. Smith (2011), illustrates these claims with the case of social media and blogs as channels through which consumers can intensively influence the positioning and sale of products, given the growing tendency that consumers are more likely to trust other consumers' recommendations than information provided by companies.

Foux (2006) states that customers perceive social media as a more reliable source of information about products and services, since content is predominantly created by other customers, compared to promotional messages which are created by companies and distributed through traditional media. Customers are increasingly focusing on the use of social media in gathering information and making purchase decisions, given that they enable them to have continuous access to information under the conditions they choose (Vollmer & Precourt, 2008). These claims can be confirmed by the results of the research about the impact of WOM communication on changes in marketing practice. The research indicated changes in customer perception and attitudes towards traditional advertising, since 75% of the research participants stated that they do not perceive the content of commercial advertising messages as truth, while 83% avoids them while watching TV programs. On the other hand, 63% of social media users considers recommendations of other users as the most reliable source of information, which is followed by organizations' websites as the second most reliable medium. Likewise, the likelihood that the product will be purchased amounts to 71% if there are references or recommendations about the product available on social media (blog.hubspot.com).

Bearing in mind the significance and impact that social media have on users today, marketing experts suggest focusing on the development of marketing communication strategies that will be based on the use of the Internet and social media. One of the basic characteristics of marketing communication through social media is the fact that created content is no longer under the control of companies and marketing professionals, which makes customer satisfaction and dissatisfaction easily noticeable. Mangold and Faulds (2009) state that the popularity of social media among users is based on the fact that they want to connect with other users with whom they share similar interests. Therefore, authors propose that companies should focus on creating communities of like-minded people who share similar values, since they claim that customers feel more connected with products or services of those companies which give them the opportunity to express their opinions.

When it comes to the use of social media in business communication in Serbia, a survey conducted by the Executive Group agency suggested that almost 80% of respondents considered social media as very important or important for their business. In addition, as the five most frequently used online tools and social media networks, respondents stated Facebook, online advertising, YouTube, Twitter and blogs, while 92.3% of respondents plan to increase the use of social media in the upcoming period. In terms of the purpose for which social networks are most often used, respondents stated brand promotion (83.5%), and the distribution of news and information (82.4%). With the aim of collecting customer feedback, social media is used in 54.9% of the cases, while in 51.6% of the cases social media is used for customer relationship management activities (eg.rs). Based on these data, it can be concluded that companies in Serbia do not have primary focus on establishing relationships with consumers or encouraging them to engage in the creation of marketing communication. Furthermore, since the results of the research conducted by marketing agency Pioneers (pioniri.com) indicated that social media users trust commercials on Internet sometimes and in case if they are relevant (56.7%), while 30.8% of the respondents do not trust commercials and would rather buy a product which is not being promoted on Facebook (53.7%), it can be concluded that companies in Serbia should follow trends set by foreign companies which achieve the relevance of marketing content and gain customer trust by including them in creating marketing content.

#### **4. THE IMPLEMENTATION OF BLOG IN CREATING INTERACTIVE MARKETING COMMUNICATION**

Blogs as online diaries which serve to publish views, opinions, comments as well as unfiltered and uncensored information on topics ranging from technology to politics or fashion (Jobber and Fahy, 2006) serve as suitable platforms for writing and publishing consumer reviews. Considering the fact that using blog as a platform for critical thinking results in generating ideas for differentiating products and services which is the result of attitudes, opinions and suggestions of individuals gathered around these online communities, companies use blogs as an integral part of their marketing strategy (Joel, 2011). Business blogs, as part of the marketing campaigns realization, aim to improve sales, reduce investment in promotional activities, create brand image and improve organization credibility (Radenković et al., 2015). Weinberg (2012) emphasizes the role of blogs for establishing and increasing consumer trust regarding companies' products or services. By encouraging customers to gather around blogs in order to discuss products or exchange opinions for product improvement companies show that they are interested in listening and answering consumer questions and requests.

Use of blogs in creating the concept of online communication with customers can result in multiple benefits for organizations:

- They contribute to humanization of brands - since web sites are usually a formal way of presenting the organization and its activities, the use of blogs can contribute to establishing more personal communication between companies and their brands with customers.
- The opportunity for organizations to be positioned as experts within an industry or market niche - as this platform allows dissemination of information and insights into trends and events significant for the industry within which the company operates, such activities can contribute to establishing expert position which results in building trust among consumers. Consequently, customers will choose the products of the company that has achieved top of mind position in their awareness.
- The opportunity for organizations to maintain its relationship and conversation with customers through creating content that is current, relevant and in accordance with their needs and, at the same time, presented in an amusing manner thanks to, for example, introducing video content.
- The opportunity for creating integrated online marketing communication, through sending content created on the blog in form of e-mail newsletters, linking with other social media, for example creating appropriate "hashtags" that provide the extension of certain content to other platforms and thus provide a greater range.

- The opportunity for engaging trusted users or experts from certain fields to lead the communication on the blog and communicate organization's marketing messages to other users, which is more authentic and honest than traditional promotional messages.

Based on Blogometer15 research conducted by BeeBlog Network, blogger network of Southeast Europe, it can be noticed that during recent years, at the regional level, interest in blogging is growing. The interest is increasing in terms of creating new blogs and generating more content and increasing the influence of bloggers in the online environment. This has resulted in greater interest of traditional media that increasingly cite blogs as source of information and the fact that blogs are used to a greater extent for marketing purposes through their implementation in different campaigns and activations (proцениweb.com). The research of British company Affilinet conducted in 2015 among customers in Great Britain indicated that bloggers are third most reliable source of information, after family members and friends, and are more trusted than brands, social media contacts and journalists (affili.net). Research conducted by Statista predicts that by 2020, there will be 31.7 million active bloggers in USA (statista.com) while HubSpot claims that by 2020, customers will realize 85% of their interactions with organizations through their web presentations or social media accounts. Therefore, blogs can be observed as one of the most convenient ways for providing customers with information about the organization and affect their purchasing decision (blog.hubspot.com).

Based on Wave research about the behavior, attitudes and needs of social media users worldwide which is annually conducted by Universal Media Network, an increase in social media users trust towards recommendations on products and services created by bloggers and vloggers can be noticed. The research conducted in 65 countries, including Serbia, indicated that 46% respondents perceived bloggers as role models, while 33% of respondents younger than 35 and 15% of older Internet users stated that they wish to be famous on the Internet (poslovnih.hr). However, the results of the research about the state of social media in Serbia conducted in 2017 by marketing agency Pioneers indicated that respondents' attitudes about trust in recommendations made by influencers are divided. More precisely, 48.5% of respondents mostly do not trust in recommendations on social media that are created and distributed by other people, while a significant percentage of 40.2% mostly believes in content created by opinion leaders of the online environment (pioniri.com).

## **5. MARKETING COMMUNICATION BASED ON MOBILE TECHNOLOGY APPLICATION**

Since numerous users approach communication channels used by marketers for sending promotional messages to customers such as Internet browsers, social media, e-mail, blogs, web television and online newspapers, it can be concluded that mobile marketing has significant potential in contributing to other forms of marketing communication programs. Mobile marketing can be defined as a set of activities that enable organizations to contact and communicate with their target audiences in an interactive and relevant way through any mobile device or network (Mobile Marketing Association, 2017). Furthermore, Ververidis and Polyzos (2002) state that mobile marketing is a form of marketing communication which uses mobile devices with the aim of informing customers about products and services as well as for sales promotion. Other authors such as Haghirian and Inoue (2007), have expanded the concept of mobile marketing by defining it as the application of mobile Internet media with the aim of sending personalized marketing message to customers regardless of their location or time when the message is sent. The definition of mobile marketing created by Huang and Symonds (2009) represents it as a process of sending promotional messages from businesses to customers by using mobile communication services based on interactivity and permission.

In addition to the fact that it enables marketing communication anytime and anywhere, the application of mobile marketing is characterized by the following advantages and trends:

- The widespread use of mobile devices gives the opportunity of accessing larger number of potential customers with a greater degree of certainty that marketing message will be delivered to them in comparison with other channels of marketing communication;
- Since younger generations prefer text messaging, unlike telephone or face-to-face communication, mobile phones allow sending of marketing messages in form of SMS content. Also, the rate of opening SMS messages is 98%, and 90% of the message recipients will read the message within the next three seconds (blogs.adobe.com).
- Time spent using mobile devices is constantly increasing – research conducted by eMarketer has shown that Americans spend an average of ten hours a day browsing content on the Internet or communicating via mobile devices, which increases the opportunity for companies to attract customers' attention and encourage discussion on their products and services in the online environment. The same source predicts that, on the basis of this trend, until 2019, 72% of the total amount intended for digital marketing advertising in USA will be spent on mobile marketing (emarketer.com).

- Thanks to its features, mobile marketing provides various types of marketing communications, such as sending text messages that contain coupons in form of links to mobile barcodes, sending ads in the form of apps as well as delivering video promotional content and reviews created by other consumers.
- The design of the mobile device has provided the possibility of integrating different communication channels within one device, and due to technology development, the possibility of creating quality interactive multimedia content is multiplied (Rakić and Rakić, 2015).
- Mobile marketing has enabled a greater degree of message content adaptation to customers' needs. Due to the possibility to collect information about customers' current location, they can receive relevant messages at the right time, such as information on current offers or the distance of the nearest retail store.

According to research conducted by Deloitte in 2016, sending SMSes and texting via mobile applications was the first morning activity for 35% of research participants, while 22% were starting their day by checking their e-mail accounts. Furthermore, 50% of respondents aged 18 to 24 stated that they use mobile phones during the night to answer e-mails, text messages and read news (deloitte.com). According to the results of the research conducted by Gallup (2014) about the new era of communication among Americans, 68% of generation Y members stated that they send text messages intensely, since they can be read and exchanged at any time, therefore giving the possibility for important messages to be spread instantly, unlike e-mails (gallup.com). The results of the research conducted by Business Insider (2017) about how members of generation Y change the future of communication, indicate that four most frequently used applications for exchanging text messages Viber, Whatsapp, Facebook messenger and WeChat have more than 3 billion monthly active users on a global level, which surpassed the four most used online social media platforms Facebook, Instagram, Twitter and Snapchat which have over 2.7 billion monthly active users worldwide (businessinsider.com).

These trends have changed the way in which people communicate not just mutually, but with companies as well. The research about the use of mobile applications for communication between customers and customer support service which Ovum has conducted on 1000 participants in USA and Germany during 2016, indicated that 50% of respondents prefer using chat applications while interacting with providers of consumer support services, since they prefer quick problem solving and using single application for all matters (tyntec.com). In that manner, Dutch airline company KLM conducted a pilot project in 2015, which gave the opportunity for 100 members of the most loyal travelers club to get in touch with the company's representatives through WhatsApp and raise questions about buying tickets and available seats on the plane because the company notices the transition from "more traditional" social media like Facebook and Twitter on new platforms such as WeChat in China and Whatsapp (usatoday.com).

The nature of using mobile phones, according to Pew Research Internet Project research, indicated that 67% of respondents who own mobile phone constantly check for newly arrived content, even when they do not hear sound notification signals (pewinternet.org), which gives the opportunity for establishing communication with users on a regular basis, since sending messages and notifications is somewhat expected. Consequently, as a particularly effective method of creating integrated marketing communication, the combination of mobile strategies with social media platforms is highlighted. Therefore, in order to achieve better effects, it is proposed to include options for sharing content received through mobile marketing activities on the profiles of social networks of users. When it comes to mobile technologies usage in Serbia, the research of marketing agency Pioneers and Smart Plus Research agency conducted in 2017, indicated that largest number of respondents (44.2%) access Internet through mobile phones. Furthermore, in using mobile technologies for achieving Internet access younger generations (18-24 years old) dominate with 74%, which are followed by members of the 25-34 age group (59%) (pioniri.com). The same research indicated that for messaging and correspondence, 89.5% respondents use SMS messaging, which suggests that sending marketing content in form of SMS messages continues to be the most effective way of communicating with consumers when it comes to mobile technology.

## 6. CONCLUSION

Since organizations are striving to create an interactive, personalized and individualized relationship with consumers, they are encouraging customers to independently create content on various online platforms of the organization through WOMM activities. Organizations observe customer activities as a valuable source of information for the adaptation and improvement of the existing marketing mix as well as generating ideas for new products and services development. Likewise, organizations use the benefits of online communication to develop a more direct and long-term interaction with customers, which should result with customer feedback reaction about organizations and their brands. Furthermore, by encouraging communication among



customers through social media platforms, organizations can increase their presence in customers' awareness in order to gain their affection and consequently cause loyalty to the brand.

Even though there are numerous researches in foreign marketing literature about the role of social media in marketing communication transformation that is not the case in Serbia. Although several researches from the field of digital marketing communications have been conducted, the role of customers within these processes was not given the importance that it deserves. Organizations and marketing experts should take into account the fact that customers create most of the information and marketing activities which are related to their products. Furthermore, these information affect all types of consumer behavior starting from the collection of data on products and services before making a purchase decision, to expressing satisfaction or dissatisfaction regarding products or services after the purchase is realized. Likewise, customers are becoming less reliant on advertising as a source of information that would help them in the decision making process.

Available researches on the use of social media in Serbia do not include examination of social media users attitudes about the level of trust in the content published by companies on social networks, whether it would motivate them to buy a particular product, and whether they believe in content created by influential individuals, ie bloggers and influencers. Likewise, the available researches did not address the attitudes of social media users about their engagement in terms of writing reviews, recommendations, or expressing satisfaction or dissatisfaction with consumed products or services. For this reason, it is necessary to thoroughly investigate the role and significance of digitally literate and active consumers in creating and transforming communication flows in marketing, because they do not only change marketing practices but also affect sales growth, profitability and competitive advantage of companies creating their future economic performance (Brodie et al., 2011).

More precisely, it is necessary to thoroughly explore the motives for the use of digital mobile devices as well as social media, mobile applications, and digital forms of traditional media to create marketing communication concept that will be adapted to the needs, preferences and characteristics of contemporary customers. Also, research should include the attitudes of social media users about user generated content, evaluation of its authenticity and the impact that it might have on creating opinion on organizations, their products or services. The results of the research should contribute to gaining insight into the communication specifics of modern customers caused by extensive use of social media, with the aim of achieving a greater degree of personalization and customization of messages to the specifics and preferences of consumers, as well as the platforms that they use.

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## SPECIFICS OF DIGITAL ASPECTS IN CREATIVE INDUSTRIES

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**Abstract:** *Due to the social and economic changes caused by globalization, the importance of creativity and creative industries in addressing numerous economic and social challenges has become a focus of attention. Creative industries are the driving force of economic growth and development, social inclusion and acceptance of diversity. However, the precondition for the development and expansion of creative industries in a society requires knowledge of their specificities that create a set of preconditions that are necessary in order to set the base for the future development and expansion of creative industries. Therefore, the aim of this paper is to identify and demonstrate the specificity of creative industries, which will allow for a more complete understanding of the specific nature and characteristics of creative industries with focus on digital aspects of digital industries. In addition, the paper deals with the consideration of key concepts of the concept of creative industries and their importance for economic and social development.*

**Keywords:** marketing, creative industries, economic development, characteristics, digital aspects of creative industries

### 1. INTRODUCTION

Scientific and technological development and technical achievements from the beginning of the last century have caused changes in the socio-economic processes that are accompanied by constant demands for adjusting to the changes, which influence the significant transformation of organizational behavior and activity, primarily through the necessity of acquiring and implementing new knowledge, innovation and creativity. Contrary to previous times in which the success of enterprises and national economies was measured by the quantity of manufactured and sold products, the contemporary world society is turning to acquiring a competitive advantage through the concepts of knowledge, innovation and creativity, whether it is an enterprise, a company or a state. Although creativity is present in most human activities, it can not be said that short-sightedness is the dominant feature of most industries, which have traditionally been focused on exploiting opportunities on the market and generating profits. Creativity can be understood as process of creating something new by combining existing elements, and it depends on the ability and willingness of individuals and organizations to engage in activities that are not routine but experimental, and often with uncertain outcome (Sternberg, 1999). Given the steady and rapid changes in the modern business environment, which are being adapted, creativity has been imposed as one of the tools for overcoming this problem in the last few decades. Creativity is crucial for the successful operation of the organization, its rapid adaptation to changes in the turbulent environment, the design and introduction of innovations, the entrepreneurial spirit of employees and the personal processes that are the key to the survival of the organization today. Without creativity, the economies of a given country or region collapse and lag behind other economies, and organizations are not able to preserve competitiveness on the market.

In order to be able to develop creative industries and fully understand their importance for urban economic development, it is important to know and understand the nature of creative industries and their specific characteristics that separate them from other industries, creating a special set of conditions that are necessary for its expansion. The aim of this paper is to present the key characteristics of creative industries in a comprehensive and concise way. In the first part of the paper, the concept of creative industries, and then the significance of creative industries for the economic and social development of the society, will be presented. The central part deals with the specificities and characteristics of these industries, which distinguish them from traditional industries. Taking into account the subject of the research as well as the topic of work, the research methodology will rely on a literature review, and in addition to this method, a comparative method will also be used, which will allow comparison of the specificity of different companies belonging to the creative industries, in order to identify the key common characteristics and prerequisites for the development and expansion of creative industries.

## **2. CONCEPT OF CREATIVE INDUSTRY**

The concept of creative industry begins to noticeably overwhelm the attention of theoreticians, researchers, and policy makers over the last few decades. However, despite growing interest in the concept of creative industries, and its undoubted contribution to the understanding of modern economics, in theory there is no generally accepted definition of this term. The first definition of the term of creative industry emerged in the British Creative Industries Mapping Document in 1998, and creative industries are characterized as being made up of activities that originate in individual creativity, skills and talents, and which have the potential for creating well-being and job creation through the generation and exploitation of intellectual property (Flew, 2012: 7). This document has predicted which industries can be called creative: architecture, advertising, art and antiques market, computer and video games, crafts and design, fashion design, film and music, performing arts, television, radio, publishing and software. The concept of creative industry is often used interchangeably with the term cultural industries, but it actually includes a much wider field than the cultural industry, because it goes beyond the field of art and includes all creativity-based products (Kisić, 2011). One of the definitions of creative industries has been the United Nations Development Program (UNDP) and the United Nations Trade and Development Commission (UNCTAD) in the 2008 Creative Economy Report. These organizations under creative industries are looking at those that link the relationship between creativity, culture, economics and technology, expressed as the ability to create and expand intellectual capital, with the potential to generate revenue, new jobs and earnings from exports, while promoting social inclusion, cultural diversity and human progress (UNCTAD and UNDP, 2008).

Galloway and Dunlop (2007) point out that creative industries are a new analytical definition of an industrial component of an economy, in which creativity is input, while output is an intellectual property. Tomka (2014) points out that despite the fact that the notion itself is relatively new, it represents an extension of the strengthening of industrial logic in culture, which has led to new measures such as strict economic valorization, the growing importance of statistics in culture, privatization of media, protection of interests of large corporation through the protection of intellectual property, the promotion of public-private partnerships and more. In general, the term of creative industries is understood as a set of economic activities that use the creativity, capability and talent of individuals to potentially create economic value through the exploitation of intellectual property (Fahmi et al., 2016: 67). Creative industries include a complete range of organizational characteristics and activities, from large multinational companies, through national and regional enterprises, to micro companies; which belong to different and new and traditional economic sectors, with a series of new business models developed by transforming traditional sectors to digital technologies (such as the case of the advertising, design and music sector) (Messeni Petruzzelli and Savino, 2015). On the other side, there is a trend of continuous expansion of creative industries to other sectors of the economy in which they have not been present (Lampel and Germain, 2016).

There are authors pointing to the fact that the concept and term of creative industries are understood differently in some regions of the world. Thus, for example, in Europe, creative industries are classified into two categories: pure creative industries, pervading art-related activities, and partly creative industries, which include advertising, architecture, design, media, etc. (O'Connor, 2007). On the other side, in Asia, creative industries include a variety of activities such as theme parks, furniture production, and even the work of hairdressers (Cheng, 2006). However, despite the various notions of creative industries, in most definitions this concept has certain common elements, which include: 1) the basic resources are people (intellect, skills and imagination); 2) the input of the industry involves the creativity, skill and talent of an individual; 3) Since output is an intellectual property, the concept of intellectual property rights is central in order to achieve economic value. Also, in theory, there is a certain consensus regarding the industries that are considered to be creative ones: advertising, architecture, art and antiques market, design, fashion, art crafts, film and video industry, gaming industry, sophisticated industry, publishing, music industry, radio and television (Jovičić i Mikić, 2006: 22).

## **3. SPECIFICATIONS OF CREATIVE INDUSTRY**

Hartley, Wen and Siling Li (2014), in the Creative Economy and Culture Challenges, Changes and Futures for Creative Industries, explore the concept of creative industries with all their specifics, and emphasize that the creative industries today have reached the status of a global phenomenon. In considering the specificity of creative industries, these authors focus on three attributes: 1) Creative industries are not limited to the elite of trained artists or companies but already include (or can include) anyone with enough creativity and innovation; 2) Creative industries are not limited to a single sector of the economy but are characterized by (or can characterize) all economic sectors, and 3) creative industries are not a characteristic of developed or wealthy countries but have been developed (or could be developed) in each country. Thus, it can be concluded that the creative industries are characterized by the breadth and comprehensiveness of various economic sectors and the possibility of expansion in different social and economic conditions.

However, this does not mean that creative industries are by their very nature simple, on the contrary, they are characterized by a number of specificities in relation to traditional industries.

An overview of the literature on the nature and characteristics of creative industries suggests that there are some general characteristics that most authors point out when considering the concept of creative industries or research in this field. The first characteristic of creative industries cited in theory relates to their ability to create additional innovation-based innovation. Creative industries provide various innovation services and products on the market, and as part of the innovation system, they play an important role in the socio-economic process of adopting and developing new ideas (Lange and Bürkner, 2013). Creative industries are seen as producers and bearers of symbolic content and meaning, they use human creativity, skills and talent, and therefore have intellectual capital as their primary production input. The result of the work, or the product of creative industries, thanks to these characteristics, is highly differentiated and can be characterized as artistic, cultural or creative. Intangible values related to product symbolism are highly valued by consumers, which makes the creative industry a high-value sector (Rozentale and Lavanga, 2014). Flew (2013) on the creation of creative / artistic products, as well as the specificity of creative industries, also indicates the necessity of protecting intellectual property rights. Nikodijevic (2015: 90-91) gives a concise overview of the most important characteristics of creative industries, which includes the following:

- creative industries are trying to create wealth from what constitutes universal human traits;
- creative industries are characterized by risky business (since they are symbolic, their products are used in an extremely unpredictable way);
- the products of creative industries behave as semi-public goods (these are good that many users can reuse and which, unlike other goods used for consumption, are virtually not destroyed at such use);
- some of the products of creative industries are easy to reproduce, even in home conditions (this makes it difficult or impossible for the manufacturer to control the product on the market);
- processes of creation of products of creative industries are characterized by high fixed and low variable costs (the creation of the original product is demanding and expensive, but therefore its reproduction is cheap).

Some authors point to the specificity of creative industries in terms of high risk business. Namely, the market conditions for the products and services of creative industries are viewed differently in relation to the products and services of traditional industries because of the fact that creative industries face greater demand uncertainty, high variability in taste and therefore high risk of doing business. In order to cope with this type of risk, creative industries must continuously maintain a high level of innovation and innovation (Rozentale and Lavanga, 2014). Hartley et al. (2014) draws attention to the specificity of the very structure of creative industries, considered polarized, i.e. organized by several large corporations, often multinational companies, and a large number of medium, small and micro companies with one employee. Large enterprises and multinational companies occupy the largest share in total production, but given that multinational companies and large enterprises are more vertically integrated, they are mostly involved in mass production. Therefore, although small and micro enterprises are less able to compete with the market through the benefits of economies of scale, they can gain an equally large market share through niche market specialization.

The next characteristic of creative industries relates to their concentration in a certain space, because, according to Turok (2003), the creation industries require specific knowledge and skills of human capital, which is grouped and developed at certain locations, leading to the creation of regional clusters. In this sense, creative industries are territorially (geographically) linked to urban environments, i.e. big cities, showing that the creative economy has become an important instrument in the regeneration of cities (He and Gebhardt, 2014). The fact that creative companies often develop in special environments characterized by rapid social and technological changes, serious competition and ephemeral relationships with customers, creative industries require human capital that is highly motivated, creative, innovative and capable of adapting and following technological changes, considering that creative industries have to adapt to new technologies that support creative processes (Bujor and Avasilcai, 2016). Given that it is not questionable that creativity and innovation are key preconditions for the development of creative industries, the development and expansion of creative industries, through them and creative economies, require human capital with a high level of expertise and specialty, and different business skills based on creativity and innovation, which necessitates the development of new solutions and opportunities in the practice of educational institutions, i.e. introduction of the concept of education for creative industries. This practically means that the education system must focus less on the development of specialized skills, and more on the acquisition of skills for problem solving, creative thinking, adaptability and innovation, with the simultaneous development of social and communication skills.

In addition to the fact that large urban environments offer human capital that is indispensable to creative industries, the link between creative industries and cities can be seen through the following four dimensions,

which are the preconditions for the successful development and expansion of the flowering industry (Comunian et al., 2010: 6):

- Infrastructure: a very wide dimension that includes a number of external factors that affect the creative economy per se. These include, for example, the availability of office space, traffic infrastructure, the structure of the local population or the development of tourism.
- Local self-government: the aspects of national and local strategies and policies and interactions between institutional and non-institutional actors at different levels are included. Like other economic actors, creative industries can engage in various projects that have a political aspect, such as local regeneration, economic development and social inclusion, which is why policies are vital to their business;
- Soft infrastructure: a specific dimension of space that is of great importance for the development and expansion of creative industries. These are factors such as networks, a certain image or identity of a place, the presence of cultural heritage and a tradition that could become a significant factor in supporting creative and cultural industries to develop and grow, as an attraction to a particular place that attracts creative people to live and work there;
- Market - It is clear that creative industries are evolving in an area where there is an adequate market for their products and services, and that enable interaction with customers and consumers. In addition, the space should be such as to allow the development of the link between creative industries and other related aspects of consumption, in particular tourism and image of the city.

#### **4. DIGITAL ASPECTS OF CREATIVE INDUSTRIES**

Mass expansion and the adoption of related digital technologies and applications by consumers, businesses and governments is a global phenomenon that has affected every industry and almost every consumer in the world.

Digitalization in each industry has changed the way of production, the way of promotion and sale, distribution, formed new forms of business and competition, and especially the way of communication and interaction with consumers. The sector of creative industries is among the sectors most affected by digitization. Consumers today expect to find information about media and entertainment on the Internet; they often buy the product online in a fully digitized form, such as, for example, downloading a movie, software package, publication or audio / video. However, some creative industries are more dependent on digital media (a digital sub-sector of creative industries such as gaming industry or the reproduction of digital media), therefore it is inevitable that digitization in various ways affects business strategies and innovations in various creative industries sub-sectors (Potts, 2013).

All creative industries, for example, film industry, television and journalism, architecture, advertising, etc., do not rely on digital media in their creative process, while some creative industries are fully based on digital technologies (eg gaming industry, software industry etc.). Therefore, there is a difference between the digitalization of the creative industry sub-sectors, which is reflected in the degree to which the industry includes traditional products and services with digital products and services. For example, book publishers still produce printed editions of books, but also so-called. e-books. Movie and television industry have introduced a range of digital products, such as IPTV, video on demand, while the music industry has undergone dramatic changes in distribution and consumption patterns. Journalists and magazine publishers are facing a similar situation as book publishers, because journalism has gained a new form, so-called Internet journalism, which is defined as the transmission of information via the Internet in the form of text, sound, images and various multimedia records (Radovanović-Šarenac, 2012: 258). The latest trends show a successful mobile media journalism, specific types of news production in various forms (text, audio or video clips, etc.) distributed over the Internet and displayed on screens of portable devices, mainly mobile phones and tablets. According to Westlund (2013: 6), the release of news via mobile phones includes various ways to distribute journalistic content, from sending notifications via sms or mms messages, sending notifications through the portal, to the use of specialized applications for mobile devices. In the music industry, after the music download service, a new digital business model, the so-called services for streaming music. For example, one of the most famous streaming services in Europe is Spotify. Spotify has been operating since 2008, and today it provides services to over 15 million users in 16 countries, each year doubling the profit achieved over the previous year. Users have a choice between the free basic streaming service that is funded by advertising, and premium subscription services (€ 10 per month for full access, including streaming on mobile devices) allowing music streaming to multiple devices, an offline way of listening to music, better sound, quality and exclusive content without commercials (Eldon, 2012). Spotify users can search for a huge database of music, listen to personalized radio, and integrate their profile on Spotify with profiles on Facebook and Twiter, and thus share music and playlists with friends.

Generally speaking, digitization has brought great benefits to both consumers and creative industries themselves. Digitization has brought creative industries closer to consumers, as the distribution of creative content is significantly facilitated, and mediators between creators of creative products and their consumers today are less needed. This is conditioned by the significantly changed economic model in most creative industries (which is not always easy to implement in practice and requires time), which provides the opportunity to build closer relationships with consumers, better knowledge of the needs and wants of consumers and, therefore, adapt products to the needs of consumers. Also, digitization allows a greater flow of creative material and consumer ideas that have the effect of wider creative involvement, as many people can become content creators. In other words, the distinction between consumers and content creators has become obscured, and as Peter Tschmuck observes (2013), the genuine aspect of the digitization of creative industries is that it has enabled consumers to participate in cultural and creative production and sharing, which actually led to a markets of creative industries transformation. Digital innovation has made creative production and distribution more efficient, which is most evident in the music industry, the creative industry sub-sector that has made the most digital progress. With the establishment of digital downloads (so-called download) as alternatives to footage on physical media, the economy of the music industry has significantly changed. Today, about 66% of sales revenue of music recordings goes to artists, compared with 32% of the amount of artists they earned from selling CDs, all thanks to the reduction of mediation and distribution costs (Booz & Company, 2013: 28). Another important aspect of digitization in creative industries is reflected in the advertising industry. Namely, traditional marketing remains in the shadows due to the expansion of internet / online marketing (investment in digital advertising is continually growing - for example, digital advertising revenues in the UK in 2015 amounted to 10 billion, in Japan 9.2, and in Germany 7, 9 billion dollars (Filipovic, 2015)).

It can be concluded that creative industries have successfully established new digital models, and that revenues from the payment of digital content and services in creative industries will continue the trend of growth. Digitalization has influenced the increase in the quantity and importance of creative products, the reduction of barriers in business models of creative industries, and the emergence of new forms of consumption of creative products / services (Internet, mobile). As with the new media in the past, digital media will not replace the traditional ones, but will complement them and influence the overall value chain and the creative process, mainly in a positive way.

## **5. CONCLUSION**

The key objective of this paper was to create new insights into the nature and specific characteristics of creative industries. A review of the literature dealing with the problem of the concept of creative industries and their specificities identified general characteristics specific to the creative industries, which primarily relate to the nature of their production and products and services sold on the market, as well as the prerequisites necessary for their successful development and expansion.

This means, it can be concluded that creative industries are based on the creativity and innovation of human capital, and as a result of creative work an artistic, cultural or creative product is created which represents intellectual property. These are high-value industries, business is highly risky, due to the constant change of environment, the unpredictability of demand and the changing taste of consumers. Prerequisites for the development and expansion of creative industries are in the first place for space, which needs to meet human capital requirements with a high level of expertise and specialty, and different business skills based on creativity and innovation, as well as adequate infrastructure, the market, as and adequate economic and development strategies and policies. The paper also reviews the importance of creative industries, which can essentially be viewed as a set of external specificities of creative industries, through the way in which they contribute to economic and social development and progress in the communities in which they operate.

Taking into consideration that the economic aspects of creative industries and their role in the wider social system, the power of imagination and imagination possessed by creative industries, combined with creative practice, it represent the current but also a future phenomenon of vital importance for economic and social development, as well for the success of organizations in almost all sectors of the industry, which use creative inputs and innovations developed in creative industries.

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## CHANGING THE MARKETING TERMINOLOGY IN DIGITAL AGE

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**Abstract:** *In the digital era, modern English has become the dominant language or even the required international language of business communication and therefore, one may say a necessity in online and offline strategic communications. This paper deals with the state of marketing terminology by analyzing the newly-formed terms adopted from the English language and then adapted and incorporated into the linguistic system of the Serbian language. It analyzes the necessity of establishing conformance between the terms in multilingual communication, by presenting the examples in which it is possible to standardize the terms. It has been emphasized that preciseness and accuracy in using the terms are demanded in the scientific field in question. The key aspect of our survey shows that the lack of managed terminology in business can reduce understanding, which is one of the goals of business cooperation and an important communication factor for international collaboration.*

**Keywords:** *terminology management, marketing, international relations, business, communication.*

### 1. INTRODUCTION

The digital era in the world of increasing globalization has permitted crossing the borders and communicating around the globe. Perhaps the most dominant view of globalization is that the world is reduced to a 'global village'. As Said (1993) observes, "all cultures are involved in one another, none is single and pure, all are hybrid, heterogeneous, extraordinarily differentiated, and unmonolithic. No one today is a pure thing. Labels like Indian, or a woman, or Muslim, or American are now no more than staring points" (xixx). Although it is true that globalization may be making the world smaller, it is also opening the new global routes of communication, which is of great importance in almost every field of human existence. Since effective communication, as the exchange of information and ideas from the sender to a receiver, can occur only if the receiver understands the exact information or idea that the sender intended to transmit, it is of primary relevance in online and offline strategic communications in marketing, due to the need for precise communication and of necessity for sharing various announced, communicated, combined, and analysed results of researches on a global basis. Business relations that cover all spheres of life represent the act of bringing people together in order to accomplish desired goals and objectives by using available resources efficiently and effectively.

Although language is a means of communication, it is not only a means for expressing ideas. According to Ferdinand de Saussure (1974), language provides a foundational structure for the world around us by organizing it into tangible entities that we can, as an effect of that language, then describe and discuss. Without language, Saussure argued, "thought is a vague, uncharted nebula" (p. 112). Language does not only name the objective reality, however, it plays an important role in realizing reality, as well as its meaning for us within the linguistic communities we inhabit. Different cultures, that is, different linguistic groups, think about the world in different ways. As a result, the problems of translation can arise and have wide-ranging implications. It is the fact that language is one of the means of communication, but it can also be one of the greatest obstacles and a barrier that is manifested in every aspect of global communication. As a consequence of ever-growing globalization in almost all aspects of living, a series of changes and adaptations in the majority of languages of the world has occurred. Language terminology, as Budin (2001) argues, is affected by at least three factors: the need for linguistic improvisation, which introduces change; internal and social pressures to preserve ethnic identity through preserving even small languages and language traits in the environment of larger language communities; and the importance of standardizing meaning in order to enable understanding (p. 7). The views on terminology as a scientific discipline vary considerably, and there are currently a number of treatments of this field as well as several debatable questions surrounding it. Terminology is regarded as an aspect of language planning, with important links to other aspects of this activity, particularly in organizational and decision-making structures.

### 2. TERMINOLOGY MANAGEMENT IN MARKETING

Due to its international character, business terminology is being even more rapidly and severely influenced and changed. Since language is prone to change, terminology in marketing is also overloaded by the massive production of newly generated terms. Therefore, terminologists find it hard to keep pace with the

linguistic, technological, and terminological development inside the field. Additionally, dissimilar terms very often designate the same concept, which results in amassed terminological reference.

In Serbia, the prevailing terms are Anglicisms, and they are either adopted in the original form or adapted up to a certain extent by applying the rules of the Serbian language. It is no wonder because numerous strategies entered Serbia from the English-speaking countries. Some existing terms have been replaced by newly adopted Anglicisms and in case of marketing terminology it is being even more rapidly and severely influenced due to its international character. Rapid economic and cultural transition affects all aspects of communication. Economic foundation system of public and private ownership has been changed in Serbia, and therefore, the transformation has caused a number of other, subsequent activities in the development of society. Political and monetary requirements imposed by the EU, being compatible with preconditions for a successful transformation of the country, are perceived to be a developmental means to this end. Thus, the accession of any country to the EU also raises the question of the importance of the use of languages and need for proper communication.

During the work of EU institutions new concepts and terms have constantly been generated and English, as a source language, which accounted for 75% of all the texts, provides the base for the production of newly generated terms in other languages. The fact that the terms in the Serbian language show an increasing tendency towards lexical borrowings and that sometimes several terms for the same concept enter the Serbian language depending on the preferences of the users, imposes a need to the linguists, terminologists and translators to take control over these established set of rules (Jakić, 2014). Consequently, the linguistics community of Serbia has long recognized the need for terminology management for the purpose of ensuring reliable and high quality communication. Serbian linguists and terminologists show their readiness and a willingness to participate in the further development and improvement of all forms of cooperation, initiatives and proper language communication. Their aim is to establish terminology as a separate discipline in Serbian culture and science by raising awareness of the terminology, i.e. the awareness of the meaning of the language and its terms, and by studying its systems of terminology. In many scientific fields managing of terminology is still lagging behind, which causes problems and leads to the inconsistent use of terms in a number of specialized fields, as well as in marketing.

In the process of striving for language precision, the terminology of each language needs to be accurately defined and consistently used. Harmonized language requires uniform methods to efficiently establish consistency with other scientific fields, and to therefore allow for easier access to various fields of knowledge, improves the precision of data and helps subject experts in achieving and sharing more effective terminology. All terminological work is based on the conceptual system of the professional fields to which it refers. In non-specialized language use, two or more words having approximately the same meaning are reciprocally related due to the fact that one expects some variety in the vocabulary choice of common language. In such cases, terminology management does not appear to be that necessary, since the use of terms which are different in formation shall not be the same. As opposed to unspecialized fields, the terms in the specialized ones having more or less the same meaning should not be used interchangeably since the terminology of a given field of knowledge is not an approximate collection of terms, but rather a system of terms expressing the members of a system of concepts and creating a single system of terms for their broader use. In specialized areas the specialist is supposed to use more precise terms because they involve much wider usage.

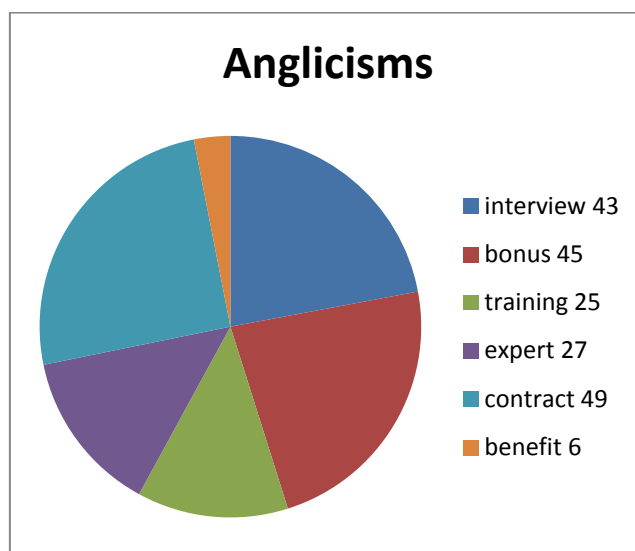
The need for well managed terminology is shown generally in the globalization and digitalization of businesses and services, as well as in the increase in cross-border investments and borrowings, as it contributes to a more coordinated certification of products and the administration of standards and, ultimately, leads to uniformity for the benefit of all. Managed terminology in business relations involves an understanding of and an agreement to use specific definitions for terms and concepts ensuring that terminological data collected from different studies, research centres, or other institutions carry the same meaning. It is a fundamental step towards collecting and comparing data exchange, and requires a consensus among its users as to ensure successful communication. If these requirements cannot be equally met because of some practical limitations, a careful selection of 'given priority' requirements in each individual case must be carried out, in order to establish clear principles that lead to the development of practical, applied terminology and produce comprehensible and consistent terminology in this field.

In marketing, terminology management should include both linguists and non-linguists, that is, the experts in the treated area. We tend to believe that the current state of Serbian terminology for the most part has resulted from the lack of linguistic awareness among experts. Therefore, more careful and consistent use of terms in marketing would contribute to the process of terminology management. With this greater awareness, organizations, countries and language communities are increasingly feeling the need to formulate systematic terminology policies. According to UNESCO's Guidelines for terminology policies, this trend coincides with the requirement that today's accelerated globalization needs to be complemented by accelerated localization, that is, translation and adaptation to comply with local cultural and linguistic terms. This is also the case in marketing in the world of digital communication, when a lot of new terms are adopted and adapted from the English language.

### 3. SURVEY

The aim of our survey was to provide an insight into the current state of business terminology while its particular aim was to gain insight into the issues related to which extent and in which way the business terms are in use in communication when the respondents are students of business and management in the organization that educates for work in this area. As its major focus, the results of this analysis may help facilitate the mutual use and acceptance of terms, save resources for both governments and industry (as they are the target groups for the terms at all levels), and predominantly contribute to the harmonisation of business terms for accurate online and offline communication in marketing.

A specific target group has been questioned – a poll of 50 students of undergraduate academic studies of the Faculty of Organizational Sciences in Belgrade, University of Belgrade, Serbia. Since they are the future specialists in management, marketing, and HR, the main point of interest has been to strive for examples of inconsistency in use of business terms and to determine their perception of their future professional language. The terms were selected from the ISO IEC 9000:2007. A survey in the form of a questionnaire was conducted and conclusions were drawn on respondents' answers. The questionnaire consists of questions divided into Block A and Block B. Block A comprises questions that directly relate to personal information about respondents, while block B examines their views and answers to the posed questions. We obtained interesting results and identified several problems. For the purpose of this paper we are presenting three important graphs showing the results of the treated problems: Figure 1 – *Term use*; Figure 2 - *Term preference*; Figure 3 – *Evident loans*.



**Figure 1.** Term use.

The question of term use aims at the examples of the influx of anglicisms into languages other than English, in this case the Serbian language; whether they are used in their raw or adapted form and if they are used instead of or in parallel with the already existing domestic or naturalized terms. Graph 1 shows how a new trend of straightforward acceptance of anglicisms is pertained in Serbian: *interview* (43 respondents) vs. the Serbian translation *equivalent* (7 respondents); and *bonus* (45 respondents) vs. the Serbian translation *equivalent* (5 respondents). Equal or almost equal use of anglicism and the Serbian terms is shown in the following examples: *training* vs. the Serbian translation *equivalent* (25 vs. 25 respondents) and *expert* vs. the Serbian translation *equivalent* (27 vs. 23 respondents).

It is noteworthy that all respondents selected the descriptive forms for the term *short listing* and *recruitment* - (50 respondents - 100%). In the example of the term *contract*, 49 respondents suggested Serbian translation *equivalent* while one respondent was for the anglicism). Similar is the case of the use of the term *benefit* where we had 44 respondents for the Serbian translation *equivalent* and 6 respondents for the Anglicism. Other opinions of the use of other sources are differentiated, indicating openness to new forms of gathering information.

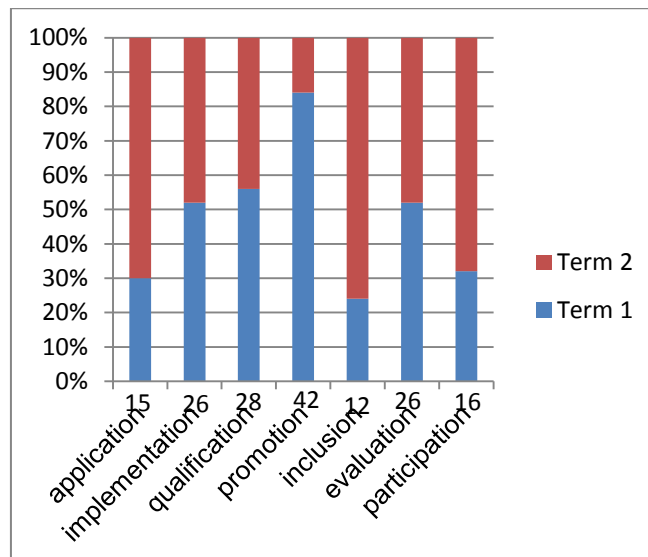


Figure 2 - Term preference.

The graph 2 shows the relationship between the terms offered. It also shows the respondents' preferences in use of one term over another. Attention is focused on the degree of adaptation of assimilated loanwords structurally integrated into the Serbian linguistic system. The graph shows that all the terms are almost fully adopted and adapted into Serbian and are literally translated - English phonemes are replaced by native phonemes (in part on spelling and in part on pronunciation) and free morphemes are fully integrated into the language. In most cases the English suffix is replaced by the Serbian suffix of a similar semantic content: the suffix *-tion* got Serbian suffixes *-acija* or *-ija*. Respondents offered in minor percentage their own replacements in Serbian for the given terms.

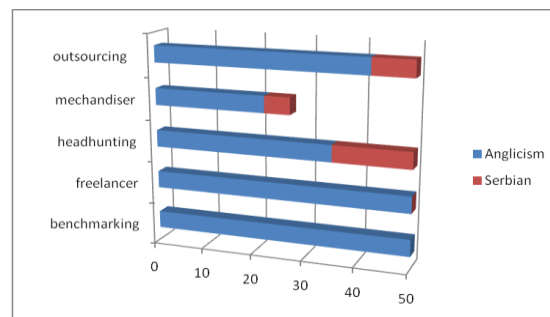


Figure. 3: 'Evident loans'.

This graph represents the list of most often used 'evident loans' from English. Since the process of borrowing is a simple process, one language adopts an object or a concept from another language for which it does not have the term in its lexicon and borrows the respective foreign term and later on, adapts this borrowing into its linguistic system. The graph shows that two terms (*benchmarking* and *freelancer*) are fully adopted and adapted into Serbian - English phonemes are replaced by native phonemes (in part on spelling and in part on pronunciation) and free morphemes are fully integrated into the language. The term *headhunting* is literally translated into Serbian, while the percentage of newly formed terms in Serbian for the terms *outsourcing* and *merchandiser* is insignificant. The loans, above all those that denote the concepts that last for some time will either disappear or become fully integrated into the linguistic system of a recipient language.

#### 4. CONCLUSION

There are several conclusions arising from the results of this small-scale research conducted at the Faculty of Organizational Sciences in Belgrade. Firstly, when faced with a choice between two terminological synonyms - an anglicized term and its domestic equivalent denoting the same concept from business terminology, students tend to use both equivalents, but are slightly more inclined to domestic ones. This opposes a common belief that anglicized terms prevail among business professionals since they are regarded as prestigious alternatives to plain domestic ones. The result gained is due to the fact that Anglicism's tested in the questionnaire have just recently entered the Serbian language, are not yet fully integrated and, according to terminology standardization experts, redundant and unjustified since there is an

already existing Serbian equivalent. Some authors even believe that one of the most important criteria for the adequacy of a term is the absence of synonyms (Bugarski, 2009). The results of the second part of the questionnaire imply that most respondents understand the concept behind the tested English business terms and can provide Serbian translations, but when presented with an anglicized and a domestic equivalent for the same term, again tend to use the domestic ones more often. Secondly, our most important conclusion of this small scale survey is the one that confirms the existence of terminological confusion in the Serbian language, i.e. semantic differences in the way Anglicisms are used in English and in Serbian. The results gained proved that the Serbian language is lacking terms for many newly created business concepts and is therefore turning to Anglicism as a quick solution for fulfilling the lexical and/or conceptual void. Having in mind that our respondents are not experienced professionals but students that still lack specialist knowledge and are yet to enter the world of business, we tend to believe that they are unfamiliar with the semantic meaning of the English terms tested in the third part of the questionnaire, which proves that the terms in question are not fully accepted and integrated into the language, and therefore not yet adapted to Serbian grammatical and orthographical system.

In short, the results confirmed parallel existence of domestic and anglicized terms for the same business concepts and pointed out to the respondents' preferences as to which equivalents they tend to use. The questionnaire also proved the inability of the Serbian language to keep pace with ever growing development of terminology in the field of business in general, and is therefore adopting global, international terms that need time to be fully incorporated into the language and often cause confusion in the process. Most importantly, a significant number of false friends and synonyms indicated the urgency for terminology management in the field in question. The rapid change in the digital era represents a major challenge to achieving the consistency in terminology in marketing necessary for good communication. There is a growing need for companies to identify terminology in their internal communication and plan a course of action in order to enable the success of work in the future. Furthermore, it is of great importance to develop corporate standards, but also to align them with external standards and practices, especially when cooperating with governments, international companies and Academia.

Even though the survey presented in this paper is a small scale one, it can be regarded as an initial step towards more detailed survey of Serbian terminology and steps towards its management.

Namely, further study of the topic in question may include corpus-based study of other word classes (in addition to nominal loanwords presented in this paper) to determine which word class is most susceptible to the use of Anglicisms and the resulting terminological synonymy and confusion. Secondly, terminological confusion resulting from the unjustified use of English loanwords in their adapted or non-adapted form can be viewed in a historical perspective and by considering some sociolinguistic factors. Another possible study may include the comparison of the state of the terminology of the Serbian language and in the neighbouring countries with the purpose of determining and comparing tendencies and trends, as well as suggesting solutions

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## BUILDING DIGITAL BRAND AWARENESS FOR KFC SERBIA

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**Abstract:** *The development of technology has led to a change in the way companies operate, as well as to the advancement and increasing use of digital media as a means to increase consumer brand awareness. This paper investigates digital marketing and the development of Internet technologies that have led to a change in brand strategy of major company KFC in Serbia. The purpose of the paper is to indicate the possibilities that digital marketing provide to companies, and how they can successfully perform online strategies and increase consumer engagement, thereby increasing brand awareness. The paper includes some of the most important conclusions of global researches on the subject of digital media, with a special focus on the generation of Millennials, while KFC example provides insights from practice from its business in Serbia. A comparative analysis of selected periods was made using reports from Facebook, Google Analytics, and a mobile application analyst. Through analysis of current digital marketing strategies performance, the goal of the paper is to point out the most important factors that influence brand awareness, focusing on the challenges they face, and the benefits companies have if they decide to go online. More precisely, the aim of the paper is to present the impact of technological changes on improving brand performance using social media, on the profitability of such a business by creating long-term value for consumers, as this creates loyalty - the largest intangible assets of each brand.*

**Keywords:** *digital brand, brand awareness, Millennials, social networks, Facebook, mobile app, KFC, Serbia*

### 1. INTRODUCTION

In the era of mass production and growing competition among manufacturers, consumers are forced to search for information that will facilitate their purchasing process. The main characteristic of offline consumer era were information consumers received exclusively through a brand's advertising campaigns. Thus it was the main source of information about the company's products and services. However, with the emergence and increase in use of the Internet and the development of technology, consumers got a completely new dimension in terms of using information. Information became easily accessible to everyone and at any time. The one-way communication between companies and consumers got a new form by the appearance of multiple sources from which consumers can create a fuller picture about the brand. Digital or online consumers are generations of consumers born in the aftermath of the 1980s, which, due to the development of digital technologies, expanded their skills in using the Internet (Bolton et.al, 2013). Generation born after the '80s is known as the "Y" generation or the Millennials (Wesner& Miller, 2008). Today, Millennials present almost 1/4 of the world's population and a very strong community that dictates new trends and a new way of exchanging information. Generation Y primarily seeks transparency, and accordingly, companies have to harmonize their values with messages they send through advertising, because otherwise companies will lose value in the eyes of consumers who manage the perfect competition market. (Aitken, 2007)

A typical representative of Millennials is a person who is twenty years old, actively uses new technologies and enjoys meeting people on the Internet. They use mobile applications every day, visit websites and likes to try out all the innovations in the field of digital and mobile technologies. Millennials are inclined to change their jobs, have confidence and like to photograph themselves and publish photos/videos on social networks such as Instagram, Twitter and Facebook (Bolton et. al, 2013). For them success is especially important, as well as to have enough money and to be financially independent. While the previous generations found security in working in large companies, Millennials are striving for entrepreneurship, or the establishment of one's own business (Goldman Sachs Global Investment Research, 2018). They daily browse the Internet, do online shopping and get informed exclusively online. Millennials are using applications such as TripAdvisor instead of traditional travel guides, AccuWeather instead of traditional weather forecasts in print media or on TV, and they read online newspapers instead of printed ones. What is the most important for companies is the fact that a person from the generation Y is immune to promoting brands in the traditional way, which is almost without affect in their purchasing decision (Deloitte, 2017).

## 2. DIGITAL BRAND AWARENESS

Brand awareness is one of the most important dimensions of the brand and one of the key objectives in the process of brand building. Brand awareness includes both brand recognition and brand associations (Keller, 1993). It refers to the ability of consumers to remember and recognize the specific brand and its elements. According to Aaker (1991) the essence of recognition is that the brand associates consumers to the different characteristics of a branded product in relation to the competitors and that consumers recognize its basic characteristics.

In order to define what consumer brand awareness is, we need determine whether the brand is present in minds of consumers and do they relate it with the product category. Kotler et.al (2005) state that there are several categories of brand awareness in relation to the intensity of recognition:

- Without brand awareness - consumers have never heard of the brand;
- Brand recognition - consumers recognize the brand among listed brands;
- Brand recall (with help)–consumer can recall brand when it is mentioned;
- Recalling a brand without help - it's not necessary to mention the brand for consumer to recall;
- Top of mind - The first brand in consumer's mind when a product is mentioned;
- The dominant brand - the only brand that consumers remember when a product is mentioned.

The importance of the digital marketing impact on brand awareness can be best perceived through data obtained in research conducted by eMarketerRetail agency, which focused on US online consumers habits. The results have shown clearly the influence of digital media, especially when consumers were asked how they heard about the site of a particular brand (see Table 1). According to the data from the research, social networks and the entire digital presence of the company bring consumers to the website. On the other hand, traditional approach of influencing consumers' minds such as: friend recommendations, traditional marketing channels, and visits to stores of a given brand, have less impact (eMarketerRetail, 2017)

**Table 1:** Communication channels that drive US digital shoppers to visit a brand manufacturer's site

Social media advertising	51%
Ads in search engines	47%
Recommendations from friends/family	38%
TV/radio	35%
In-store visits to a brand manufacturer's physical store or retailer	31%
Emails that include a personalized offer	25%
Newspapers and magazines	25%
Promotions (coupons/discounts)	25%
General email from a brand manufacturer	24%
Printed catalogs	23%
Banner ads on content sites	22%
Mobile ads	22%
Billboards	9%
SMS or text messages from brand manufacturers	9%

Having in mind the importance and the impact social media have on brand awareness creation, following section will bring more insights into the matter.

### 2.1. Social media

Social networks are online communities based on membership that allows users to interact with each other on the basis of common interests (Boyd & Ellison, 2008). These social platforms give people the opportunity to express themselves and to have fun in the social environment. In recent decades, social networks evolved into digital social networks where technology analyzes human behavior and, on the basis of it, helps people to connect with other people of similar interest (Park et. al, 2009; Weber, 2009) The incredible growth rates recorded by social networks in past years prove that people still have a need to belong to some sort of social community, and that the social web is the closest approximation to real social life, without the need for a physical presence (Social Media Today, 2018).

A study carried by Universal McCann explored a popularity degree of various activities that people deal with on social networks (Weber, 2009). The main conclusions from the study are:

- The most popular activity is sending messages to friends 81.5%;
- Photos sharing is second rated social activity with 76.3% of total responses;
- Joining different online groups is on the third place with 47.9%;
- Installing useful applications or widgets is the favorite activity of 33.5% of surveyed social network users;

- 33.1% of respondents prefer to upload videos;
- Nearly 30% of respondents use social networks to create contacts for business reasons;
- 24.4% of respondents install applications or widgets on their profiles to see others;
- 23.7% of them stated the organization of events as the most important reason for their presence on social networks.

Analyzing the results from this study implied that a number of popular social media activities provide marketers with numerous opportunities to promote their brands. However, in order to grasp influence of social media, marketers first need to create adequate digital strategy, which will evoke the interest of users through social networks. But the question remains what is the best and most accessible communication channel to communicate brand message.

## 2.2. Mobile marketing

Until a few years ago, the mobile phones were used only for conversation and short communication. Today, mobile devices are integral part of people's lives: from education to financial services and trade and even to entertainment. The development of mobile services brought the transformation of lifestyle, learning, work and entertainment, so whole society become dependent on the help provided by these services in carrying out everyday tasks (Bauer et. al, 2005). Also, the use of mobile phones has completely changed the way of daily communication among people, because interactions with others become easier than ever, and its frequency and duration is increasing daily (Forbes, 2017). Communication became omnipresent, possible everywhere, at any place and at any time. According to ITU estimations from 2015, around 3.2 billion people has PC Internet access, out of which approximately 90% actively uses e-mail services. When we compare this data with over 4 billion active mobile users, it becomes clear why the mobile phone is considered number 1 communication channel on the planet (ITU, 2015). Baring in mind the fact that the number of mobile phone users is constantly increasing, the figure probably exceeds the limit of 5 billion active users.

In order for mobile marketing to succeed, each mobile device, service or application needs to possess features popularly called "6M"(Ahonen, 2008). 6M features are crucial for mobile users experience and consist of:

- *Movement* – use the best possible way to communicate when consumers are on the go, away from their TVs, radios or computers;
- *Moment* – enable users to manage time and timely information how they want,
- *Me* – for many users the mobile phone becomes their alter ego over time. The continuous process of personalization and adaptation of mobile phones can be used by smart marketers to offer customized services to users;
- *Multi-user* – giving users the opportunity to participate interactively in the community in which he/she want;
- *Money* – the ability to perform various types of transactions through mobile phones;
- *Machines* – the technological advancement of mobile phones provides a wider range of mobile marketing opportunities.

Therefore, mobile marketing represents the best communication channel that connects business with every consumer who uses mobile devices at the right time and in the right place with the right message. With the development of the mobile industry and an increase in the number of active mobile phone users, companies are struggling with new tasks - how to successfully take advantage of mobile marketing and create a brand awareness through mobile devices.

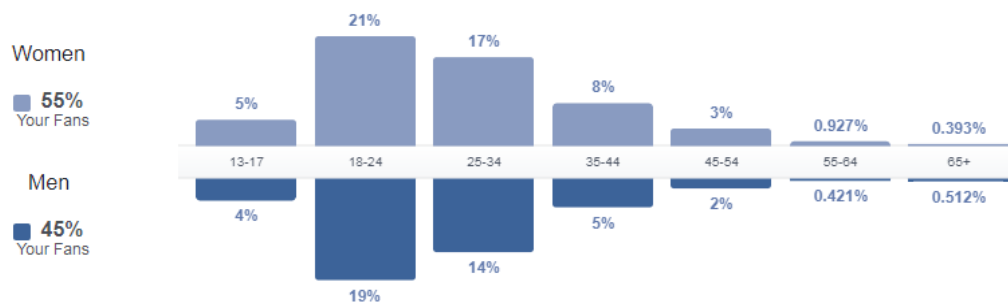
## 3. KFC COMPANY BACKGROUND

Kentucky Fried Chicken, or KFC, popular, global fast food restaurant chain, is present in over 100 countries around the world, and is visited by nearly 20 million people every day. (KFC official site, 2017) The first KFC restaurant was founded in 1930 by Colonel Harland Sanders by purchasing motels and coffee shops in Kentucky. Sanders had only the recipe for excellent chicken stored in a specific mix of spices and herbs, as well as a great belief in achieving success. From the beginning, the guiding star was the principle "Put your heart into what you do and do the best you can." (KFC official site, 2017) The principle is still being followed in all KFC restaurants around the world. In Serbia, began its operations in 2007, and in 2009 the first steps were taken regarding KFC's digital presence. The first step was developing social network profiles, a website, and the first mobile application for food delivery in Serbia. (Internal company data) On the market, full of challenges, the KFC brand is now positioned as one of the best and most recognizable fast food restaurant chain in Serbia. KFC brand awareness in Serbia is mainly created through digital communication channels. Today, KFC Serbia has 107,952 fans on Facebook, 4,237 attendees on Instagram and 1,270 followers on Twitter. (Internal company data)

On the example of the KFC brand it will be show how to use digital communication channels in order to raise brand awareness among consumers on a challenging market like Serbian. The main sources for research presented in this paper are internal data collected from Facebook, Google Analytics and mobile application analytics. The data presented in the paper are acquired from KFC Serbia official Facebook account, official website and mobile app in period from 2016 and 2017. Based on analyzed data the most important conclusions regarding KFC's digital marketing strategy and how they rose brand awareness will be presented in the paper.

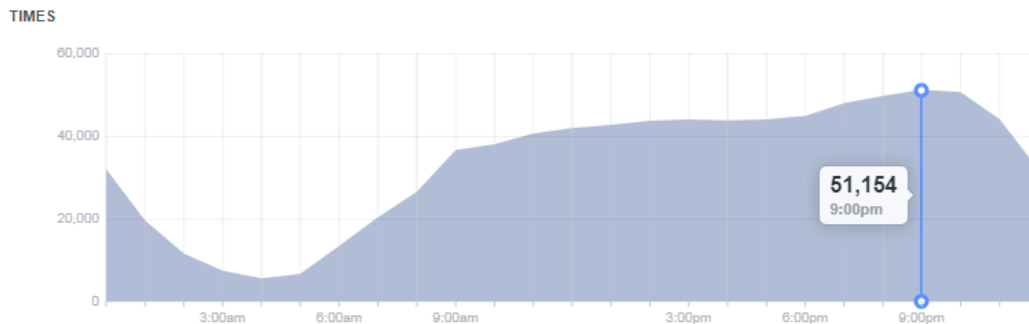
### 3.1. KFC Facebook strategy

As Facebook is the most popular social network in Serbia, KFC Serbia focused most of its digital marketing efforts on this social media platform. Although men and women are almost equally present in fan base of KFC Serbia (see Figure 1), company decided to focus its digital communication on women between the ages of 18 and 34. Women were selected and precisely targeted in KFC Facebook communication because they are ones who most commonly make decisions about eating options and are more accessible online.



**Figure 1:** Demographic characteristics of Facebook fans in 2017 - division by gender and age (Source: internal company data)

Data from 2017 suggested that fans are usually online in the evenings, and then they have the most reactions, shares and comments on KFC Facebook posts (see Figure 2). Further analysis of KFC data on users' activity on Facebook, pointed that fans are usually online around 9p.m. in autumn and winter, and around 10p.m. in summer.



**Figure 2:** The period of day when fans are most often online (Source: internal company data)

In KFC's digital advertising, focus is primarily on Facebook advertising. The main reason for this approach could be found in the fact that Facebook offers a very wide range of advertising and consumer targeting options. The Facebook platform provides a wide range of publishing formats that can be placed on the brand page. (see Figure 3 and Figure 4) Accordingly, the KFC page combines various kinds of posts. In order to maintain fans' attention and to increase brand awareness KFC Serbia decided to combine various types of advertising on its Facebook page. According to internal KFC reports, Facebook posts were promoted in an innovative way through:

- *Engagement* - when promotion aimed to generate as many consumer reactions as possible, and
- *Reach* - when promotion aimed to raise brand awareness and maximize consumers' reach.



Figure 3: Carousel

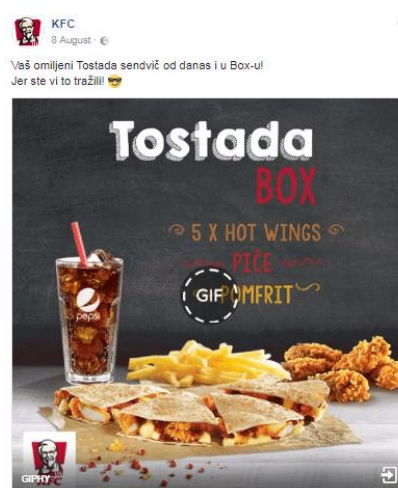


Figure 4: GIF

In order to monitor and measure the impact of its digital presence, KFC Serbia is tracking following metrics on Facebook:

- Traffic – the goal is to generate as many website visits as possible;
- Website click conversations – the goal is to direct visitors to the site, and then measure purchases made through the visit;
- Facebook page likes – generate as many Facebook followers as possible;
- Instagram page likes – generate as many Instagram followers as possible.

KFC Serbia is tracking the success of its Facebook strategy also through page like campaign performance and Table 2 presents overview of all campaigns implemented in 2017.

**Table 2:** Page like campaign performance in 2017(Source: internal company data)

Year 2017.	Impressions	Reach	Clicks	Page likes	€	CPC (cost per click)
January	125,587	43,680	1,048	587	49€	0.08
February	82,242	32,525	833	502	50€	0.10
March	55,251	30,542	813	561	50€	0.09
April	68,682	29,435	890	586	50€	0.09
May	57,053	23,950	676	452	50€	0.11
June	72,499	29,641	758	465	71€	0.15
July	40,863	19,134	553	378	57€	0.15
August	39,144	17,622	492	307	41€	0.13
<b>Total</b>				<b>3,838</b>	<b>565€</b>	

The most important indicator of Page like campaign is the ratio between the money invested and the results achieved (number of new Page likes). This indicator is called CPC (cost per click) and the optimization of the campaign aims to reduce its value. When analysing the results of the Page campaign in 2017, it can be concluded that in January the price of the click was the lowest. As noted above, in July the design of the Page like campaign was changed with the purpose of attracting users to like the KFC Facebook page (see Figure 5). By August 2017, for 565€ that were invested the 3,838 new fans were reached.





**Figure 5:** Page like campaign (Source: internal company data)

Another way to attract new fans and measure their activity on the page is creating Website click campaign. It is optimized to drive traffic and generate conversions on brand's website from Facebook targeted to specific audiences of users. These campaigns allow to feature your website content within a Facebook in a way that is designed to maximize click-through to brand's website.

**Table 3:** Website click conversions campaign performance in 2017 (Source: internal company data)

Year 2017.	Impressions	Reach	Clicks	Page likes	€	Conversions
January	507,962	149,312	2,478	41	121	86
February	122,458	53,673	601	11	67	28
March	69,344	35,211	514	6	47	25
April	92,147	35,605	799	10	50	31
May	200,794	54,048	1,600	27	135	99
June	121,696	6,442	541	11	89	111
July	151,913	6,919	652	9	119	120
August	169,080	21,492	754	12	116	104
Total					744€	604

The goal of Website click conversion campaign was to measure online conversions generated by visits from Facebook. The Facebook analyst of this type of campaign allowed us to see how many users clicked on ad, then visited website, and how many of them made purchases on that occasion. From the beginning of 2017 till August, 604 conversions on the site were made as a result of the website's arrival through the click-through campaign in which KFC invested 744€. The campaign has been optimized since June, and consequently we can see a higher number of conversions in that period.

### 3.2. KFC brand website and mobile app

The KFC website was analyzed through Google Analytics, which provided us with a wide range of information on consumer activities on the website, and they were a great tool for planning future digital marketing activities.

**Table 4:** Number of sessions and users in 2016 and 2017 (Source: internal company data)

Year 2016		Year 2017	
Sessions	8,438	Sessions	23,970 (+15,532)
Users	6,702	Users	17,527 (+10,805)

During August 2016, there were 6,702 active users who visited the website and 8,438 visits (sessions) were generated, while in August 2017 website had 17,527 users and 23,970 sessions. In August 2016, out of the total number of visitors 26.7% were returning visitors (those who had previously visited website) and even 73.3% of new visitors (first time on KFC brand website). In comparison with same period previous year, in August 2017, the ratio was a little different, 33.4% were returning visitors, and 66.6% were new visitors. This



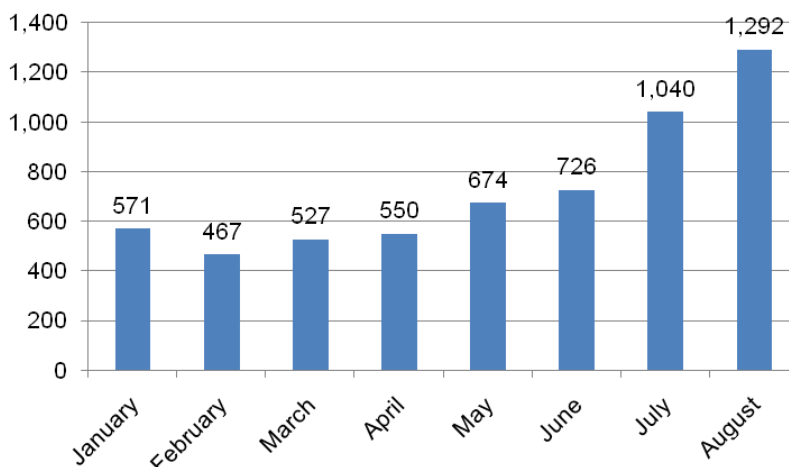
pointed to an important fact, the whole effort of raising brand awareness through digital channels gave positive results. According to company's data in 2017 the number of new website visitors increased in every month. Additionally the analysis of devices through which consumers accessed their website was very important for KFC. Analysis pointed that consumers most commonly access KFC website through mobile and smart phones – 75% of all visits were made through mobile phones (see Table 5).

**Table 5:** Number of sessions by device category in August 2017(Source: internal company data)

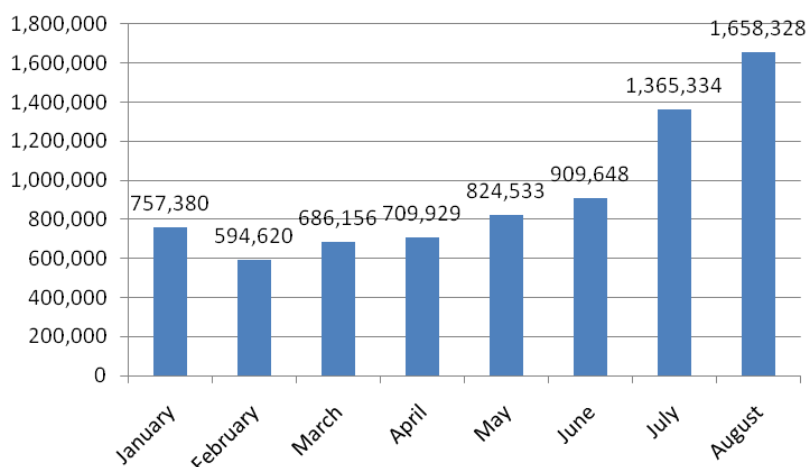
Device type	No. of sessions	%
Desktop	5,579	23.27%
<b>Mobile</b>	<b>17,988</b>	<b>75.04%</b>
Tablet	403	1.68%
Total	23,970	100%

Bearing in mind these important findings, KFC Serbia decided to focus all its digital marketing activities on mobile marketing and try to provide consumers with easy, pocket accessible and fast consuming messages. As a solution to this new situation, company made one of the most important strategic decisions and started to move all purchases onto existing mobile app.

The mobile app was primarily created to ease the delivery of KFC products back in 2013. From the day one the app recorded excellent results and growth in orders. From the beginning of 2017 until August of the same year the total value of all 5,847 orders amounted to 7,505,928 RSD (see Figure 6 and 7), which was significant increase compared to total income in 2016.



**Figure 6:**Number of purchases generated through mobile app in 2017(Source: internal company data)



**Figure 7:**The value of purchases generated through mobile app in 2017(Source: internal company data)

In the case of the KFC brand, we can notice how important it is to constantly invest in digital brand performance, even if the company already has a good image among consumers. The example of KFC Serbia emphasises the need of every company to keep up with the innovations primarily driven by the development of Internet technologies, social media in order to answer the need of modern consumers.

Digital media offered great opportunities to KFC Serbia to raise brand awareness. As presented in the paper KFC brand has detailed plans for implementation of its digital strategy and takes into account the needs and aspirations of its consumers as an imperative when creating its online presence.

#### 4. CONCLUSION

For each brand, the orientation and consistency of marketing strategies are crucial. The digital strategy of a brand should be designed in a creative and innovative way, and to contribute to increasing brand awareness. Creating an online community of brands among existing and potential customers can be a cost-effective way of increasing brand awareness, expand consumer base and improve brand loyalty. The Internet, digital marketing and especially social media play a vital role in creating powerful brands of today.

The Internet has become the most trusted medium and consumers increasingly make decisions based on the search, comments and experiences of other consumers. In the era of consumers' interconnection through the Internet and social media, brands are forced to create interesting content that users want to share among themselves. Successful digital marketing is based on a tradition that is adapted to the environment set by digital media in synergy with new techniques used in digital communication. The example of KFC Serbia is one of the best practice examples how a company successfully integrated digital marketing and social media in its business, with the purpose to answer to changing consumers habits and needs. As a result, KFC Serbia increased its brand awareness, primarily through social media communication and mobile marketing. Also, company has shown that it is of utmost importance to find adequate communication channel for presenting its offer and brand. For KFC Serbia the solution was found in mobile marketing and development of mobile app. Even though, presented example focuses only on the application of digital marketing it can serve as a guidelines for companies facing similar situations.

In the past companies were cautious with digital marketing budgets, while today almost every company is focusing its marketing efforts on digital marketing and digital budget exceed traditional advertising budgets. As the Internet penetration in the target consumer group is growing companies are turning to more direct communication and timely solutions like mobile apps. In digital marketing, there are no borders and with the help of digital marketing, smaller brands have the opportunity to "make name" for themselves, while big, global brand like KFC are using it to strengthen the brand.

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## CASE STUDY: DIGITAL STORYTELLING IN BRAND MANAGEMENT OF MOXY HOTELS

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**Abstract:** *This case study brings practical insights into strategic business shift of one of the leading players in hospitality industry Marriott International Inc. Authors of the case study present new business concept that targets especially Millennials, Moxy hotels – affordable but quality, fast consuming, and sharing economy hotel concept. Developed as Marriott's answer to changing demographic and lifestyle trends, as well as growing competition like Airbnb, Moxy is the best example how hospitality industry is changing. The focus of the case study is on application of digital storytelling in developing a new hotel brand. Innovative approach in building a brand is presented through analysis of Moxy's digital strategy, social platform selection and content creation. The case study particularly emphasizes the use of creative digital tools like Instagram, a social platform for sharing photos and videos, YouTube and Snapchat for vlogging, and collaboration with local influencers to raise awareness and gain significance among Millennials.*

**Keywords:** *digital storytelling, brand, Instagram, Millennials, Moxy Hotels, Marriott*

### 1. INTRODUCTION

April 2<sup>nd</sup> 2013, Bethesda, Maryland, Jennifer Utz Ileck, Marriott International Vice President/Buzz Marketing and Partnerships, was looking at the market report from previous quarter. The figures were clear, Marriott International was not gaining profit in young travelers segment, known as Millennials. Market reports were also suggesting the rise of Airbnb, a new competitor that is in fact a community based, two-sided online marketplace that helps connect travelers with local hosts. With Millennials coming into prime spending years, as well the rise of growing unconventional competition, Jennifer knew something radical had to be done. While she was preparing a presentation for her Board meeting, she was thinking what should be the next, big, strategic step for Marriott in these challenging times. Thus, she called young members of her team to get some insights of how they perceive the future of hospitality and travel in general. Mike, a graphic designer - aged 22, Mary, marketing manager assistant, age 25, and George, digital content specialist, age 28, share their thoughts with Jennifer.

“Young travelers nowadays want flexibility, freedom, adventure, a close connection with the destination they travel to and a chance to get to know the locals. They want to have accommodation that will feel like home away from home, rather than a sterile room. Millennials want to get authentic local experiences and all that at an affordable price. The most important thing is that they want accommodation tailor-made to their needs and they want it to be online and digital” – this was the feedback Jennifer got from her young associates. Having all this in mind, she drafted a new proposal for the managing board – a new hotel concept which fits Millennials' needs and breaks the chains of the old fashioned hospitality approach. Jennifer called the concept Moxy – adventurous, boutique hotel and affordable luxury especially created for Millennials.

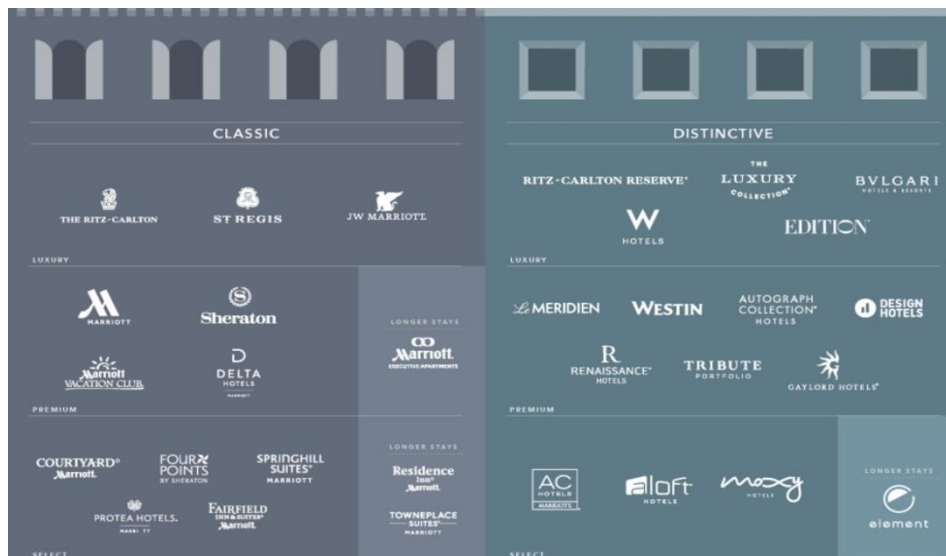
Jennifer knew how to develop a new hotel with all facilities, but she was troubled by how to create an attractive online brand voice and how to create an appealing digital story for Millennials. So she went back to her desk and started researching again.

### 2. COMPANY BACKGROUND

Marriott was founded over 90 years ago by Willard Marriott and his wife Alice, outside Washington, D.C. in Bethesda, Maryland. The business is guided by family leadership since the beginning. The story about a small company business started in 1927 when J. Willard Marriott opened the nine-stool root beer stand that grew into the Hot Shoppes Restaurant chain which evolved into today's Marriott International hotel company. For the next 58 years, Willard built the Marriott brand on a foundation of guiding principles that remain embedded in the company's culture today. Marriott made a historic shift into the hotel business in 1957. The world's first motor hotel opened in Arlington, Virginia, under the management of Willard Marriott's son, Bill. Over the next 25 years, Marriott became a diverse global enterprise, and Bill Marriott became a visionary CEO whose leadership transformed the hospitality industry. Today, Marriott International, Inc. is a leading global lodging company with more than 6,500 properties across 127 countries and territories, reporting revenues of more than \$22 billion in fiscal year 2017 (Marriott, 2018).

### 3. BRAND PORFOLIO

Fulfilling the needs of today's customers is increasingly becoming a main challenge in the hospitality industry. Besides the financial criteria of market segmentation, Marriott International Inc. is using many other criteria like: traveller preferences, lifestyles or age groups, in order to deliver better customer experience. In accordance with customer preferences and lifestyles, Marriott divides its 30 brands into two core brand categories: **Classic** and **Distinctive**, which are further divided. Classic brands represent time-honoured hospitality for a modern traveller, whilst Distinctive brands are targeting those who lean towards memorable experiences with a unique perspective. Both categories are further split into specific groups: 1) *Luxury - Bespoke and superb amenities and services* (Classic: Ritz-Carlton, St. Regis & Distinctive: BVLGARI, W Hotels, Edition), 2) *Premium - Sophisticated and thoughtful amenities and services* (Classic: Marriott Hotels, Sheraton & Distinctive: Le MERIDIEN, Westin, Design Hotels), 3) *Select - Smart and easy amenities and services* (Classic: Courtyard Hotels, Protea Hotels & Distinctive: AC Hotels, Moxy Hotels) and 4) *Longer Stays - Amenities and services that mirror the comforts of home* (Classic: Marriott Executive Apartments, Residence Inn and Distinctive: element) (Marriott, 2018b).



Picture 1: Marriott Hotel Brands (Source: <https://hotel-development.marriott.com/brands-dashboard/>)

#### 3.1 MOXY hotel and the brand

Before 2014, Marriott was perceived as a luxury brand which was available only to people with exceptional incomes. Changing trends in demography and lifestyle of Marriott customers, as well as competitors like Airbnb, forced Marriott to think hard about its next move. After much research regarding the future of hospitality industry and travel in general, management arrived at a conclusion: the main target group for Marriott in the years ahead will be Millennials. Many studies (Deloitte, 2017; Nielsen, 2017; Goldman Sachs, 2018) tend to focus on behavioural and psychological perspective for Millennials, suggesting that they are becoming even more important. The fact that Millennials are, or they are moving into the prime years of spending, was a significant indicator for the future strategy and business development of Marriott's offer. The problem Marriott faced was that they didn't have anything to offer to these young and complicated consumers. Marriott's answer to the rise of Millennials was launching of the Moxy brand (see picture 2). Moxy hotels represent Marriott's first budget hotel, even though it belongs to the Premium division in Marriott's portfolio. The first Moxy hotel was launched in 2014 and opened in Milan (Marriott, 2017). The new concept of budget hotel was designed particularly to target Millennials all over the world. The inspiration for Moxy came from Europe where Marriott joined forces with IKEA, who developed the idea and designed the hotel concept. Today Moxy has 25 hotels in 10 countries, operating in North America, Europe and Asia.



Picture 2: MOXY hotels logo

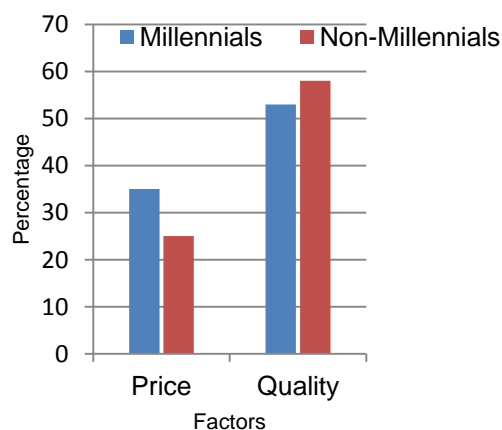
What differentiates Moxy in the market is the offer which focuses on the most creative solution for hotel infrastructure. Before construction of the first hotel started, analyses have shown the most common problems, needs and factors that will weigh in on personal values and ambitions of future travellers. Exterior and interior design were completely adapted to the needs of Millennials from rooms and personal space, to common areas, daily entertainment and staff. Whether Moxy offers one single bed or four twin beds in a room, its main characteristic is a smart design of a small space. Moreover, one of the most unique features of Moxy hotel product is that there is no closet, only a peg wall. Keeping in mind the fact that Millennials don't have time for boring processes of any kind, peg walls are encouraging travellers to hang their stuff on the wall, without losing their time on perfectly wrapped clothes in a limited space (closets). In rooms, guests can also find removable tables, bean bag chairs, many electrical plug-ins for various devices, fast Wi-Fi and a big TV. Moxy also took the opportunity to focus on great showers with rain-head options and comfortable mattresses.

Offering small cosy rooms means that Moxy had to find another way to stand out when it comes to the capacity – enormous and multifunctional public spaces. Knowing the preferences of Millennials, Moxy added value to experience by spotlighting different kinds of restaurants, bars and DJ's every night. In this way Moxy represents for its guests a very social place with lots of plug-ins and play options. Furthermore, depending on the occasion, the hotel lounge can change its character, so guests can relax and have a coffee, play foosball, have a meeting or set up their office.

Modern, casual concept and flexible space regardless of the purpose, fulfils the needs of Millennials and illustrates in the best way the innovative approach in distinguishing itself from competitors. Cutting out the unnecessary spaces and at the same time assigning this area to the parts of the hotel which can be used by many guests at once is mirroring the trends that are coming and which are recognized to be very important and highly appreciated by Millennials (WARC, 2016). Changing the traditional focus and keeping the requirements of the guests front and centre, has resulted in a ground-breaking new business model with one of the crucial factors on the top – low prices for customers and big revenue for the company.

#### 4. MARKET SEGMENTATION – WHO ARE MILLENNIALS?

The Millennials, generation Y, are in the focus of every marketing campaign, presentation, conference, research, sale and marketing department in general. Everyone is talking about the lifestyle, habits, preferences and how to engage with the most complicated generation. The global market and every industry for itself are in the process of adjusting business models, hoping to satisfy the needs of the new, future customers. Generation born between 1980 and 2000 is called Millennials. It is a generation of future travellers with specific demands, expecting from companies to recognize and adapt to their needs. High quality technology and design are two essential features for making Millennials happy. But even though Millennials are demanding quality, price is a more important factor (see Figure 1) making affordability the number one priority for the group. In conclusion, Millennials crave for new travel experiences and adventure at affordable price that they will share across social media with their followers (Goldman Sachs, 2018).



**Figure 1:** Price as important factor for the Millennials (Goldman Sachs, 2018)

Like all other industries, hospitality had to take a big step into a transformation based on the new demographics trends set by Millennials. When it comes to hotels Millennials want a unique, innovative, but personalized hotel experience, which opens a door to new opportunities. Reports from Deloitte (2017) and Nielsen (2017) have shown that Millennials appreciate a personalized offer which includes high energy, eco-conscious and tech savvy opportunities. Millennials are demanding 24/7 high speed Internet connection so they can smoothly browse the web, read news, be informed, and stay connected with friends. Various

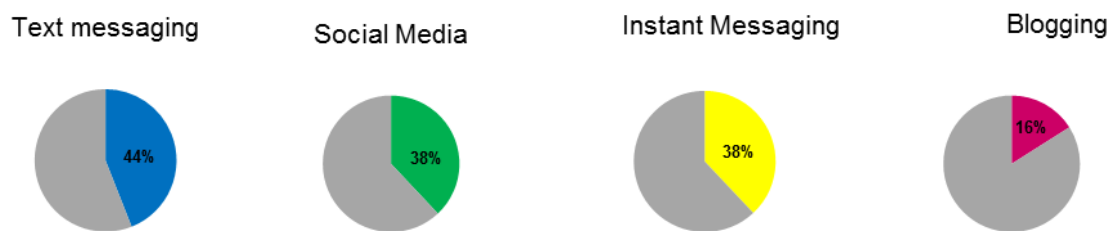


individual requirements put the hospitality industry in a position where they must provide guests with what they want, whenever they want it. Generation Y also wants to get involved with the process of making a dynamic environment (Goldman Sachs, 2018). As the perfect solution, open and public spaces are increasingly set to become a vital factor in socializing.

Moxy hotels successfully responded to Millennials' demands, integrating affordability, tech-savvy solutions, open spaces and quality into infrastructure. The best example of Moxy's proactive approach can be found in hotel's lobbies which grow into the center of all social activities for these new, urban customers.

## 5. MARKETING COMMUNICATION ON SOCIAL MEDIA

Nowadays, if brands are not present on various social media, it's like they don't even exist. Companies select digital marketing communication channels in accordance with preferences and habits of their core target group. When it comes to Millennials – they love to know everything and follow favorite brands. Having in mind Millennials addiction to technology, they are communicating in any available way - almost equally using text messaging, social media and instant messaging platforms like Whatsapp (see Figure 2).



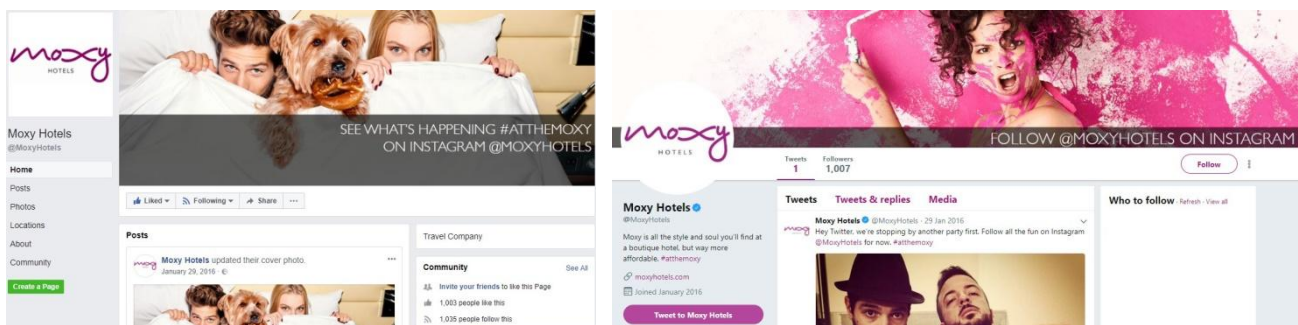
**Figure 2:** Preferences about social media by the Millennials (Goldman Sachs, 2018)

When it comes to brands, it is even more important to Millennials whether a brand is using social media or not. The Goldman Sachs Global Investment Report (2018) suggests that 34% of Millennials love brands that are present on social media more. Having in mind the importance of social media, selecting adequate platforms is essential for the success of a hotel brand. While Facebook was found to be more popular with non-millennials than Millennials, every other measured social media platform (like YouTube, Instagram, Snapchat, Pinterest, Twitter and LinkedIn) was found to be more popular with Millennials (AdWeek, 2016).

Therefore, Moxy chose a digital strategy where they focus all digital communication activities to one platform – Instagram. Moxy's plan was to use all other platforms such as Facebook to gather all Millennials on one place – Instagram.

### 5.1. MOXY – Facebook and Twitter strategy

Moxy's Facebook page was not very active or popular among Millennials. Besides informational nature of the Facebook account, Moxy's Facebook strategy was to use this platform to redirect all Facebook fans to follow them on Instagram (@moxyhotels) and to promote #atthemoxy (see Picture 2). Even though Twitter is popular among Millennials, it is not really a fun way to talk about hotel industry. A similar strategy like one on Facebook was applied on Twitter (see Picture 2). The aim was to use a big audience from two social accounts and pull them towards the most popular platform among young Millennials – Instagram (MarketingProfs, 2017). Thereby, Moxy had a bigger power and influence on its followers there.

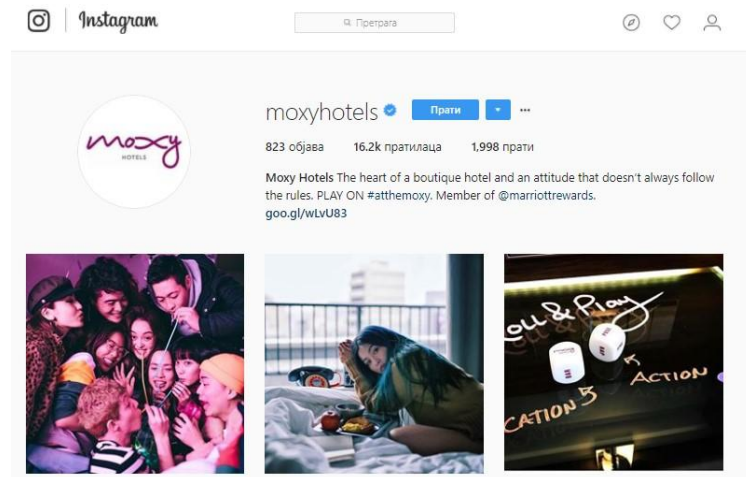


**Picture 2:** Moxy's Facebook and Twitter page  
(Sources: <https://www.facebook.com/MoxyHotels/>, <https://twitter.com/MoxyHotels>)



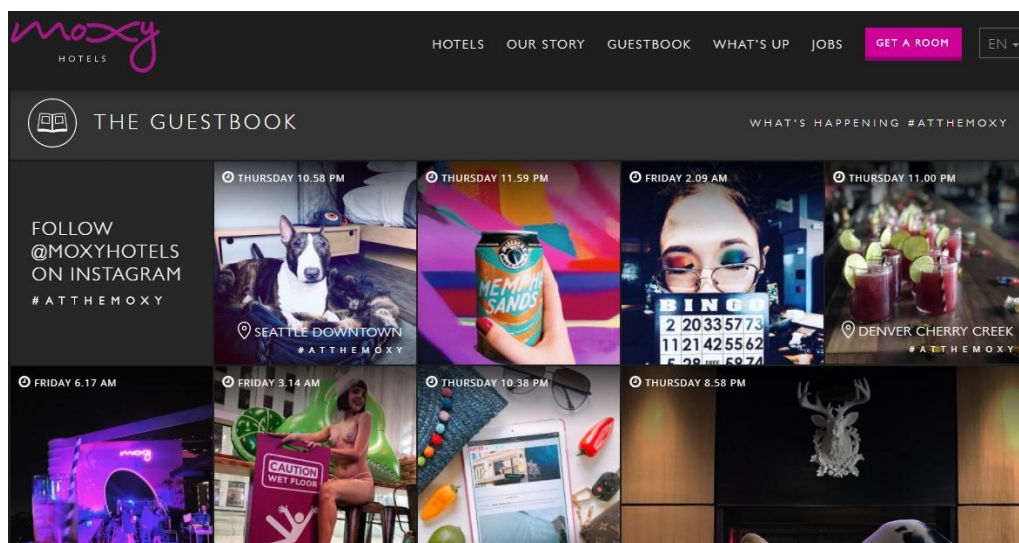
## 5.2. MOXY – Instagram strategy

Photos and videos are the best way to cherish memories from a memorable travelling experience, as well as an easy format to share online. Thus, it does not come as a surprise that Millennials perceive platforms for photo and video sharing like Instagram, a perfect way to present special moments and to connect with places they never travelled to – like a part of the future journey. Therefore, Moxy decided to focus all its online efforts to one platform – Instagram (see Picture 4). Moxy's Instagram profile presents attractive content, allowing Millennials to easily relate to as well as to visualise atmosphere and energy of Moxy experience (WARC, 2016).



Picture 4: Moxy's Instagram page (Source: <https://www.instagram.com/moxyhotels/>)

The most popular hashtag which Moxy promotes is #AtTheMoxy. The purpose of the hashtag is to draw Millennials' attention to a single online location and create Moxy's community. At the same time, the official hashtag represents an online guestbook. In this way, travellers who are staying in Moxy hotels at different locations worldwide, have the same opportunity to share experience and talk with each other. A significant benefit for guests is online community through which Millennials have a chance to get some extra followers and popularity. Namely, Moxy has connected the official website to the hashtag on Instagram giving everyone an opportunity to be in the spotlight. Using the official hashtag, users can share videos or photos which describe their memorable experience on their profiles. Immediately afterwards, this content can be seen by everyone else on the Moxy's website (see Picture 5). However, Millennials desire to "be seen" and "be in the spotlight" is not surprising, because they want to be a part of the process and strategy of every brand. Generally speaking - Millennials love being online and love to share moments from everyday life with others, including a specific brand experience (WARC, 2016). Moxy seized opportunity by letting guests to speak out.



Picture 5: Moxy's official website (Source: <http://moxy-hotels.marriott.com/en>)

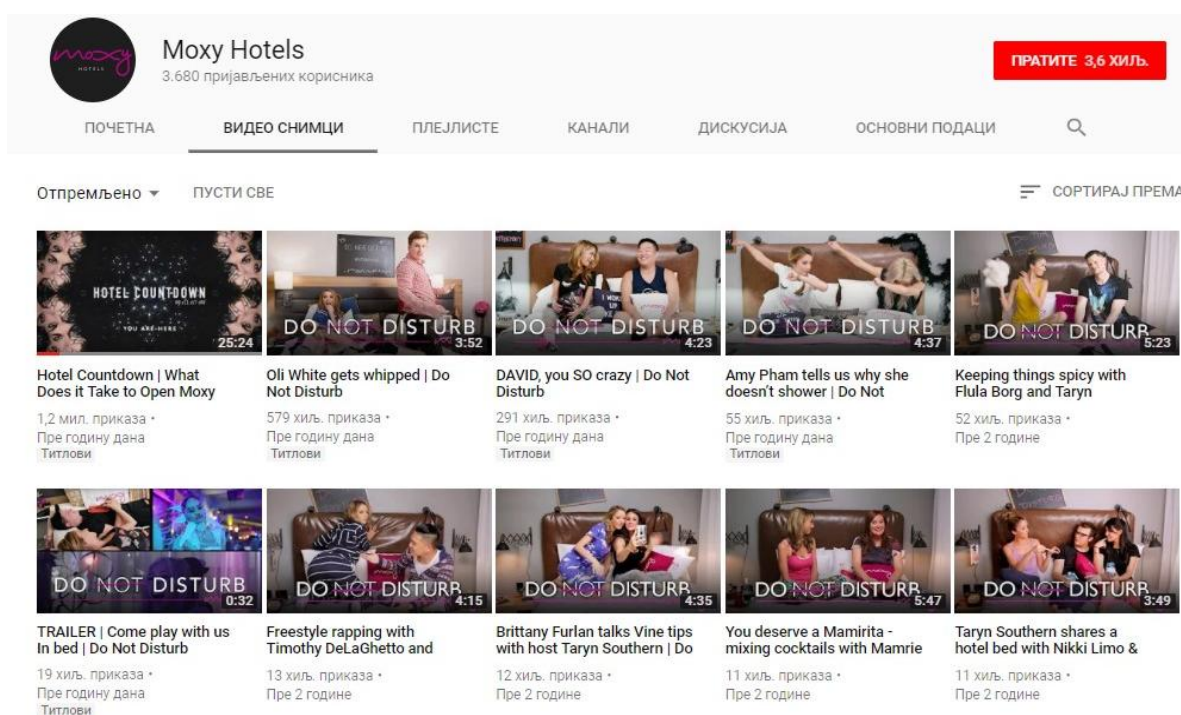
### 5.3 MOXY – YouTube and Snapchat strategy

As said before, Millennials are digital natives and simply cannot function without mobile devices. Short, interactive, mobile digital content is typical for generation Y. Millennials prefer to be content creators and take an active part in creating the digital brand strategy (WARC, 2016). By using video formats to communicate and engage young group of travellers, Moxy successfully integrated this behavioural trend into its online strategy. Moxy is constantly adopting its online appearance as a response to shifting online trends.

Young travellers do not use YouTube to find a picture-perfect version of their lives—they use it to watch videos and connect with supportive communities (Think with Google, 2017). Therefore, Moxy's YouTube channel has two different types of the content. The first type is centralized content presenting moments from opening events of Moxy hotels from all around the world. By using this type of content Moxy creates brand's voice, energy and positive vibe among Millennials who are perceived as potential guests all over the world. Highlighting the best parts of an opening event through videos makes followers feel like they attended the opening and puts them in "can't wait to experience this" mood. In both cases, an impact on fans brand commitment and loyalty is increasing.

The second type of content are videos that engage local influencers. Moxy used local influencers as a type of performance to get closer to fans. The first step is to analyse who are the most famous influencers in local markets and to create a list of potential partners. Afterwards, Moxy contacts the selected influencers and gets straight into collaboration. The results were overwhelming, influencers brought Moxy an increase in video content shares and encouraged fans to create content on different topics. Overall, YouTube influencers were promoting different kinds of challenges, tasks and assignments all while recording every reaction (AdWeek, 2018).

Marketing department at Moxy decided to create two online series that were presented on their YouTube channel (see Picture 6). The first series was titled "Do Not Disturb", in which comedian Taryn Southern chats with people from the entertainment industry. While second series - "Hotel Countdown", consisted of six half-hour episodes which provided a behind-the-scenes glimpse at the period just before the opening of a new hotel.



Picture 6: Moxy's YouTube Channel

(Source: <https://www.youtube.com/channel/UCCSZDRdTNqWi9WDNrSiWU2w/videos>)

A similar tactic was applied on Snapchat as well. When the hotel in Berlin was opened, Moxy once again made a partnership with another influencer - Jen Levinson. Thanks to the global Marriott Rewards program, she stepped into a „6 days, 7 nights“ challenge (WARC, 2017). Through Jen's vast community of young Millennials Moxy had an opportunity to gain new followers, bigger impact and most important – to convert online fans into potential offline guests. „6 days, 7 nights“ challenge video was posted on Marriott's official YouTube channel and viewed more than 9,000 times (see Picture 7).



**Picture 7:** Snapchat video on YouTube (Source: <https://www.youtube.com/watch?v=ZdVgc2v11o0>)

Marriott's market research had demonstrated that next-generation consumers place a high value on rare and interesting experiences. Thus, YouTube series were intended to introduce the Snapchat audience to locations, hotel properties, and rewards-program benefits that can lead to special experiences. Each three-minute episode explored a destination and its culture. The unscripted series put influencers in situations which pushed them outside comfort zones to create memorable experiences (WARC, 2017). Designed to be both interesting and relatable, videos were putting influencers into the centre of attention, so they could speak directly to the camera and share their experience and opinions (AdWeek, 2018). Brand promotion through vlogging was perceived as a chance for followers to get know hotel's location, rather than the hotel's lobby. All ads in the video were organic. Because of influencer involvement with discovering new things to do in cities where Moxy is located, fans kept watching the video until the end and did not mind ads.

## 6. CONCLUSION

Nowadays, building the brand requires a good digital strategy which includes inspirational and innovative storytelling, a strong community and continuous support from fans. In order to fulfil this mission, Moxy adapted its online brand presence on each social platform with unique purpose. Having Millennials as the main target group, Moxy had to conduct extensive research before stepping into their online world. Based on data gathered about Millennials, Moxy predicted that Instagram would be the most powerful social platform for communicating the digital story of their hotel. Moxy had recognized the shift in online behaviour, types of content and focused on photos and videos, which became instantly popular among Millennials. In this way, Moxy created an attractive image, appealing brand voice and reached its audience. Emphasizing adventure by putting people in videos to tell stories from their angle and keeping the ads behind the scene, proved to be a great solution to engage with Millennials and to grow as a brand.

While Jennifer was presenting Moxy's business results at the end of 2014, she summarized why Moxy's digital storytelling was so successful in five key points (WARC, 2016). First, *Create Experience*: Moving from creating just general relationships with customers to loyal, raving brand fans for life. The way Moxy does that is by creating these memorable experiences. Second, *Enable Personalization*: Moxy has a great opportunity with social media to literally listen to what people are saying, what their interests are, and what their likes, or their dislikes, are. Third, *Listen to Feedback*: The advantage of carefully listening to feedback is the chance to create a better experience. Fourth, *Leverage Influencers*: It is so much better to have somebody else tell your story than you telling it yourself over and over again. A huge part of Moxy's strategy is tapping into social influencers – and tapping into celebrities – to help share the story. And final, *Attract Attention*: When all of the above work in synchronicity, Marriott captures an increasing share of Millennials engagement.

In the future, the core benefit for the hospitality industry will be possibility to inspire travelers' creativity as much as possible and to include them into making the brand's digital content. In the long run, engaging followers with influencer-driven content will make a large part of the community happy and satisfied. Thanks to delivering the right message in the right way and deeply understanding values of their customers, Moxy is in the process of making a strong brand. The biggest contribution in making the Moxy brand so attractive to Millennials was creative digital storytelling.

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# INFLUENCE OF COMPUTING MODEL ON PUBLIC OPINION-DYMATICA, DIGITAL COMPUTING SYSTEM FOR MANAGEMENT OF PUBLIC OPINION

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**Abstract:** *Public opinion is complex, dynamic and hybrid phenomena. Globalization, digital development and technology expansion, contribute to the development of digital models for analyses of social models such as behaviour's reactions and communication strategy. Public opinion is flexible and suitable for influence and at the same time is a subject of strategic communication, as a base of behaviour reaction rises. Furthermore, in development of communication strategy, its obvious necessity for usage of digital computing platforms, as complex case build tool. In work, it's presented digital computing system for prediction of behaviour reaction, as supporting contribution for the creation of communication strategy that influence on public opinion.*

**Keywords:** *public opinion, strategic communication, digital communication, behavior reaction, DYMATICA.*

## 1. INTRODUCTION

With no doubt, public opinion is complex and hybrid phenomena. Black (Black 2003:51) recognise public opinion as dominant, prevail attitude of some collective entity, society, collective desires and summarised value orientation of people regarding some issue or phenomena. Barnays is recognised as 'father' of wide spectra of disciplines which are dealing with a public opinion such as public relation, propaganda, and marketing genesis. In one of his early works *Crystallizing Public Opinion*, which the first edition was in 1923, declared (Barnays 1961:61-62) public opinion as depraved defined, unstable and for changing the suitable group of individual identical or confronted attitudes of individuals, which are organised in some entity or group in society. He insists on the necessity to understand the individual in purpose to understand public opinion.

Public opinion (PO) isn't separate, self-generated category, but complex and multiyear phenomena which are in generic correlation with overall cultural values and political culture references (Pantić, 2007:54-62).

Main characteristics of PO are openness and suitability for fast changing and modelling (Wilcocks et al. 2006:217). Those management suitable characteristics indicate possibilities for different interest groups or centres of power to create, develop and implement a strategy based on communication strategy with an aim for the achievement of the desired reaction of the wide public, as a unique target group. Purpose of that strategic communication development is to predict and achieve appropriate reaction of the wide public, which will support the interest of power centre which is the owner of the project.

## 2. MANAGEMENT WITH PUBLIC OPINION AS A PART OF COMMUNICATION STRATEGY

One of the strategies that are implemented in PO changing is continuously exposing pressure with various communication tactics and tools acting on some common values and opinion-drivers through propaganda (Mitrović, 2018a), public diplomacy (Mitrović, 2018b), or lobbying (Mitrović, 2017). On this way, PO is in a situation of constant pressure where that some new, undeveloped or unstable values will be accepted as new system values. Continuously pressure on same 'triggers' contribute to rising of a new, previously none existing values, that became parts of new culturally values puzzle. Creation of desired reaction present strategic communication, based on quantification methods development of dynamics and reaction unification consequences, derived from some population as a target group.

Some of the previous methods, but also actual today, are *system dynamics model* and *agent-based model*. System dynamics model approach is developed upon high levelled indicators, system assessments, statistics and descriptive variables incorporated in mathematical models (Forrester 1961; Sterman 2000; Ford 2009). This approach is useful in developed of "wide perspective", but the main failure is restriction and deficiency of concert and direct indicators. It could be said that agent-based model present developed approach from system dynamics model and it is presented by aggregated systems assessment. This approach is based on the inner evaluation, using of direct agent-based model assessments that simulate interaction on an individual level and assessments of complex group's reaction against projected pressure (Macy and Willer 2002; De Marchi and Page 2014).

System dynamics and agent based models are similar upon some generic parameters (explaining values and political culture, economy, behaviour, etc.) which dedicate both of them in development of socio-cultural reaction prediction in separate, hybrid simulation models. System dynamics is based on group reacting prediction, and agent-based on individual reaction prediction. Since the PO present reaction of gathering individuals, the booth of approaches has a significant contribution to communication strategy development. One of contribution to the development of high successes communication strategy should involve prospect theory, as a descriptive model of decision making. The core of prospect theory indicates deferent aspects of decision making risks assessments in the scope of a potential sense of win or lose situation regarding decision consequences. This is based on different patterns of desirable group reaction which are aimed at an individual as part of the group. Namely, individual and cultural differences could product different reaction on same impulses which could stimulate different individual cognitive perceptions (Wisniewski 1995). When cognitive perception become on actual reaction with real consequences, it's compared with basic patterns as a comparative value. These patterns are in categories of self-assessment and environment assessment semantics expression of individual relation toward wide social environment (Markman, 1999), and could stimulate other cognitive reaction such as emotions, expectations, values, perceptive social norms attitudes and acting reactions. Understanding of this process has a contribution to motivation and stimulation of desired reaction pattern. Namely, if motivation is high enough it could become attend or even, all attend-package for the achievement of desired reaction pattern (Fishbein and Ajzen 1975). The delivered reaction is under of inner and out generated correlated influences, which in synergy with emotions could generate some sort and degree of reaction risk (Bernard & Smith 2006). Also, added factors which should be calculated in communication strategy development are related to the previous (recently or in time-projection) reactions, as indicators of possible future response patterns (Bagozzi and Kimmel 1995).

Basically, theoretical frame of modelling for desirable reaction is managed by suitable reaction on delivered narratives and messages, with required PO support, upgrading of existing or building of new values, is founded upon *The theory of planned behaviour (TPB)* (Ajzen 1991). Upon TPB, attitudes and attends are in strong interactive connection with acting behaviour, and could be analysed as resulting variables delivered by influences of: (1) actual attitudes regarding specific behaviour, (2) subjective norms that delivered specific behaviour and (3) perception that acting behaviour is in individual control limits. Combination of listed factors presents condition of behaviour intention that express basic for prediction of individual reactions (Ajzen 1991; Madden, Ellen and Ajzen, 1992). Behaviour reaction profiling is support with Perugini and Bagozzi's work They work (Perugini and Bagozzi, 2001) have contribution in understanding of extensile volume of behaviour variable variation, with goal-directed behaviour model, which include variables of relations, positive and negative emotions, subjective norms perceptions, and cognition behaviour control. According them, desires are drivers for attends.

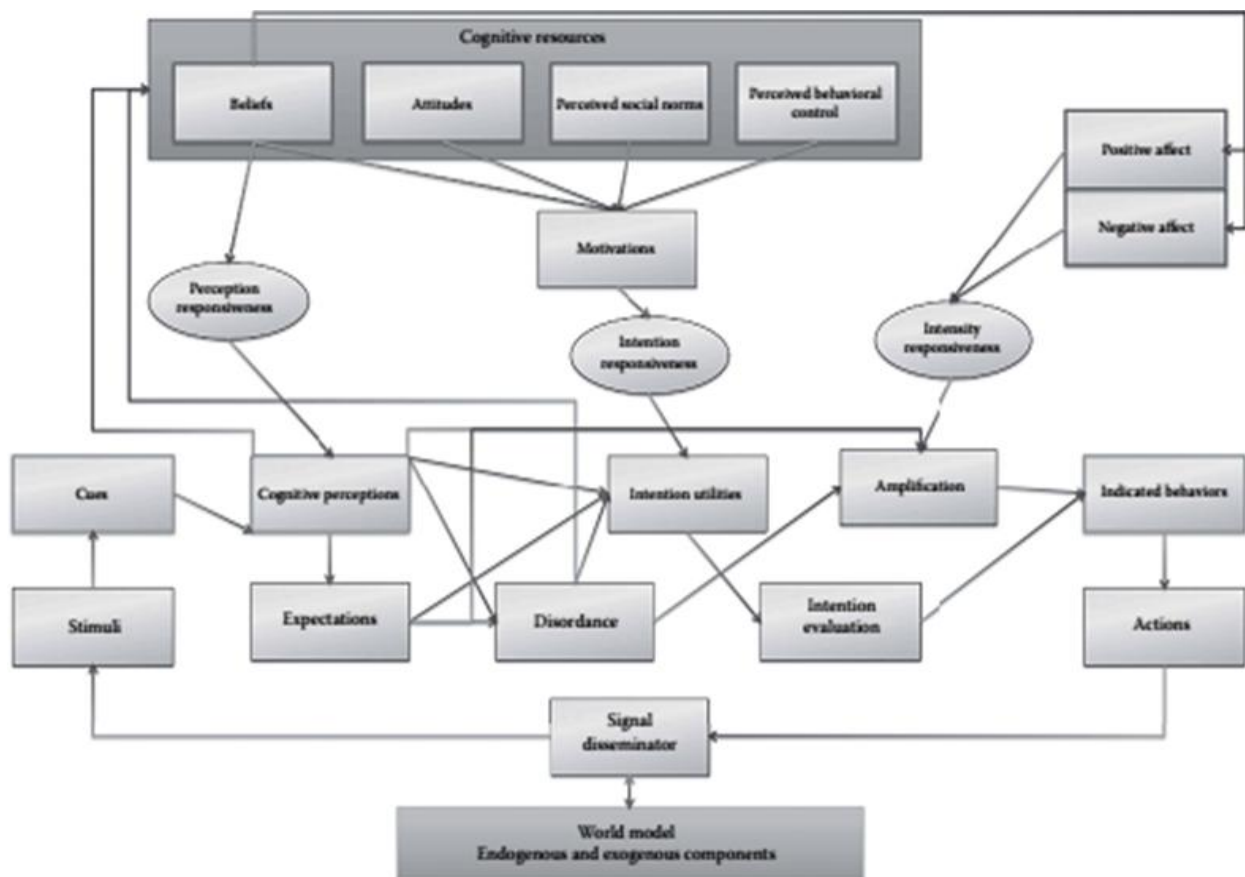
### **3. DIGITAL BASED COMPUTING MODELS IN MANAGEMENT OF PUBLIC OPINION**

In overall, designing of digital based models for management with strategic public relation in purpose of shaping public opinion, is based on cross section analysis of psychological, geopolitical and economic relation with cultural, cognitive and behaviour reactions of individuals as a part of (target) group. System is based on modelling of simulation of reactions which have influence on decision making process and designing of complex individual's and group's interaction, which are producing some attitudes. One of actual computing models for prediction of reaction of PO, groups or leaders that have strategic public relation value, but also strong contribution for strategic management is DYMATICA<sup>1</sup>. Role of model is to support managers in creation and development of an appropriate and the most possible successful communication strategies. This application is form of unified analytic platform that simultaneously use system dynamic indicators and agent-based approaches<sup>2</sup>. Software has been developed upon models of synthetically integration of various databases such are behaviour, economic, political, psychological and socio-humanitarian behaviour theory. It's designed as supporting toll for strategic management in purpose to inform and provide necessary prediction of reaction and behaviour of targeted audience and probably dynamic repercussions of involved actions (Bernard, et. al, 2017). Resulting product of calculation is elaborated unify frame which will correlate individual reaction and behaviour of individuals as a part of group and group as all. Program tracks multi variables approach trough analysis and simulation of interactions, processes of decision making, and reaction of leaders and groups. Analysis Process of analyses is consisting of macro and micro level (Bernard, et.al, 2017:452-453). At macro level, application analyses fundamental level of dynamics variables in and between subject entities. At this point, sub-levelled analysis is involved, with purpose of involving of non-cognitive processes, such as economy, resources, etc. Specifications of every influence regarding to reaction or behaviour, are based on expert's assessments and databases information. Experts are allowed to delegate new phenomena, hypothesis and variables, which are characterising subject entity's area. Analytical model is partially based on hypothetical founds of previous and recently patterns of group's

reactions and behaviour. Macro information presents social and political system with included economy, behaviour trends, while micro information are indicators of group or individual leaders, decision makers.

Micro information which is documented through DYMATICA structure is composed of specific psycho-social decision making theories. The structure is organised to characterise leader's process of decision making and action and behaviour, as multi levelled gradient psychological process. In estimation are used memorised knowledge and findings, delivered from field-experts about cognitive perception, motivation, norms, rules and individual reactions. Since every field-expert introduce subjectivity of their own point of view, in assessments are used the finding of more engaged experts regarding same subjects, as well as general logic based upon system's generated assessments.

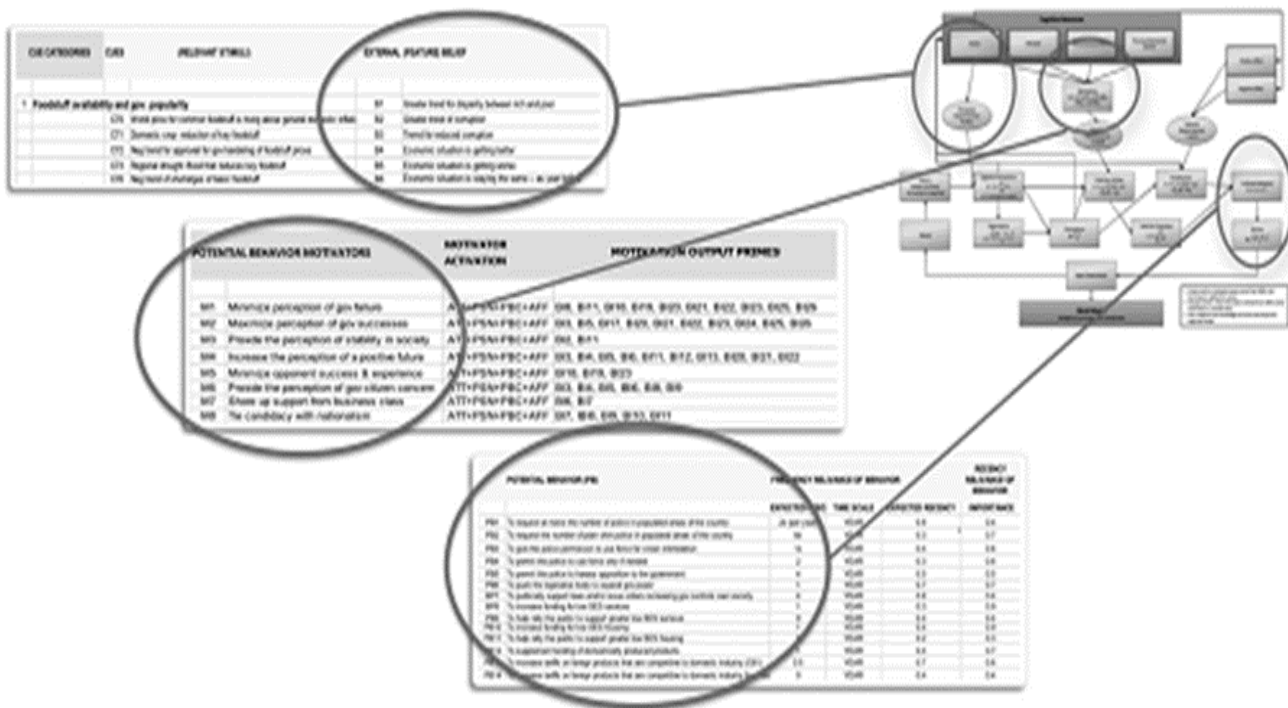
Macro level synthesised psycho-social theories which could be: 1) integrated into predicting of behaviour, 2) transformed in computing equations, and 3) institutionalised, tested and verified by using of available data. On this way, DYMATICA by using of complex socio and socio-psychological theories attempt to describe initial characteristics of individual behaviour reactions in a specific group. Since that subjected theories couldn't be empirically approved on all societies and cultures, they need to be interfered on numerous cases, as an indicator for a pattern of individual's reaction and behaviour. Psychosocial and behaviour-economic are supported by evaluation empirically research and historical data and integrated into DYMATICA algorithm. This approach is based on authors opinion that behaviour economical characteristic describes a way of individual decision making process. Namely, by authors (Bernard, et.al, 2017:455), theories describe a way of how behaviour results by decision, but also, how choices of reactions will be created to determine those decisions.



**Figure 1:** Overview of DYMATICA structure (Bernard, et.al, 2017:459).

The crucial phase of decision making process is filtration of information and its relations with empirical experience. At group level it's expected to prevail decision, attitude and behaviour reaction which is compatible with dominate values, because of the randomised variability of balancing values orientation of individuals in the selected group. This logic has a proof in theory that one population, society or group have dominantly attracted relations regarding same values. On this way, the selected group has collective references related to the behaviour as a reaction to some influences.

DYMATICA application uses a dynamic modelling approach to simulation of the interaction of cognitive entities in the context of the concrete case. It's compound of cognitive models which are using characteristics of socio environment for determining of the behaviour of case entity as well as general or world model sectors, which compile all non-cognitive elements involved in simulation (economy, resources, demography, etc.). Assessment begins with scenario development which comprises initial case with particular characteristics. Subjected entity interprets case as cognitive perception, determined by groups of linear characteristics that are based on sub-entities awareness. Forms of entity's expectations are based on its cognitive perception of the general model. Difference between expectation and perception is stabilised difference, or 'disordance', and it's mathematical model presents an interpretation of social-psychological and other social theories. Data are determined parameters which have a role in controlling the progression of simulated variables in time. Statistical techniques determine parameters and prediction toward case scenario. Quantitative data are generated from data bases, research analyses, economic statistics, analyses, etc. At the group level, application use assessment of sets of cognitive characteristics and statistic data, and for individual level, personality characteristics are calculated as well. (Bernard, et.al, 2017:460).



**Figure 2:** Example of a knowledge structure showing cognitive perception, motivation and potential behaviour information (Bernard, et.al, 2017:461).

Computing model DYMATICA present macro level of socio related interactions as well as the micro level of behaviour reaction of a specific entity. It determines correlations among entities, with generated potential expected reactions, behaviour, motivation, and characteristics that could influence on motivations, as basic of modelling. Areas of usage of DYMATICA as hybrid computing system which present digital form of supporting to strategic communication for prediction and modelling of behaviour and public audience reaction are:

1. Estimation of the potential effects of proposed interventions (including unintended consequences) that seek to alter behaviour by affecting the cognitive domain (e.g., information operations, deterrence scenarios, proposed engagement options to arrest or avoid conflict escalation) before they are executed;
2. Modelling of latent instability within a society (or group of societies) by modelling tensions between groups (in terms of their beliefs and behaviours) and simulating to understand what types of trigger events could ignite conflict;
3. Definition of the temporal sequence and the timing of steps in more complex interventions to achieve the highest likelihood of success (however that is defined).
4. Exploration regarding what sets of system-level scenarios might lead to virtuous or vicious cycles (situations in which behaviours create positive [vicious] or negative [virtuous] feedback into the system and cause or prevent behaviours of the same type) (Bernard, et.al, 2017:467).



## 4. CONCLUSION

Public opinion is complex, hybrid and subject to change related social category. On the contrary of two of its genesis factors, cultural values, and political culture, public opinion is very eligible for changing and exposed to influence. Until now developed theories of management with public opinion and expected behaviour reaction which is related to it, approving logic of necessity for the development of hybrid digital computing systems for PO management support. One of the recently introduced modelling systems is DYMATICA. In presented system are incorporated logic of interactions between the subject entity and dedicated goal. Behaviour reaction of group incorporated cultural values, cognitive and non-cognitive indicators, micro and macro level of analyses. Approach suggest case-based behaviour reaction of the entity which calculate mathematical models of algorithms for interaction in a pool of cultural patterns, differences in attitudes, believes, relations, norms, motivations and attends in emotion expressions. On a macro level, model present socio level of interaction and on the micro is related to the concept characteristics of the predicted behaviour of individual or group.

The contribution of digital computing systems for prediction of behaviour reaction is more than significant. Namely, modelling and scenario creating of behaviour reactions of public propose necessary supporting and constructive data for development of appropriate communication strategy, in purpose to achieve the desired reaction according to our goals. Moreover, behaviour reaction supported with adequate strategy communication open possibilities for future influence management with a public audience in accordance with future, strategic goals. This approach is convenient for implementation in societies with conservative basic values, a cultural matrix with a high orientation to the authority where the leader of the institution in the same time is the leader of public opinion and with undeveloped political culture.

## NOTES

1. Dynamic Multiscale Assessment Tool for Integrated Cognitive behavioural Actions - DYMATICA has been developed in *Sandia National Laboratories*, the USA, as a part of Behavioral Influence Assessment program with aim of modeling of hybrid approach for influence on decision making and preedicting of behaviour reaction of specific groups.
2. Agent-based an approach is based on results of field research which conduct by subject meters expert in some society about some topics which are of importance for the creation of DYMATICA models.

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# INTEGRATION OF ONLINE AND OFFLINE COMMUNICATION ACTIVITIES IN EVENT MANAGEMENT

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**Abstract:** *The research subject of this paper is event management as a set of complex activities that need to be taken when planning, organizing and executing events. The goal of the research is to review and highlight the basic guidelines and methods in the process of planning, organizing and executing events, so as to demonstrate the importance of event management and its integration of online and offline communication activities. Starting from the research objectives, the concept of events, their typology and key features are first to be discussed. Then, an overview of the key items and understanding of event management is given, along with the analysis of management functions: planning, organization, implementation, control, evaluation of events as well as the integration of online and offline communication activities.*

**Keywords:** *management, marketing, event, digital aspects, online and offline communication activities*

## 1. INTRODUCTION

Today, the concept of an event includes a wide variety of social gatherings, meetings, sports and cultural events, shows and performances. The word "event" started to be used for marking anything that happens and brings together a number of people. Although the events have been present in society for centuries, in recent years the number of events has achieved a significant growth, which caused the development of the event industry. In the context of the expansion of the event industry, different aspects of events organization and event management are gaining in importance. Therefore, the initiation of online and offline aspects of events becomes a very important item. If we look from the perspective of entertainment, social, cultural, economic and other needs of people, events have a social function and a number of positive effects on the improvement of the economy in communities in which the event is organized, which reflects through the development of infrastructure, employment, the increase in GDP, social interaction, cultural and tourist affirmation, etc. (Ceković and Muhi, 2012). In order to show the positive effects of organizing an event in the social and economic community, development, planning, organization and implementation of events require a professional approach of management and human resources engaged in the preparation of the event, which caused the expansion of event management (Barron and Leask, 2014). Finkel (2008) explains that the potential for errors in the organization and implementation of events can be disastrous both for the organizers, the future of the events and the community, which is why there is a need for qualified managers within the event industry. Loos with associates (Loos et. al., 2008) points out that the success of the entire event depends directly on the efficiency of the management, since the event management involves "coordination of all tasks and activities necessary for the realization of events including event strategy, planning, implementation and control, based on the principles of event marketing and methods of project management" (p.54). Organization of events requires adherence to the key principles of management and fulfillment of certain preconditions, without which it would not be possible to organize an event. It is very important to study and take into account every detail when organizing any event by taking into consideration the four functions of the event management, including: planning, organization, execution and control (with the event evaluation).

## 2. THE CONCEPT, TYPES AND CHARACTERISTICS OF AN EVENT

Events, in the form of organized execution and performance, trace their roots back to ancient times. Historically, even before the fall of the Western Roman Empire in 476 BC, events and festivals appeared that had specific functions within the society, with the aim of sharing rituals and celebrations and affirmation of common identity (Raj, Walters and Rashid, 2017). Religious events have been an inevitable part of human society in all eras and in the XVII and XVIII century, rulers often organized events as a way to control the public. Today, events have different functions, which are reflected in meeting the needs for fun, relaxation and leisure, that is to say, they have cultural and economic role in the development of communities that organize the event. The events are explicitly linked to people's fundamental values - social and cultural

values, a need for social inclusion, a sense of common identity and belonging. Some authors define an event in a simple way, as any temporary event, planned or unplanned (Getz, 2005:4).

Bowdin, Allen and Harris (Bowdin, Allen and Harris, 2012: 14) define an event as a certain organized occasion such as a meeting, convention, exhibition, special event, gala dinner and the like, which consists of several distinct yet related functions, and regardless of the diversity of events, always includes a combination of management, programmes, people, and a specific environment. Somewhat more practical definition of the concept of an event entails transient events and phenomena, which are usually planned, announced beforehand, have limited duration and are fixed in terms of space and time of the event (Aljeaidi, Vignali and Raj, 2015). The nomenclature includes mega events, special, social and large events in the community, with regard to the criteria of their size and scope. In addition, the typology of events is most often made according to the type or the sector in which the event is organized, and in this respect it includes: religious, cultural, sports, private, political, corporate, music and business events (Raj, Walters and Rashid, 2017:9). In theory, as the most common characteristics of events, their uniqueness, transience, intensity of work, intangibility, fixed-time, interactivity and ritual are listed (Shone and Parry, 2013: 13). It is understandable that uniqueness is one of the main features of all events, regardless of their purpose. Consecutive repetition of an event is not recommended, although the events may be repeated continuously in terms of format and time interval, for instance, the Olympics. Nonetheless, organization of an event should not be a routine and the event organizers and coordinators must strive for constant improvement, even in case of events that are held annually (Shone and Parry, 2013: 14).

### **3. EVENT MANAGEMENT ANALYSIS**

Some authors define event management simply as a process whereby events are planned, organized and performed (Burbank, et al., 2012; Yeoman, et al., 2012). Silvers (2012) sees event management as coordination and planning of all elements of the event, of people as the team members who participate in the event organization and execution, as well as the participants and visitors who attend the event.

There are authors who consider that event management essentially consists of planning the event itself, human resources management and risk management during the planning, organization and execution of the event (Hede et. Al., 2002). As mentioned earlier, the organization of any event requires detailed planning and strong coordination between all the participants (Najdić and Lukić, 2016), since every autonomous action at any stage of the event organization and execution would pose a risk to the success of the event itself, which is why event management is necessary, because it allows the integration of all elements of the event and the resources towards a common goal (Radosavljević and Radosavljević, 2010). By observing the above given definitions of event management, it can be seen that the primary functions of event management are related to the classification of the management functions that actually entail business functions performed by managers (Gušić, 2012). Some authors consider planning, organization and control as management functions, while others also include human resources management and control. Although there is no general agreement in the modern professional sources when it comes to management functions, it can be said that today, a dominant classification of management includes the following functions: planning, organization, human resources management, control and management. In respect to the specificities of event management, which arise from the nature of the event, the following were selected as the key elements of event management to be presented and analyzed in this research paper: event planning, event management, implementation, and control and event evaluation.

#### **3.1. Event Planning and Organization**

In order for all the functions of event management to be fulfilled, first it is necessary to plan out all the essential elements of an event, to determine main course of action that defines what, when, how something needs to be done and who needs to do it. Consequently, the planning, as the first phase of event management, can be seen as a function which performs a selection of a course of action in terms of the acquisition, allocation and use of resources that are necessary for the organization and execution of events. All key issues in the process of event planning are included in the strategic plan, which defines the *"objectives of the organization that deals with offers designing for the event, as well as the selection of specific means that will help to achieve the defined objectives"* (Andrejević and Grubor, 2007:85). Through strategic planning, the manager defines the size of the event, the selection of environment for the event, its market positioning, the event marketing plan and the financial plan for organization and execution of the event. Financial issues are very important when creating an event because, as Brakus (2017) explains, *"initial assessment can easily get out of control, and it is necessary to monitor and correct the financial structure, should there be any unforeseen problems"* (p. 28). After the strategic plan development, the operational planning phase follows, where practical plans and the budget for the event organization and execution are set (Prodanović Stamenović, 2015). Tum, Norton and Wright (2006) point out that one of the

key responsibilities of event managers in the planning stage is the management capacity, i.e. their responsibility to anticipate and make decisions about all necessary items for the event organization and execution, including the organization of resources to satisfy the demand. In this regard, the capacity management also includes the acquisition of all essential resources (venue, time, human resources with adequate skills, etc.) and if necessary, human resources training. In the event industry, if the capacity is not used when available, then it is lost forever; it cannot be reused or stored. For example, the seats at a concert or a conference cannot be stored, i.e. once the conference or concert starts, all the empty seats cannot be sold later. When organizing an event, apart from the selection of the venue, the time of the event and the assessment of the event environment, the appropriate division of labour, the organizational structure and coordination are also essential from the aspect of the management. By grouping the activities in organization and execution of the event, a division of labour is made, resulting in organizational structure. Due to the grouping of activities and the organizational structure creation, a certain number of hierarchical levels and forms of the coordination between the individual parts and the hierarchical levels are made.

### **3.2. Implementation, Control and Evaluation of an Event**

After the phase of event planning and organization, the implementation phase follows i.e. the physical coordination and execution of the event and all the activities that the execution of the event includes (Raj, Walters and Rashid, 2017: 196). Essentially, the event execution entails the execution of the operational plan and all the activities anticipated in it by the staff and volunteers who are involved and responsible for the execution of the event plan (Adams, 2008:98). Setting up and executing an event is not simple, regardless of the fact that it proceeds according to the predefined plan and with a clear organization and labour division because the environment is changing and the event manager is expected to respond to these changes and manage them. It is crucial for the manager to prepare in advance the procedures that will allow him to monitor deadlines, arrangements, operational and marketing plans, etc. (Shone and Parry 2013: 94). An effective way to establish such procedures can be, for example, the making of a checklist of tasks (Wagen, 2010: 198). Clear procedures allow event managers to reduce stress and to ensure that various activities and numerous tasks delegated to associates fit in, are coordinated and executed in accordance with the envisaged timeframe.

Moreover, all activities during the setup and execution of an event should be carefully recorded, so that the event evaluation can later be performed. Adams (2008) states that keeping track of deadlines and progress are the two main tasks of event managers in the process of event execution. For instance, during the event execution, the manager has to monitor whether the planned activities and tasks take place at the time they were planned, or whether the staff that was assigned to perform multiple tasks in different places has plenty of time to get from one place to another. Essentially, the event manager performs the process of monitoring the progress of the event and the deadlines through the control function. Control as a function of management is of great importance because it provides support and coordination of all other management functions at all levels and includes coordination and connection between planning and information, followed by analysis and control of human, material, financial and information resources in order to achieve the objectives in an efficient manner. The function of event evaluation should not be seen as the final stage of the event management model because it should cover the entire process of event management, from planning, organization, execution and control to assessment of the success of the event. Therefore, Getz (2005) states that there are three stages of event evaluation: 1) formative evaluation (in the planning and organization phase); 2) process evaluation (during the event execution) and 3) summary evaluation (after the event in order to evaluate its success). The first two phases of evaluation are performed simultaneously through the process of event control, as soon as the feedback on deviations from the previously made plans is received. The last phase of the evaluation is carried out after the event is over and its aim is to evaluate the success of the executed event. The success of the event can be measured from various aspects, depending on the performance assessment criteria that are taken as the starting point. However, even if the event evaluation shows that the tangible criteria were successfully fulfilled, the evaluation must also include the intangible criteria that influence the decisions of the visitors, whether or not they will once again attend the event and give a recommendation for the stated event (Aljeaidi, Vignali and Raj, 2015).

### **4. INTEGRATION OF ONLINE AND OFFLINE COMMUNICATION ACTIVITIES OF EVENT ORGANIZATION**

The expansion of information and communication technologies and the digitization process have brought some changes in all spheres of modern organization business: traditional forms of business have taken on new forms and a large part of business processes is transferred over to the Internet and runs electronically. In terms of event management, changes made by the digital media are reflected primarily in the promotion and advertising of events, i.e. the way the potential audience / visitors today look for information about the event: the promotion is significantly transferred over to the Internet and digital media. Additionally, technology development allows people around the world to enjoy an event remotely, watching live streams

on YouTube, while old-fashioned event instructions are replaced with attractive mobile applications that provide not only instruction on the event, but also interaction with other visitors and staff during the event.

What is more, thanks to social media, participants no longer receive polls to share their opinions about an event, but they can do so through the aforementioned mobile applications or social networks (Solaris, 2012). Thompson (2013) states that the use of the Internet and digital media in event management can help small agencies deal with organizing mega events, transfer the full value of the events to the audience, achieve competitiveness and survive on the market. In addition, technology has a key role in supporting innovative ideas used in organizing many events. Thus, 3D project mapping is a perfect example of using technology to create additional value for event visitors. Essentially, 3D mapping is a display of three-dimensional video on a large projector platform that is used in many special events to tell stories, display the event itself, or simply to increase the effects of events and provide visitors with tremendous satisfaction (the so-called wow effect brought about by surprising the audience). One of the great examples of using 3D mapping technology was a special event organized by Toyota to promote Toyota Auris cars in London in 2010. It was an outdoor event that took place in a large valley in London and was presented to a wide audience through a large number of projectors, which were used to map the figures on the wall, as well as the hybrid Toyota Auris that was in front of the wall, which surprised and impressed the audience (Hepburn, 2010).

The website of special, particularly mega events, has now become an integral part of planning, organizing and marketing events. Website events can be considered the most useful method a company can use to access its target market (Bowdin et al., 2012: 430). However, the decision to design an event website depends on the objectives, functions, the size and budget of the event. When it comes to special mega events, an interactive event site is an optimal solution, as it allows potential visitors to see an interactive event folder, buy online tickets, ask questions, contact customer service, etc. The use of the website is suitable for all stages of event management, both in the planning and organizational stages, as well as the performance and evaluation stage of events. Similarly, today, social networks are an indispensable part of the organization of special and all other events.

For Event Management, it is critical to be active on social networks before, during, and after the event. The basic importance of using social networks in organizing an event lies in their effectiveness, accessibility and proactive attitude. In the process of planning a social network event, they can serve as a source of important information about the opinion and reaction of the target market to the new / published event. For example, it is possible to create an event page on Facebook and invite potential audience to like the page and give their impressions of the planned event, and then individuals will further share the page, allowing information to be gathered, but also achieving free promotion of the event. Social networks have the same significance, even during the actual implementation of the event, since participants and visitors often use social networks to update their status and engage in interaction with other visitors. Therefore, the social networking events provide a unique opportunity for direct interactive communication with the audience events, which increases their satisfaction and loyalty in case of repeated events.

Consequently, it can be concluded that the Internet and digital technologies inevitably have to be integrated with the standard offline aspects of organizing the event because the desired results in terms of the success of the event are obtained by the effective combination of various online and offline aspects of event organization.

#### **4. CONCLUSION**

The paper sought to review and point out basic guidelines and methods in the planning, organization, implementation, control and evaluation of an event. Today, with the increasing number and the significance of different events that are organized at all levels (from local, national, regional to global), organizing events has become demanding and complex, causing the need for a new type of management, which is dedicated to events organization and management. Given the complexity of the event management process, the number of challenges the event managers face as well as the numerous factors that determine the success/failure of an event, the importance of event management for the success of the event is now indisputable.

The general conclusion we arrived at in this paper is that event management is a process that goes through the same stages as management in general. The management functions can also be said to constitute an integrated and complementary whole, where each of the functions is connected to the other and allows the event objectives to be achieved through a series of activities that are a part of it. Since management is a process and management functions represent processes themselves, all activities carried out under the management function are controlled and evaluated in order to improve the practice of event management and to achieve the maximum possible success of the event. All five basic functions of event management

that are presented in this paper, with their synergetic actions, are aimed at the realization of a successful event and the reduction of the adverse situations in their setup and execution. Studying the problem of the functions of event management and reviewing the literature allowed for a deeper understanding of the dynamic and complex nature of event management and for the significance, place and role of each of the management functions in the success of the event.

Furthermore, it is very important to understand that the Internet and digital technologies inevitably have to be integrated with the standard offline aspects of event organization, because it is the effective combination of various offline and online communication activities of event organization that gives the desired results in terms of the success of an event.

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# THE ANALYSIS OF CONTENT USED IN POLITICAL CAMPAIGNS: DOES CONTEXT MATTER?

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**Abstract:** *In recent years, social media has become an indispensable tool in political campaigns. This paper deals with qualitative research of the context of content that political actors post on social media during election campaigns. In the first part of the paper, political marketing and its evolutionary periods are described. Since the final stage of its evolution involves the use of social media in political campaigning, particular attention is given to this topic. Due to the high relevance of content on social media, the concept of content marketing is explained as well as qualitative analysis of content in political campaigns. Finally, a methodology is proposed for qualitative analysis of the context of political actors' posts on social media. The proposed methodology was tested during political campaigns of local elections in Belgrade in 2018. The results provide a strategic approach for content planning in political campaigns on social media.*

**Keywords** *social media, content marketing, political marketing, qualitative analysis, content marketing matrix*

## 1. INTRODUCTION

In the past few years, new marketing trends have entered the field of politics and thus transformed communication in political campaigns. Social media is one of the tools that political actors, such as political parties, candidates and/or lists (all of these terms will be used in the paper, and depending on the context the authors will chose the most appropriate one), have started to use increasingly in election campaigns. Recently, there has been a huge increase in the number of people using social networks, and social media have become an integral part of the lives of the world's population. The networked population is becoming more significant and gaining more and more power as social networks give them the opportunity to obtain a lot of information, share their opinions and participate in public debates as well (Okan et al., 2014). From the political campaign perspective, Barack Obama's campaign in the U.S. presidential election in 2008 established Twitter, Facebook, MySpace and other social media as integral parts of political campaigns. Many analysts even attribute his electoral victory to a well-run campaign on social media (Tumasjan et al., 2010).

Political actors intensely communicate with potential voters during campaigns, especially in the days before the elections in order to get them for their political options (Tumasjan et al., 2010). In the era of social media (according to the statistics portal Statista, there are 2.62 billion social network users in 2018 and the prediction is this number will amount to 3.03 billion by 2021), particular attention during political campaigns has to be given to communication via this platform. Political parties and candidates have to plan communication on social media carefully, in terms of the content they post on social media. This leads to the increased relevance of content marketing and its application in political campaign planning.

To the best of the authors' knowledge, a comprehensive qualitative analysis of the context of content that political parties and actors post on social networks during election campaigns has not been performed, leaving room for more research in this field. The methodology used in this research was proposed on the basis of the Content Marketing Matrix described by Opielka (2016) and it was used to analyse the context of the content that political lists posted on social networks during the local elections in Belgrade in 2018. Social networks that were analysed include Facebook and Twitter. The content was classified according to the context and tone of voice of the content posted by political parties which was then used to describe the analysed campaigns.

The paper is organised as follows: in the first part of the paper, political marketing and its evolutionary periods are described. Since the final stage of evolution involves the use of social media in political marketing, particular attention is given to this topic. Due to the high relevance of content on social media, the concept of content marketing is explained as well as qualitative analysis of content in political campaigns. Finally, a new methodology is proposed for qualitative analysis of the context of political parties' and actors' posts on social media.



## 2. THE EVOLUTION OF POLITICAL CAMPAIGNS

O'Cass (2001) believes that the value of political marketing is to promote constructive dialogue and enable political parties, as well as voters, to be a part of it. Okan et al. (2014) provided an overview of political marketing definitions. For example, Shama (1976) defines political marketing as a process in which political candidates and their ideas are directed to voters in order to meet their needs and gain their support, while Winther-Nielsen (2011) believes that political marketing deals with the mutual exchange of values between political parties and their surroundings. According to O'Cass (2001), the process of political marketing has been implemented by adopting the philosophy of a marketing concept where this philosophy has been defined as a concept in which political party decisions should be oriented toward voters and their wishes and needs, within ideological boundaries. The same author states that this leads to the conclusion that political parties will better achieve their goals through a detailed understanding of their target groups, or in this case, voters.

According to Slavujević (2007), the voter's decision which option to support in elections stems from his/her value system, attitudes and ideology, and not exclusively from the situation factor such as the election campaign. In addition to the quality of programs and candidates of a political party, a thoroughly planned and realized political campaign can decisively influence the winning of an election.

The development of democracy shows that campaigns have gone through a period of gradual modernization. Karlsen (2010) identified three periods of development of political campaigns. The first period is the news era (pre-modern campaign), the second is the television era (modern campaign) and the third period is the digital era (post-modern campaign). What distinguishes these three stages of development is technological progress and changes in media technology, in particular the development of television in the early 1960s and new information technologies in the early 1990s (Karlsen, 2010.)

The first phase is characterized by a strong connection between parties and voters. Campaigns were not intensive, and they were directed towards established social categories. Communication during the campaign was focused on newspapers, mass meetings and surveys. The use of consulting agencies in campaign planning was minimal (Karlsen, 2010). This way of campaigning involves the extreme readiness of citizens to participate, and the orientation of political parties was based on lifelong loyalty of their voters (Gibson and Römmele, 2001).

The rise of television ushered in the second evolutionary phase of the political campaign. From the first transmission of the inaugural speech by F. D. Roosevelt in 1939, and especially after "Eisenhower's Response to America" in 1952, television has been proven to be a very important channel used in political campaigns (Slavujević, 2009). In this period, campaigns began to be carefully planned and run long before the election. The number of people who were informed about campaigns increased significantly, since all citizens consumed the same news. Accordingly, political parties were developing campaign strategies focused on a single and unique national message to draw attention and voters from different social categories (Karlsen, 2010).

The contemporary period of political campaigns began with the introduction of new information technologies. The communication in campaigns is more voter-oriented, and their feedback is monitored in order to adjust campaign messages. In this period, campaigns are planned and run by experts, political consultants and agencies (Karlsen, 2010). In addition, an important characteristic is that people share, on a daily basis, news and information about political parties and campaigns which they find interesting (Moldovan, 2013). Taking this into consideration, the strategies of political parties and candidates have shifted from the previous "social" level to the "peer to peer" level (Okan et al., 2014). The third period of political campaign evolution has brought to the scene social media and networks as an indispensable part and channel of every political campaign today.

The use of social networks in political marketing has evolved over the past ten years. Facebook, Twitter and YouTube are used as inevitable platforms for political campaigns (Stieglitz and Dang-Xuan, 2012). Since the very beginning of the Internet, the world's networked population has increased and social networks have become an integral part of their lives (Okan et al., 2014). Twitter is considered to be the ideal platform where users do not only disseminate general information, but also express their political opinions and attitudes, while Facebook, on the other hand, is often used by political parties and institutions to foster political discussions and engage citizens in dialogue (Stieglitz and Dang-Xuan, 2012). As a result, the same authors believe that Twitter and Facebook have the potential to increase participation in political life.

According to Zeng et al. (2010), from the perspective of political parties, it is very important to participate in communication that takes place on social media, especially during election campaigns (Stieglitz and Dang-Xuan, 2012). Elahi (in Moldovan, 2013) emphasizes that social media has an increasingly important role in the way campaigns are run. Consequently, it allows candidates not only to communicate more effectively with a larger audience, but it creates two-way communication and interaction with constituents. Due to the benefits that social networks provide in communication with a large number of potential voters, politicians have quickly accepted them as a mean for engaging their voters in discussions and dialogues with them (Hong and Nadler 2011). Thus, social media is an ideal platform for assessing opinions and attitudes of the public, as well as building and gaining support for their political option (Stieglitz and Dang-Xuan, 2012).

An increasingly important question that various authors and researchers are lately posing is whether activities on social media can be used to assess and predict offline political behaviour of voters (DiGrazia et al., 2013). It also raises the question of the extent to which the context, type and format of post published by political parties on social networks during election campaigns are significant and to what extent they affect voters' behaviour. As this paper is focused on the qualitative analysis of the context of posted content, particular attention is given to content management and contextual analysis.

### **3. CONTENT ANALYSIS ON SOCIAL MEDIA**

According to the Content Marketing Institute, "content marketing is the marketing and business process for creating and distributing relevant and valuable content to attract, acquire, and engage a clearly defined target audience, with the aim of driving profitable consumer action" (Baltes, 2015).

Social networks provide their users the freedom to create content without a formal structure, and the context of content on social networks depends on the users and the communities they belong to (Naradhipa and Purwarianti, 2011). Providing relevant and up-to-date content is one of the most important strategies for successful positioning on social networks (Çiçek and Erdogmus, 2012). As the current literature suggests that social networking activities have to be user-oriented and focused on the message itself, Chi raises the question of how the message can be transmitted to consumers to meet their needs (Ashley and Tuten, 2014). These authors believe that marketers will benefit from applying creative talk to consumers, where creative strategy involves designing communications in a way that can produce the desired effects for the target audience, which is in relation with the increased importance of creativity in economy and management (Petrovic et al, 2017).

Due to the importance and impact that the content of messages on social networks has on consumers, or in this case the content of political campaigns on voters, it is very important to conduct a qualitative analysis of that content in order to find out in which way political parties communicate with their potential voters and whether such communication affects those voters when choosing the option they will vote for. The growing importance of social media in political campaigns around the world has prompted some authors to analyse the content used during the campaigns. However, a very small number of papers deal with the qualitative analysis of content that political parties post on social media during a campaign, leaving room for deeper analysis. According to Cole (1988), content analysis is a method of analysing written, verbal and/or visual communication messages (Elo and Kyngas, 2007).

One of the studies was conducted by Tumasjan et al (2010). They analysed Twitter posts that had mentioned political actors during the elections in Germany in 2009. The emotional, cognitive, and structural elements of posts were evaluated using software. In particular, the software determined the degree to which particular knowledge and emotions (e.g. future orientation, positive or negative emotions) are present in the published content. For each dimension, the software calculated the frequency by which words related to a particular dimension appeared in a given sample of the release. To determine political sentiment, they took into consideration 12 dimensions: future orientation, past orientation, positive emotions, negative emotions, sadness, anxiety, anger, tension, security, work, achievements and money (Tumasjan et al., 2010).

On the other hand, in another study, Wang et al (2012) analysed the context of posts published on Twitter by candidates in the 2012 U.S. presidential election. They analysed the relationship between electoral events and public mood and public opinion. Participants in their research were shown posts on Twitter and their task was to determine the sentiment of a specific post. The categories in which they classified the content were positive, negative and neutral, then whether the tweet was sarcastic or humorous (Wang et al., 2012). Neither of the mentioned studies evaluated content in the context of communication goals of political campaigns.

In order to overcome this shortcoming, we used a methodology and tool for qualitative content analysis that had been introduced by Danyl Bosomworth (2014) on the SmartInsights blog and then explained by Opielka (2016) more explicitly. The initial purpose of this content planning tool is choosing the appropriate content form that will lead to establishing relationships and closer connections with followers or other stakeholders on social networks. By using a content matrix, one can plan the form and context of the online content, depending on the stage of the followers' journey. Accordingly, depending on the intent and goal to be achieved, the content may have different effects on the audience. The content matrix then classifies content according to two dimensions: narrative and purpose. The narrative dimension determines the emotional and/or rational nature of the content, while the purpose dimension is focused on raising awareness or encouraging purchase (Opielka, 2016).

The content matrix described emphasizes the form of content, while greatly neglecting the context of the content being posted. The same content formats may correspond to different categories, and the authors of this paper adapted the matrix for the purpose of a qualitative analysis of the content posted during political campaigns. The tool was tested on the case of the local Belgrade elections in 2018.

### **3. THE APPLICATION OF CONTENT MATRIX IN POLITICAL CAMPAIGN ANALYSIS**

To adapt the content matrix to a new purpose, as the intention or goal to be achieved, instead of "purchase" we used "incitement to action", as well as "going to elections", and "vote for a particular party". As in its original form, content is classified into four categories: entertainment, education, inspiration or conviction. Content in a particular category should satisfy the follower's interest on an emotional or rational basis from the moment of first contact to the decision to go to the elections and to opt for a certain political party. An additional adaptation of the matrix for application in political marketing also included an analysis of the content according to tone of voice. Tone of voice was characterized as positive or negative, whether the political actors posted the content about themselves or other candidates. The categories of content analysis are described below (Bosomworth, 2014).

Entertainment implies an emotional approach to the audience through announcements that should cause a good mood and it is most often based on humour. This type of content does not necessarily promote the program and plan of a particular party and candidate, but with its intensity it allows positioning in the mind of voters.

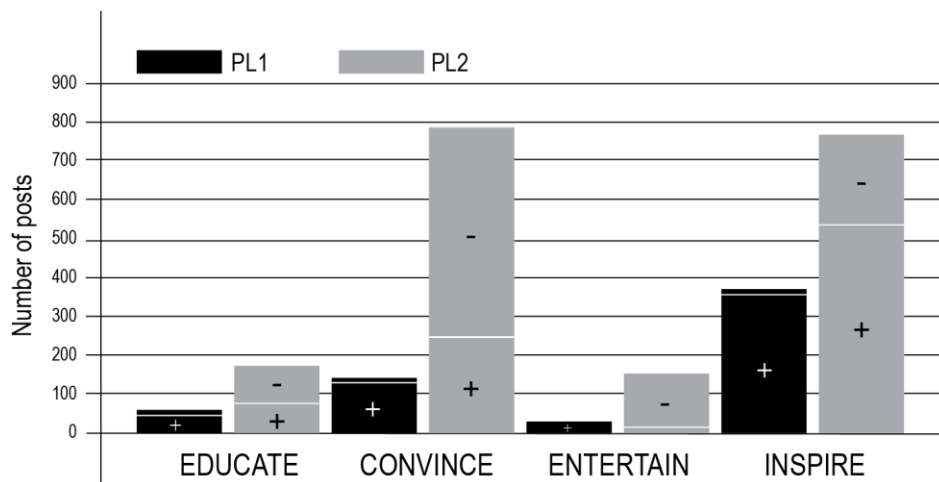
Inspiration implies an emotional approach to the audience through content that is not necessarily fact-based. It is published in order to induce affective reactions in the audience and inspire the audience to accept "a priori" attitudes. This content is dominated by the direct addressing of the audience through calls for specific joint activities (support towards specific attitudes and values, public gatherings, protests, etc.), as well as through direct calls to support a particular party/candidate in the elections.

Education of the audience through content implies less emotional focus and greater orientation to different facts and arguments. The purpose of the content is reflected in informing and gaining new knowledge in a particular field or in relation to a particular topic. This type of content helps the audience to recognize the specific issue they have, which then means focusing all their attention on a particular actor.

Content to convince implies content based on facts or specific activities from the political actor's plan and program, which are presented to the audience in order to receive direct support. Contrary to the content that should inspire which is always based on arguments, this type of content is mostly based on a constructive and argumentative discussion, as well as on specific plans of political actors, which are guaranteed to be achieved in the future period.

The general testing of the methodology will be performed for the political lists which took part in the local elections in Belgrade in 2018. For the purpose of illustrating the way how the analysis will be done, this study presents the content analysis for two, randomly chosen political lists – PL1 (which did enter the City Assembly) and PL2 (which did not enter the City Assembly). The study analysed the content they posed on Facebook and Twitter, during the election. YouTube, another social media that is considered to be an unavoidable platform for political campaigns as well, was not taken into account due to resource constraints. The analysis was performed manually, without any software, in the period of one month, from 1st February to 1st March. All content was classified on a daily basis in a certain category depending on whether it was rational or emotional and whether it was a call to action or awareness. The content was also classified by the

tone of voice as positive or negative. The results of the analysis for the two political lists are shown in Figure 1.



**Figure 1.** The qualitative analysis of PL1 and PL2 posts on Facebook and Twitter

With regard to the volume of posting, the campaign of PL2 was four times more intensive than the campaign of PL1. In addition to the absence of a pattern regarding the amount of daily posts, PL2's content could generally be classified into categories of emotional inspiration and rational convincing, with special focus on posts belonging to the latter category. On the other hand, PL1 posts' structure was mostly based on solutions and plans for social topics. Hence, most of the posts were based on positive emotional appeals, as this list generally posted content that referred to them. By way of contrast, a large volume of content posted by PL2 had negative tones as they generally posted negative content about the opposing political actors' activities and programs.

#### 4. CONCLUSION

This research presents a qualitative analysis of the context of the content that political parties post on social network sites. The purpose of the conducted research was to test the proposed methodology by analysing the content published by political actors on Facebook and Twitter, during the pre-election campaign for local elections in Belgrade in 2018. For the purpose of illustrating the way how the analysis was performed, this study presented the content analysis for two, randomly chosen political lists – PL1 (which did enter the City Assembly) and PL2 (which did not enter the City Assembly). The context was analysed by employing the content matrix which was adapted for the purpose of political marketing.

The results of this research provide a strategic approach for content planning in political campaigns on social media. The methodology provides for more precise monitoring of digital campaigns of all political actors, thus making it possible to find gaps in the content to be posted, that are not covered by others. Furthermore, it provides more efficient types and forms of content and, additionally, the methodology can be used for the purpose of forecasting future posts of all actors on the political scene.

The limitation of this research is that results cannot be compared with other research as there are no previous studies of this type. Furthermore, since only these two coalition parties were analysed, we propose further analysis of the content published by other political lists in the Belgrade 2018 elections. This would provide a comprehensive overview of content on social media relevant for Belgrade voters. The methodology should also be tested in other elections. Finally, future research should focus on the development of software suitable for performing quick and large-scale analysis.

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# THE SYNERGY OF SALES PROMOTION AND ONLINE ADVERTISING IN AFFECTING FMCG CONSUMER BEHAVIOUR

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**Abstract:** *Incentives for the purchase of products that include adding value to the basic product and boosting demand from buyers and consumers, are part of a consumer-oriented sales promotion strategy. These marketing communications activities are further expanded by integration with other forms of marketing communication such as advertising, whereby contemporary consumer behavior trends require a focus on digital media. The subject of this research paper was examination of effectiveness of different sales promotion instruments in the case of repeated, regular and unplanned, purchase. Based on the analysis of the results of the primary survey, it was concluded that sales promotion instruments related to the product price have great marketing potential on the market of the Republic of Serbia. Additionally, sales promotional tools - discounts, free samples and bonus packages – turned out to be extremely stimulating and efficient in integration with digital communication forms of these benefits.*

**Keywords:** *sales promotion, online advertising, web portal, social media, email marketing, SMS marketing*

## 1. INTRODUCTION

In the competitive FMCG market, marketing managers apply and integrate various communication tools to draw attention to their organization's offer and influence on consumers in the desired way (Perić, Milovanović & Bovan, 2013, p. 276). In this sense, a part of the marketing budget is often allocated for sales promotion activities, i.e. marketing incentives such as discounts, free samples, bonus packages, gifts, competitions, prize games, loyalty programs, etc (Jobber & Fahy, 2006, p. 247, Belch & Belch, 2004, p. 514). By applying them, direct influence on buying behaviour is enabled, thanks to the additional values that they provide to the consumer (Belch & Belch, 2004, p. 513). It is necessary to consider them as part of integrated marketing communications, a concept developed by modern marketing orientation which represents a scientific and practical approach for establishing relationships with target groups based on the synergy of various media and forms of communication (Vlastelica, 2007; Živković, 2012). Also, there is a need for a good knowledge of contemporary trends in strategic communications that, as a key imperative, set flexibility and personalization of communication tools and messages, considering not only reactive approach, but also taking over the role of initiator of change in the digital revolution.

The subject of the research in this paper is the influence of sales promotion techniques on decision making process in various purchase situations in the FMCG industry, as well as testing the effectiveness of various communication tools and channels for informing consumers about these instruments. Sales promotion tools, whose effectiveness has been explored in this paper are: discounts, free samples, bonus packages, gifts, contests, sweepstakes and loyalty programs. Purchasing situations that were observed were: purchase of a new brand, unplanned shopping, changing a brand that is usually bought, re-buying, buying an unplanned quantity and choosing a specific brand in a group of similar products.

The goal of this paper is to determine the real marketing potential, based on the analysis of data obtained from the primary research, for each of the mentioned communication techniques; point out their adequacy for achieving specific marketing goals; identify trends in the investigated market, and finally, formulate recommendations for marketing managers operating in the research market.

## 2. LITERATURE REVIEW

One of the key decisions that marketing professionals are bringing is determining the way in which the communication program with consumers will be designed and implemented. In addition to traditional communication tools, today's creation of a media plan is hardly imaginable without considering the involvement of digital media (Veselinović et al, 2016, p. 42). It is considered that with persuasive communication, using the appropriate mix of communication instruments, it is possible to influence on the consumers' process of making decisions, as well as reinforcing or changing their attitudes in the desired direction (Živković, 2012, p. 145). A synergistic approach, i.e. the integration of various mediums of

communication, has shown to be the most efficient way of transmitting the message to the target audience in the communication strategy and achieving the desired impact on consumers (Filipović & Kostić-Stanković, 2014; Cicvarić, 2006; Vlastelica, 2007). An important part of the communication mix are also a sales promotion techniques, that Kotler (2004, p. 164) defined as "incentives and rewards that attract customers to buy immediately, not to delay shopping". Sales promotion include a wide range of activities that are used in the strategy of communication with consumers, retail or own sales force (Filipović & Kostić-Stanković, 2014, pp. 249-250).

## 2.1. Contemporary sales promotion tools

Some of the most commonly used consumer promotion techniques are: discounts, free samples, coupons, bonus packages, gifts, competitions and loyalty programs and loyalty programs (Jobber & Fahy, 2006, p. 247, Belch & Belch, 2004, p. 514). Knowing the diversity of these activities and their benefits to achieve different marketing goals, such as: accelerating sales, encouraging more purchases of goods (creating stocks), attracting consumers of competing companies, testing new products on the market, building brand-loyalty etc (Shi et al , 2005 in Alimpić, 2015), marketing managers decide whether and which of them will be applied in the communication mix.

*Discounts* mean a temporary percentage reduction in product's price and provide an unambiguous stimulus for consumers because of the opportunity to save money (Jobber and Lancaster, 2005, p. 378). They are particularly effective in the case of a price-sensitive consumer group (Belch & Belch, 2004).

*Free samples* are small packages of the original product distributed to consumers in different ways: by "door-to-door" distribution or at the point of sale; by mail; by pairing with the packaging of another product; as part of print media, by online ordering, etc (Belch & Belch, 2004, p. 527-528). They are often used in the strategy of introducing new brands on the market, but also with existing ones, in order to differentiate the company from the competition and attract new consumers (Belch & Belch, 2004, p. 526; Jobber & Fahy, 2006, p. 247).

*Coupons* are paper/cardboard/plastic cards or electronic documents that provide some convenience related to the purchase of a particular brand (price cuts, the opportunity to participate in the prize game, collecting points and getting gifts etc), which is an additional stimulus for the purchase of that brand (Kumar, Rangachari, Jhingran & Mohan, 1998, p.2; Filipović & Kostić-Stanković, 2014, p. 254.). Coupons are distributed by: daily newspapers and magazines, direct mail, special printed publications of retailers, internet, free samples, product packages etc (Belch & Belch, 2004, p. 529, Boundless Learning Inc, 2017).

*Bonus packs* are a stimulus for purchase because, at a regular price, they offer a bigger quantity of products than the original package (e.g. "20% gratis") or a free product unit with the fulfilment of a defined promotional mechanism (e.g. "1 + 1 gratis", "2 + 1 gratis" etc) (Belch & Belch, 2004; Jobber & Lancaster, 2005; Jobber & Fahy, 2006). *Contests and sweepstakes* are ways to attract consumers motivated by winning a brand-specific reward (Boundless Learning Inc, 2017). While contests require rivals to compete by demonstrating skill/knowledge/talent in the specified activity, the outcome of sweepstakes does not include the participation of a professional jury, but participants rely only on luck (Belch & Belch, 2004; Jobber & Fahy, 2006). Contests, sweepstakes and gifts are effective ways of encouraging consumers to visit a website or company's/brand's profile on social networks. By providing a proof of purchasing a product (e.g. codes, photos, etc), the consumer gets the right to a certain gift or participation in the contest/sweepstake. The company's website is usually the place where consumer can find out about the conditions of participation. In practice, it is becoming increasingly common for the entire competition to take place online: the participant puts his work (e.g. photo, slogan, answer, etc) on the company's website/profile on the social network, where together with other visitors of website/social network he she has the right to vote, evaluate and comment on other works, as well as to follow the results on the scoreboard.

*Loyalty programs* (loyalty cards) are the methods used by companies primarily to establish and maintain long-term relationships with consumers, with the ultimate goal of building lasting attachment for a particular brand (Dukić, Martinović & Dukić, 2015). With repeated or regular purchases, consumers collect points that will, at some point in time, provide them with the defined benefit - gift, discount, prize, etc (Belch & Belch, 2004, p. 542;). The basic reason why companies apply loyalty programs is to create a consumers' database. Based on the analysis of data of their previous purchases, with the help of specialized software, valuable information about consumers' preferences, habits and interests are being created, on which basis the marketing programs are being improved (Belch & Belch, 2004; Jobber & Fahy, 2006; Živković, 2012) .

## 2.2. Online advertising, e-mail and sms marketing

In practice, sales promotion instruments are often integrated with advertising. Sales promotion instruments should provide a direct impact on consumers' behaviour, while the role of advertising is to attract the



attention of the target audience to current sales promotion programs. In other words, the basic role of advertising, as a tool of marketing communication, is to inform potential consumers about the products of the advertiser and to provide the necessary information so that they should be able to compare them with products of the competition, to later create awareness in potential consumers that these products are adequate for purchasing and finally lead to a purchase in favour of the product being advertised (Vlastelica, 2007). Kotler (2004, p. 166) explains this in the following way: "Advertising explains *why* a customer should buy a product, and sales promotion *gives an incentive* to buy". Advertising appeals, rational and emotional, are part of a creative advertising strategy and they could be used as a basis for a certain advertised message in order to attract the attention of potential consumers, to effectively influence their awareness, beliefs and attitude towards the advertised product, and consequently, the purchase intention (Jovanovic et al, 2017). When used combined, advertising and sales promotion make a powerful combination. Belch and Belch (2004, p. 554) consider that the best results are achieved by combining these two communication tools.

Today, a complete marketing mix of media is hardly imaginable without the participation of digital communication channels. In addition to the precise measurability of the achieved results and the greater creative possibilities in advertising, their basic advantages against traditional mass media are: active participation of users, the possibility of two-way communication, more precise adaptation to the target groups (Vlastelica, 2007, p. 35) and formation of a community of fans of certain brand. It is estimated that in 2018 there are more than four billion Internet users, while close to 3.2 billion of them are active users of social media, and it is necessary to keep in mind that there is a trend of constant growth in this field. Thus, compared to 2017, an increase of 7% in case of Internet users and 13% in the case of social media was recorded worldwide (Smart Insights, 2018). According to *Direct Media MMO* (DIMAQ, 2018), the most popular social media channels in Serbia are: YouTube, with 3.86 million users, Viber (3.5 million) and Facebook (3.2 million). When it comes to the usage of the Internet for business purposes, in Serbian companies, according to research data from 2015, more than 86% of them had a developed website, while the most dominant market communication tool was Facebook. Namely, 63.2% of organizations in 2015 used this social network as a marketing communication channel, with a primary focus on advertising activities (Veselinović et al, 2016, p. 50). Digital advertising market records a constant growth since 2012, with net market ad spend 23.7 million euros in 2016, which is 17.6% increase year on year 2015-2016 (IAB AdEx, 2016).

In addition to advertising, other forms of digital marketing communication are also present, among which direct marketing is particularly important. Direct e-mail is one of the oldest forms of internet communication (Ferenčić, 2012, p. 45), and in the context of marketing, today it becomes the channel for sending highly-effective personalized messages with a sales goal. Popular e-mail sequences through which the potential consumer is gradually lead into the so-called "sales funnel", where at the beginning, most often for free, a certain value is offered in order to gain his trust and affection and, in the end, to make him profitable for the company.

Thanks to modern technologies, communicating with consumers is also possible through so-called "bulk" SMS messages (Algotech, 2017). In the context of sales promotion, this is an effective way to keep the target group informed and focused on the company's offer by integrating with sales promotion instruments such as discounts, gifts, etc. On the other hand, sales promotion tools such as competitions and prize games are more often associated with the so-called "SMS premium services" that allow users to register, participate, vote, etc (Algotech, 2017). A great marketing potential is attributed to this communication channel, due to the possibility of personalized access and delivery of relevant messages to the target group, which is confirmed by the fact that the open rate in the case of SMS marketing is very high (95%), most often within five minutes of receipt of the message (DIMAQ, 2018).

### **3. THE RESEARCH OF EFFECTIVENESS OF THE SALES PROMOTION IN THE FMCG INDUSTRY**

The purpose of conducting the primary research was to determine the effectiveness of the sales promotion instruments in various purchasing situations in the Serbian FMCG market. The research was conducted in order to determine the motivational potential of these communication techniques, based on the analysis of the obtained data, with the aim to answer the questions: whether, in which percentage and in which situations they are effective, as well as what type of marketing communication is most suitable for informing consumers about these benefits.

### **3.1. Methodology of research**

For the purpose of the primary research conducted by the survey method used was an online questionnaire with 15 questions. Questionnaire was distributed to respondents via e-mail and Facebook social network, was available for completion in July 2017. The target group of respondents consisted of adult citizens living in the territory of the Republic of Serbia. The sample is simple and random, which means that each member of the basic assembly is provided with the same probability of being included in the sample, with the mutual independence of drawing members of the basic assembly - (Ristić, 2006, p. 391).

### **3.2. Structure of questionnaire**

An questionnaire which contained 15 closed and open-closed questions was structurally divided into three parts. The first one contained two eliminatory questions: "Are you an adult?" and "Are you a resident of the Republic of Serbia?". Only those respondents who responded affirmatively to both questions had further access to the questionnaire. By setting such a condition, it was possible to obtain an insight of habits and preferences in purchases for a specific geographic market, thereby avoiding inaccuracy and over-generalization. On the other hand, it was considered that minors, in most cases, do not make purchasing decisions independently. The other part of the questionnaire contained three questions (about sex, age, and working status), on which basis the demographic structure of the sample was analyzed. The third part covered ten questions about specific habits and purchasing decisions and motivators that lead to them.

In order to examine the compatibility of sales promotion and other marketing communication tools, and the effectiveness of their integrated potentials, respondents were asked the question: "How do you get informed about the special benefits for purchases you intend to do?" They were able to choose between 11 categories, among which there were different types of advertising, direct marketing and other forms of digital communication.

### **3.3. Demographic structure of the sample**

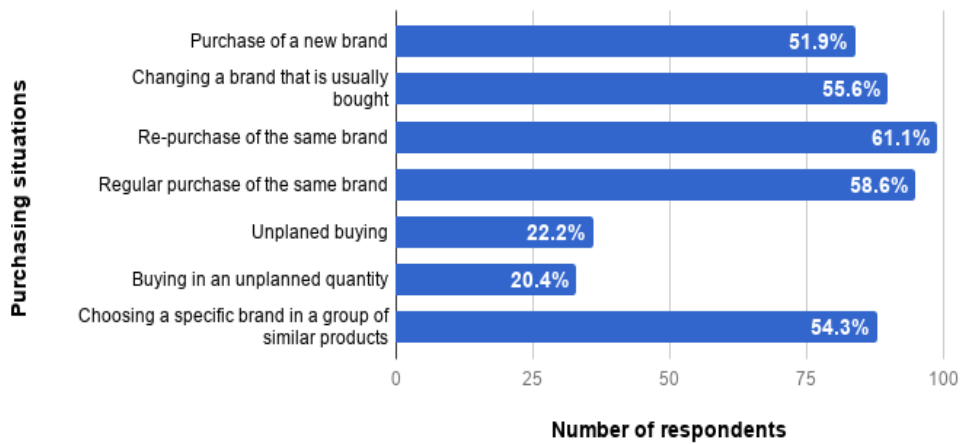
Out of 166 persons who have accepted to fill the questionnaire, 162 respondents fulfilled both eliminatory conditions and their answers were further processed. Of these, 119 (73.5%) were female and 26.5% male. Survey found the following results as it relates to age of the respondents: 73 of them (45.1%), belonged to the age of 18-24 years; 54 (33.3%) respondents in the age group "25-34 years"; 11 (6.8%) respondents in group "35-44 years"; seven respondents (4.3%) in group "45-54 years", and 11 (6.8%) were in group "55-64 years". The smallest number of respondents, six of them (3.7%), were from age group "65+". When it comes to working status, the majority of respondents, 62 (38.3%), stated that they were employed for a full time or stable, followed by unemployed respondents - 56 (34.6%), then those who were employed on part-time and temporary jobs - 37 (22.8%) and at a smallest percentage - pensioners who were only seven (4.3 %).

## **4. ANALYSIS OF SALES PROMOTION INSTRUMENTS ON PURCHASE INTENTIONS AND BEHAVIOUR**

On the basis of the conducted primary research, it is possible to make a conclusion about the adequacy of investigated sales promotion instruments for achieving specific marketing goals, as well as the compatibility of these tools with other forms of marketing communication (online and traditional mass advertising, direct marketing, etc). This way an opportunity to maximize their individual and integrated potentials has been created.

### **4.1. Free samples**

Free samples are a sales promotion instrument that has demonstrated the highest effectiveness in the Serbian market in the analysis of overall performance for all observed marketing goals.



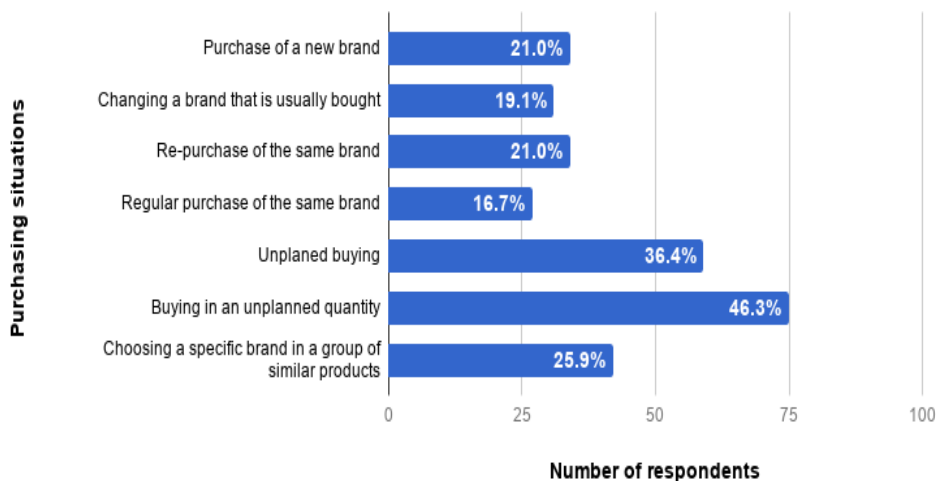
**Figure 1:** The impact of free samples on purchasing intentions

This sales promotion instrument is extremely well accepted among Serbian consumers, since 84% of respondents replied positively to the question: "Will you try a new product if you are offered a free sample of it?". Primary research showed that the most significant effects with free samples can be achieved in case of encouraging repeated purchases, as 61.1% of respondents said they would re-purchase a particular brand due to their belief in its performance thanks to a free sample. The smallest effect of free samples has shown to be in persuading consumers to buy bigger quantity of product from the planned (20.4%).

The effectiveness of free samples in increasing sales can be explained by the fact that they provide consumer with a direct experience with product and the ability to personally verify its performances. Besides that, the free sample of the product is, as a rule, free of charge, which releases consumer of the financial risk. This can be brought in connection to the price sensitivity of Serbian consumers, which is why this marketing stimulus is susceptible.

#### 4.2. Discounts

Discounts are sales promotion tool that show a great marketing potential in the Serbian market. After free samples, discounts proved to be the second most appropriate sales promotion technique for: attracting new consumers and consumers of competing brands; encouraging repeated purchases and building a brand-loyalty; raising the sale of a new product; encouraging unplanned purchases.



**Figure 2:** The impact of discounts on purchasing intentions

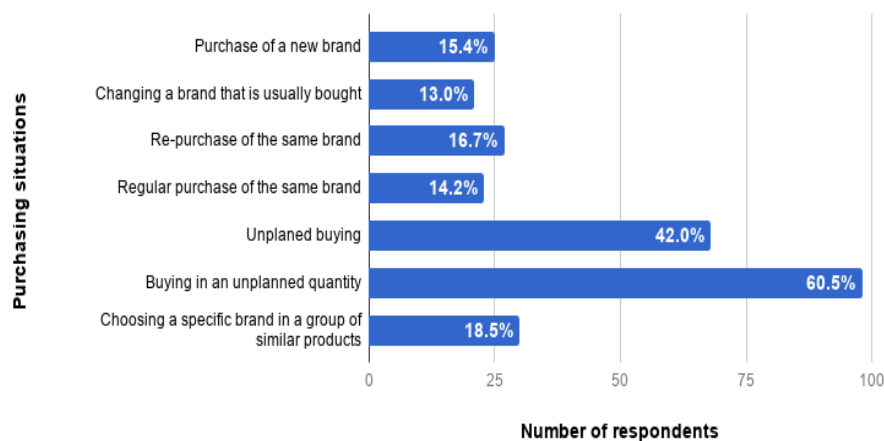
Discounts showed the greatest effectiveness in encouraging unplanned shopping. In total, 46.3% of the respondents stated that discounts are the reason why they leave shops with a larger amount of products than planned. Of the above mentioned marketing goals, discounts were least suitable for encouraging regular purchases (16.7%), but still among the five most effective tools used for this purpose. The reason for the effectiveness of discounts in a wide range of marketing goals can be in a fact that Serbian consumers are very price sensitive, due to the high percentage of unemployment and the unstable economic situation in

the country. In addition, this is one of the most commonly used sales promotion instruments in the FMCG industry, so consumers are accustomed to this type of shopping convenience.

### 4.3. Bonus packs

The study examined the effectiveness of the special offer "1 + 1 gratis", as one of the bonus packs options.

The best effects were noticed in encouraging unplanned purchases. Namely, 60.5% of the respondents stated that due to the offer "1 + 1 gratis" they would purchase a larger quantity of a product than planned, and 42% of them would be motivated by this convenience to buy items that had not previously been planned. These data also testify that bonus packs are a convenient tool for providing consumers with stocks, thereby reducing the ability to be attracted to the stimulus of competing companies, knowing they have enough quantities of this type of product. The survey showed that the smallest percentage of probability (13%) for this technique to be effective is in the situation of motivating consumers to replace the brand they are usually buying.



**Figure 3:** Impact of bonus packs on purchasing intentions

### 4.4. Contests and sweepstakes

These tools, which are described in the relevant literature (Belch & Belch, 2014; Boundless Learning Inc, 2017) as an adequate tactic for building brand-loyalty, has not shown significant effectiveness in the research for the Serbian market. The highest effectiveness of this instrument, with only 4.3% probability for attracting consumers, has been shown in the case of unplanned purchases and purchases of a new product on the market. Almost no effectiveness (0.6%) contests and sweepstakes have on the choice of a specific brand in a group of different brands of products with the same purpose. The explanation for the low effectiveness of these sales promotion instruments lies in: the frequent lack of confidence of Serbian consumers in the honesty and ethics of the organizer of such marketing activities; the reluctance to provide personal information (which is a necessary condition for participation), and the absence of the possibility of savings or an immediate and secure additional value.

### 4.5. Loyalty programs

Like in the case of gifts, loyalty programs, in the Republic of Serbia, in comparison with sales promotion instruments with current effect, do not show significant performance.

Although loyalty programs are described in literature as the most appropriate sales promotion instrument for building brand-loyalty (Belch & Belch, 2014;), only 14.8% of consumers said that this tool would motivate them to purchase a particular brand. The smallest number (5.6%) would replace the brand that it usually bought because of benefits derived from the loyalty program.

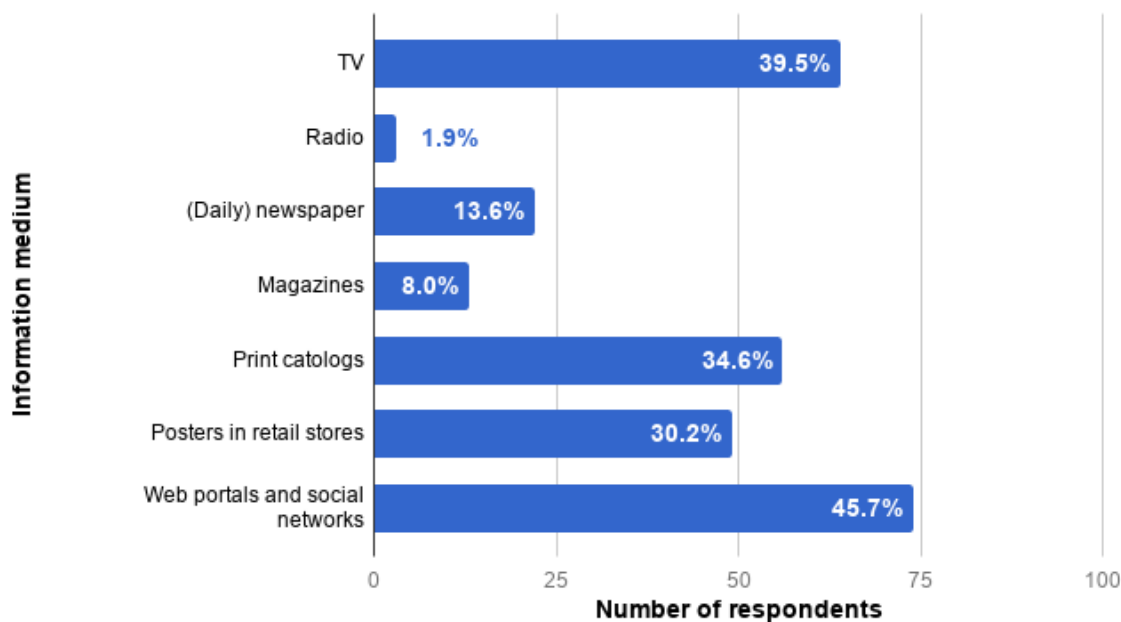
Price sensitivity, focus on financial benefits, favorability for special offers that do not require additional engagement and the provision of secure and immediate benefits are again imposing as potential reasons that Serbian consumers do not show affinity to long-term sales promotion tools, including loyalty programs.

### 4.6. Informing about sales promotion tools

Considering the noticeable presence of the concept of integrated marketing communications, both in academic literature and in practice, in this part of the research, attempts have been made to determine the degree of complementarity, that is, the synergetic effect of sales promotion and other marketing communication tools. From a wide range of marketing communication tools, those instruments that are most commonly used in the marketing communication in FMCG industry were examined, distinguishing between their traditional forms (TV, radio, print and other) and digital forms of communication (SMS, email, web portals and social networks).

In four of five (80%) cases, consumers in the Serbian market are informed about the extra-benefits for preferred purchases through company's advertisements. The results showed that most of the Serbian citizens (45.7%) are informed about the special benefits for purchases they plan to do via web portals and social networks, eg digital communication tools. This is yet another confirmation of the trend of the mass reorientation of Serbian population from traditional to digital media.

The research has confirmed that the most common way of informing modern consumers about the benefits that companies offer through various instruments of sales promotion is digital communication - SMS, email, web portals and social networks. Web portals and social networks have shown even greater impact than traditional advertising via television which, until recently, has had a priority in the field of promotional informing of general public (citizens aged over 18 years).



**Figure 4:** Presence of mediums through which consumers are informed about the benefits related to planned purchases

## 5. CONCLUSION

Based on the analysis of results of conducted empirical research, it can be concluded that the small purchasing power of the average Serbian consumer and, consequently, high price-sensitivity, are main causes of his orientation towards the so-called "short-term" sales promotion instruments, such as discounts, free samples and bonus packages. The reasons are: lack of financial or other risk in deciding for brands that include this type of promotional mechanism; avoiding additional engagement and time (e.g. collecting stickers and bills, sending creative solutions in order to win a certain prize, etc) and providing instant and obvious benefits - most often financial savings.

A general recommendation for marketing managers operating in the Serbian FMCG market is to focus on sales promotion instruments that are directly related to the price and immediate added-value for consumers, such as discounts and bonus packages. Based on the proven significant effectiveness in all of examined purchase situations (purchase of a new brand, unplanned shopping, replacement of a brand that is usually purchased, regular purchase, etc), it is recommended to frequently use the free samples, which proved to be an effective tool for achieving almost all investigated specific marketing objectives. In encouraging unplanned

shopping, it is also advised to use discounts, free samples and bonus packs, as well as gifts in case of stimulating the purchase of a particular product in a larger quantity than planned.

The results have shown the effectiveness of the integration of these instruments with advertising messages, with the focus on direct marketing via SMS and online tools - web portals and social networks that have proved to be the most appropriate for informing consumers about these benefits. Considering the fact that the trend of mass digitization in recent years is present in the Serbian market, it is advised to companies to take on the role of the leader of innovation in this dynamic field, where proactivity and originality are the most secure ways to win attention and the consumers' attachment to the brand. It is advised to focus on the authenticity and high quality of creative solutions. In that sense, production and usage of new media formats are encouraged.

Although they are described in the relevant literature as effective tools for building brand-loyalty, sales promotion instruments which are not connected with product's price reduction, such as contests, sweepstakes and loyalty programs, did not prove to be effective motivators for purchase in the Serbian market. As a limitation to this research, relative generalization can be indicated, as it relates to a very wide field of FMCG industry that includes products of diverse characteristics and financial value. The recommendation for further research is to test the effectiveness of marketing communication instruments in relation to the specific product type, as well as focusing on more specific target groups of respondents. In addition, it is proposed to focus on testing the effectiveness of digital versions of sales promotion instruments (online coupons, contests, loyalty programs, etc) which are increasingly used.

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## CURRENT TRENDS IN DIGITAL MARKETING COMMUNICATION

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**Abstract:** *This document is an overview of current trends in digital communication. Digital marketing and its tools (online advertising, online video and interactive television advertising, mobile marketing, buzz marketing, websites and social media) are perfect for communication with all stakeholders, and at first place with customers. This days the main challenge of companies and digital marketing communication is being noticed. Digital technologies match traditional communication and media channels, beside that they span the marketing mix. Accordingly, digital communication become significant element of marketing communication. Companies can hardly gain profit without getting noticed, especially if the target audience is young people that are digital natives. The originality of this paper is its focus on new trends in digital communication and their impact on companies processes to explore how a strategic adoption of digital communication tools can influence creating company's strategies and action plans.*

**Keywords:** *digital communication, marketing communication, new trends, social media*

### 1. INTRODUCTION

Digital must become “part of what you do and who you are.” (Kirk Borne)

Digital technologies intensified a global competition so the most important thing for companies is to implement it in its business and communication strategies. Digitization is rewriting the rules of competition, with incumbent companies most at risk of being left behind (Hirt & Willmott, 2014). Internet as the biggest communication channel gives to organizations a wide spectra of digital communication tools they can use to approach target groups and stay in touch with customers.

Customers now days use various on-line tools to communicate. Tremendously big number of information are accessible as never before—from proprietary big data to new public sources of open data (Hirt & Willmott, 2014). Surfing the Web is today's must. As the use of smart phones and android devices become everyone's routine on a daily bases internet and digital media become a crucial part of every individuals lives. Customers become much visible and social media give them a voice that can be spread unbelievably fast worldwide. They build like-minded communities where they share their experiences, find information, network, and socialize.

Companies can send and receive multimedia content in order to communicate with different target groups, also they can reach new business partners. Even the digital and online radio, television, newspaper, magazines etc. have become available. Global society have a significant impact of social media, particularly of social networking sites (Facebook, LinkedIn, exc.) and microblogging sites (Twitter). Individuals, organizations, communities and different businesses around the world use social media to communicate.

Today companies must know when customers are making decisions to buy and then to react in real time. (The Economist Intelligence Unit Limited, 2014). Customers use new media to express or explore the opinions before and after the use of some products or services. Bearing that in mind it can be said that new media are playing an essential role in marketing communication process. Websites, applications, mobile phones (smartphones and android), e-mails, social media, banner ads, PDAs (Personal Digital Assistant), are the most frequently used tools by companies in order to communicate and collect information's. Today's consumers are spending over 85% of their time on their smartphones using native applications, but most of their time, 84% is spent using just five non-native apps they've installed from the App Store (Perez, 2015).

Digital communication is specific and increases the level of perception and remembering of the received information. Companies can easily get instant feedback from customers and respond to it. Companies use different tools in their digital marketing communication process. Some of them are personal computers, smartphones, cellphones, tablets TV and game consoles, etc.

In today's global markets, where ICT (Information Communication Technology) is now widespread, information and communication channels are primarily digital channels (adopting specific technologies that

continue to evolve in time), while communication flows are digital packages that can contain data, sound, images, film or various combinations of the same, indifferently

## 2. NEW DIGITAL COMMUNICATION TRENDS

Observing globally number of users of digital communication tools are increasing. At first place the total number of Internet users is increasing all around the globe. According to Global Digital Report 2018 the largest internet penetration has Northern, Western, Southern and Eastern Europe with 94%, 90%, 77% and 74% internet users compared to total population and North America with 88%. Also, total number of internet users worldwide in 2018 is 4.021 billion, up 7 percent year-on-year. That means that, over half of the world's population is now online. In the same report is stated that the number of social media users worldwide in 2018 is 3.196 billion, and it's up 13 percent year-on-year. On the other hand, the number of mobile phone users in 2018 is 5.135 billion, up 4 percent year-on-year. In other words, more than two-thirds of the world's population now has a mobile, with most people now using a smartphone (Global Digital Report 2018, 2018).

**Table 1: Mobile users vs mobile connections (Source: Synthesized Global Digital Report 2018, 2018)**

<b>Number of unique mobile users (any type of handset)</b>	<b>5.135 billion</b>
Mobile penetration (unique users vs total population)	68%
Total number of mobile connections	8.485 billion
Mobile connections as a percentage of total population	112%
Average mobile connections per unique mobile user	1.65

Important to mention is data that the average internet user now spends around 6 hours each day using internet-powered devices and services (the latest data from GlobalWebIndex). Results of the other research shows that modern consumers spend over 85% of their time on their smartphones using native applications, but the majority of their time, 84%, is spent using just five non-native apps they've installed from the App Store. According to Forrester Research the smartphone category is no longer useful as all phones become smart. As Apple and Google arrived in the mobile market other companies were made to try to get into the smartphone business (2009). All mobile handsets are becoming smarter and Internet capable (Global Digital Report 2018, 2018).

According to GlobalWebIndex, 2014; Global Social Media Trends 2015, European Publishers Council a global time spent on media per day in 2014 can be seen in Table 2.

**Table 2: Global Time Spent on Media Per Day, 2014 (Source: Synthesized GlobalWebIndex, 2015)**

<b>Media type</b>	<b>Amount of time spent</b>	<b>Percentage of time spent</b>
Traditional TV	2.58 hrs	23%
Social networking	1.69 hrs	15%
Traditional radio	1.14 hrs	10%
Other online activities	1.06 hrs	10%
Gaming via console	0.81 hrs	7%
Micro-blogging	0.79 hrs	7%
Online press	0.71 hrs	6%
Online TV	0.70 hrs	6%
Online radio	0.61 hrs	5%
Traditional press	0.60 hrs	5%
Blogging	0.53 hrs	5%

The term digital marketing has become popular thanks to the inclusion of a wider range of digital and network communication technologies, including mobile phones and digital television. The widening application of digital technologies suggests that marketers should extend their thinking beyond the Internet to encompass all the platforms that permit a firm to do business electronically. (Chaffey & Ellis-Chadwick, 2012)

Authors Tuten and Solomon (2013) stated that the social element involves thinking about social media as the way digital natives live a social life (participation, democracy, freely interaction with other users, etc.). In

order to engage customers or to create brand awareness or to spread professional network companies most commonly implement Facebook, LinkedIn, Twitter and YouTube in their digital marketing.

Author Lincoln specifies ten key tools of social media (Stavljanin, Filipovic & Kostic Stankovic 2011, Lincoln, 2009): Blogging, Microblogging, RSS, Widgets, Social Networks, Chat rooms, Message Boards, Podcasts, Video sharing and Photo sharing.

The technology is used to create an environment that facilitates different forms of online activity. For example:

- social community media (Facebook, Twitter, LinkedIn) The social community includes social networks, message boards, forums and wikis. - enable sharing of ideas, interests, socializing and having conversations (Tuten & Solomon, 2014),
- social publishing media (YouTube, Pinterest, Flickr, WordPress, Instagram) can be divided into four groups: individual users, independent professionals, professional contributors and brands - enable signed-up members to publish and distribute editorial content, movies, audio, photos (Tuten & Solomon, 2014),
- social commerce media (Yelp, Groupon, Etsy, TripAdvisor, Groupon and Facebook), which enable buying and selling, trading, building relationships (Hajli, 2015),
- social entertainment media (come2play, Zynga12, YouTube, Spotify, Reddit and various online interactive games like Trivia Crack, Candy Crush and other) - enable game playing and entertainment across communities (Whiting & Williams, 2013).

In other words, social (life), media (environment) and network (interconnections—technology and human) are three elements which have come together to create the latest and fastest-growing online phenomenon (Digital marketing and social media, 2012).

One especially important characteristic of digital technologies, considering marketing communication, is opportunity of controlled execution and feedback related with each communication.

The banners, pop ups, etc. that open up on almost every single web site, are forms of digital advertising whose aim is to prompt the surfer to 'click' to obtain information about a product, a brand or a company offer. They demand the user's involvement and he chooses to search for more information, thus making it possible to transmit the corporate communication in a personalized form, in a time frame and content that can develop an active interest in the user.

Web sites, mobile applications, social networks and other digital communication tools collect and analyze many aspects of their users – companies customers or potential customers. For example, by IP address (Internet Protocol unique for each user) companies get information about where the user is from, cookies give information about persons movements, also time spent on some page is measured, number of clicks, number of likes, shares etc.

YouTube and Vimeo are the platforms for uploading, publishing, streaming and viewing videos online (wpbeginner.com). There individual can watch the news, learn, follow favorite band, singer, etc.

Instagram is the platform for sharing pictures and videos publicly or among the followers is used as a portfolio or a photo album (socialmediaexaminer.com).

Snapchat is a mobile application that allows its users to exchange various media content that is only available for a short period of time (hubspot.com).

Spotify, Apple Music, Pandora and Tidal -- as well as Google Play Music and Amazon Music Unlimited are a music, podcast and video streaming social media platforms. They contain a large audio and video library, where users can explore various content and share music finds with their friends across the various social media platforms (cnet.com).

The case of online interactive games like Trivia Crack, Candy Crush and other is particularly significant for the young people. Advertising companies place their trademarks or products in them through product placement contracts, adding to the realism of the context in which the game is played. Players may actively choose the sponsor of their player (from several alternative sponsors envisaged by the game) while their opponents or the side of the court or track are defined by the software, or by product placement contracts which have helped to fund the product.

Digital communication technologies don't require constant persistence of all participants in the same virtual space in order to establish the relation. They do not have time limit, without specific beginning or end of the process.

### **3. NEW DIGITAL COMMUNICATION TRENDS**

According to El-Darwiche et al. (2017) WhatsApp, Viber, and Apple's iMessage already represent more than 80 percent of all messaging traffic, and Skype alone accounts for more than a third of all international voice traffic minutes.

Big Data applications facilitate personalized products and services and mining them opens up new opportunities for process optimization, the identification of interdependencies, and decision support. IBM's Watson computer and Apple's Siri understands human's, and Siri use Google Maps to lead you on the place where you want (Helbing, 2015).

The rise in social media advertising also marks a continued trend by marketers to establish more intimate relationships with their customers (Wright, Khanfar, Harrington, & Kizer, 2010). Research conducted by authors Swani, K., Milne, G.R. & Brown, B.P. (2013) have corporate Facebook pages in focus in order to better understand the effectiveness of social media content in leading to consumer responses. Authors Buratti, N., Parola, F. and Satta, G. (2018) conducted a quantitative research that provide empirical insights on their social media activity on three different social media platforms, i.e., Facebook, Twitter, and LinkedIn. The research results indicate the importance of the adoption rate of the most diffused SM tools, the size of the digital networks of stakeholders (number of followers), the intensity of the communication activity (number of posts, shares, photos, videos), and the level of customer engagement (number of likes and shares) (Buratti, N., Parola, F. and Satta, G., 2018). Other study reveals a positive relationship between "liked" brands on Facebook fan-page and brand love (Kudeshia, C., Sikdar, P., & Mittal, A., 2016). That means that liking a fan page can significantly influence brand love and word of mouth is found to be an outcome of fan page liking.

Modern customers, especially members of Millennial generation and generation Z, usually look for information about products and services on social media before making a decision to purchase and that is the main reason why social media has become very important for communicating with customers (Mamula, T., Radojevic, I., & Slijepcevic, M., 2016). Members of Millennial Generation in the are better connected, they have more friends online (social networks) as well as offline, and they feel their life is fulfilled when they are connected with people through social media (Radojevic, I., Krasulja, N., & Vasiljevic Blagojevic, 2014).

Facebook's core platform still dominates the global social landscape, with total users up 15 percent year-on-year to reach almost 2.17 billion at the start of 2018, followed by Youtube with 1.5 billion active user accounts (Hootsuite, 2018). WhatsApp and Facebook Messenger (with 1.3 billion users each) both grew twice as fast as the core Facebook platform though, with the number of people using each messenger app up by 30 percent year on year.

Here are the essential headlines for digital in Serbia in 2018:

The number of internet users in 2018 is 6,32 million, with penetration of 72%. The number of active social media users in 2018 is 3.60 million, with penetration of 41%. The number of mobile phone subscriptions in 2018 is 9,66 million, with penetration of 110% (Hootsuite, 2018).

### **4. CONCLUSION**

Development of Internet, especially mobile Internet made a great impact on business and customers behavior. It offers a new way to create, publish and search for information. Together with the development of mobile Internet and its use in companies, marketing activities, including also marketing communication, started to be conducted with the help of this new medium.

The personal experience of individual consumers who has and use some product or service is more reliable in the opinion of many consumers than, advertising, research results, or marking products with various symbols denoting (good quality, safety) (Drzazga, M., 2013).

Digital media can contribute to the success of a company on the market. Marketing activities carried out with the help of digital media may lead to the creation and enhancement of market position of a company and its products. Digital media is a very important part of modern consumers' lives, which is why it should be taken into consideration while planning marketing communication activities. However, appropriate knowledge and creativity is required of the companies.

Unlike the traditional media, the social media is becoming companies important marketing tool for engaging with their customers. Using social media in digital communication marketing companies can benefit making good relations with their target market and learning about their needs. On the other side social media can be a threat to company's business as word of mouth spread fast and can be highly influential in viral environment. Companies must have a social media strategy in order to deal with the enormous challenges that comes along with social media.

New technologies changes rapidly so modern companies must invest in digital and find the way to track current changes and to be prepared for them. On the other hand, measuring the RIO (return on investments like these) can be hard because the traditional cost-benefit analysis is not propriate for businesses that are embracing mobile, social and big data, because (A report from the Economist Intelligence Unit, 2014).

Since this is a very important and contemporary phenomenon it is recommended that a further research to study this phenomenon would be appropriate.

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# DIGITAL MARKETING STRATEGY FOR HEALTHY FOOD INDUSTRY

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**Abstract:** *The purpose of this paper is to present the proposal and the plan of realization a digital marketing strategy campaign. More precisely, the paper presents the framework for creating a website and presence on social media for the health food company. The theoretical concepts are presented through a practical example of fictitious company which produces Serbian national preserved organic food. Theoretical concepts and practical examples presented in this paper can serve people in practice in creating a business model and implementing a digital marketing campaign.*

**Keywords:** *digital marketing, social media marketing, website, 7C concept, healthy food Industry, organic food*

## 1. INTRODUCTION

The technological revolution has influenced to great extent not only on people's life, but on every business model. The fact that people are using internet and social networks much in everyday life has caused great changes in the way of communication between business and clients – from offline to online. Although the implementing a social media in regular business model in Serbian companies hadn't started at the same time as global trend has, nowadays for the vast majority of Serbian companies it is common to be present in digital world as well as real word (Bauer, 2012).

When it comes to production of organic goods, Serbia follows the global trends, too (*Organic Production in Serbia*, 2016). The population of Serbia has become aware of organic food benefits, creating a good opportunity for market expansion. However, the market hasn't recognized this opportunity – they haven't realized the power of social media yet, or they aren't even present on internet.

In this paper we present digital marketing strategy model for organic production, through theoretical concepts and practical example that could have had a positive effects on the business results in this field.

## 2. THEORETICAL BACKGROUND

Nowadays, "If you are not online, you don't exist." According to a survey from 2015 (Awad, 2105) 85.3% of buyers browse the Internet before making a purchasing decision, while 77.7% of buyers always start their research with Google. But business owners sometimes don't know how to set up their business online. The first step and the most important task is to create digital marketing plan, which includes following steps (Smith & Zook, 2011):

1. Situation analysis
2. Objectives
3. Strategy
4. Tactics
5. Actions
6. Control

When the plan is created, the internet presentation developing should begin. There are many approaches to doing this task, but one should not omit considering the 7C's concept (Rayport & Jaworski, 2001). This concept defines the most important rules and aspects of creating web such as: content, context, communication, customization, connection, community, and Commerce.

The content refers to all forms of multimedia content within the web site; content means text, graphics, sound, music, and/or videos that are presented on the web site (Jović, 2016; Jovic, Milutinovic, Kos, & Tomazic, 2012). Through the content, clear and concise information should be defined, and on the other hand, it is essential that information is interesting for the customers and make them stay on the web site until he finishes the purchase. It is also recommended offering some educational and entertaining content related to core business.



The context relates to the aesthetics appearance, the functional look and feel that web site provides to layout and design (Stavljanin, 2016). A website's layout and overall visual design needs to be uncluttered, easy to read and navigate, the color scheme needs to be appropriate for the marketing design. Having some white space will also aid in the overall design and readability.

Communication refers to the way the company talks to its customers; this can be done through signing up for special offers, email newsletters, contests, surveys, live chat with company representatives, and company contact information. The communication represents the web site's ability to maintain relationship with its target audience. This can be achieved in three ways, or three directions (Stavljanin, 2016): (1) site to customer, (2) customer to site, and (3) Customer to customer. Nowadays, the use of artificial intelligence is becoming more and more popular in the purpose of communicating between the company and customers by introducing chatbots. The goal is to make responses more natural as well as provide quick answers to customers.

The customization gives the ability to the customers to modify the web site according to their preferences (Stavljanin, 2016). Companies can allow customers to personalize aspects of the website or it may tailor itself to different users, for example having different colors and graphics for people who speak different languages (Novak, 2015). Customers can subscribe to some specific topics, therefore avoiding information they don't want to receive (e.g. newsletters).

The purpose of the connection is to bring the customer from other websites, no matter if it is related to the business or not (Novak, 2015).

The community is defined as a common interest based relations (Novak, 2015). Good communication and deep relation with the target audience drive to a community. When a community is established it means that target audience of company is gathered and is sharing similar opinions. The advantages of the good community are numerous: It is easier to create loyal customers that can become brand ambassadors; also, the community allows share important information in no time. The website may allow interaction between customers through message boards and live chat (Novak, 2015).

An online store is an important element of web site that allows customers to buy goods online. It is essential to provide the information about products (name, size, price, composition, weight, payment, etc.) and good customer experience. If the website is intended for commercial transactions, then it has to be safe and the fact that it has been made safe must be communicated to the customer, most websites use a "lock" symbol in the corner to indicate that it has been encrypted (Novak, 2015).

### **3. PRACTICAL EXAMPLE**

Following sections show a practical example of factious company which produces Serbian national preserved organic food.

#### **3.1. Web site**

The Home page is the page where the first impression of the customer is created. So, for the positive impression, it is necessary to make this page look interesting and meaningful (Jović, 2013). Photos put in a slider should be carefully picked, because they are the first thing that catch the sight of a customer, otherwise he can happen to lose the interest in continuing exploring the website and purchasing from it.

The navigation menu allows users to move quickly and easily through the web site, reaching the information they are interested in. The navigation menu is often located in header of the website (Figure 1). It is recommended to add all the important pages in this menu, so the customers could find everything they want about the company, its management, finance, and about the product itself. Nowadays, for a successful business, it is essential to keep everything transparent. That will make a strong bond between a company and its customers.

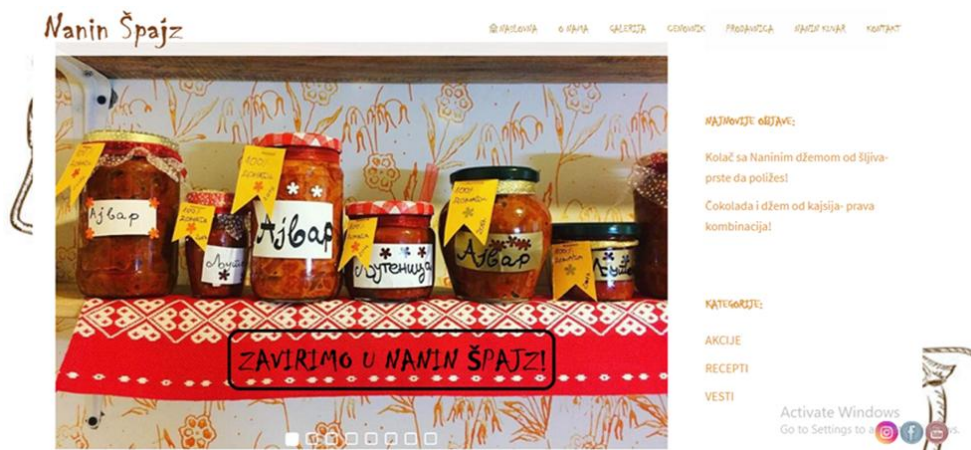


Figure 1: Website preview

The mission and vision statements should not be omitted, as they are pointing out who and what the company really is (Kotler & Armstrong, 2014). In the section "About us", there should also be given a short story about how the company was established – some kind of a storytelling Figure 2.

## O NAMA



Na obroncima planine Maljen, uz ljubav i posvećenost, Nana je uzgajala paprike. Svaku papriku birala je pažljivo pretačući je u najukusniji ajvar. Ponesena uživanjem najmilijih pozelela je da ih obraduje još nekim darovima svog špajza, i tako proširila ljubav kroz različite proizvode od *paprike*, *paradajza* i autentičnog *voća* ovog kraja ne dodajući konzervanse i aditive. Vrlo brzo, mirisi Naninog špajza širili su se celom Srbijom mameći ljubitelje ukusa domaće i zdrave zimnice, ne ostavljajući nikoga ravnodušnim.

Nana svoj asortiman nesebično deli sa svim znatiželjnim gurmanima već tri decenije. Ukoliko još uvek niste probali njene proizvode, biće nam čast da Vam dotaknemo čula raznovrtnim slanim i slatkim poslasticama. Posetite Naninu prodavnicu i izaberite proizvod po Vašoj meri, biće nam čast da podelimo sa Vama sadržaj Naninog Špajza.

Prijatno!

Figure 2: Website storytelling

At the bottom of every page should be provided some elementary information such as address, telephone number, e-mail, position on map, etc.

The visitors should be able to create their own account at the website, so they could receive interesting information such as news on website, events, new post on blog, and some other benefits. But it is also very important giving them an option to sign out from the newsletter at any time. An example of sign in to newsletter form is presented at the figure 3.

Ime i prezime (\*)

mail adresa (\*)

Naslov

Sadržaj

POŠLI

**Figure 3:** Sign in form

It is important to understand that the power of targeting is the power of a website. Therefore, creating specified groups of customers will improve the customer experience as well as the business results of the company. If the offer is specially tailored for each customer category, customers will be more loyal to the company, their products, and will be pleased to be the part of its story.

For an organic production company, certificates as a proof the food are produced organically. Also, the other certificates should be attached, if there are some.

The Gallery is a very important part of a website, since the visual elements are the most appreciated in the last few years (Figure 4). As mentioned earlier, the genuineness and the honest relation between company and clients are an imperative, so when choosing the photos for the gallery, the company should tend to represent itself in the best way possible, but also should not try to give a false impression of what it really is. Along with product photos, the gallery should consist also photos of whole process, events, and everything else that will fully describe the identity of a company.



**Figure 4:** Gallery

For the company which is selling goods online, it is necessary to pay attention to the online store. An online store must consist of product photos (Figure 5). Also, various information should be given: name of product, measurement unit, price, discount, composition, additional information and notes. All the product photos should be taken and edited in the same way, desirable by the one professional photographer. For even better customer experience, company can allow customers to see product form 360 degree angle. If there is lot of products, it is recommended to categorize them making the search easier. The Products should be wisely separated in meaningful parts. In the case of the organic food production, the convenient categories

may be: fruit, vegetables, processed fruit, processed vegetables, but there could also be categories for the ways of use of the products, for example. The customer should be allowed to simply add a product in his cart, and to continue with shopping from where he left. My cart is the part of the online store, where all the products a customer wants to buy are. There, prices and quantities of each product are listed, with the total amount of money. The customer should be allowed to make a purchase in two ways: as a registered user or as a guest, giving only information needed for the product delivery. Also, it is important to offer different ways of payment and describe them thoroughly.

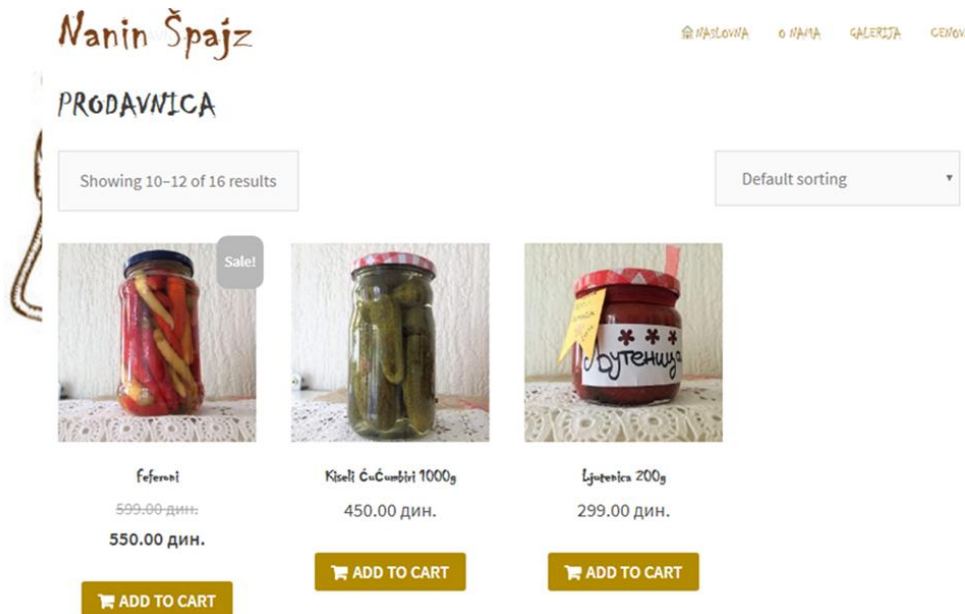


Figure 5: Online store

In addition to basic content that is closely related to the company's business, there should also be given the content that is useful and interesting to target group, but not related to business (Figure 6). That type of content could refer to healthy habits, recipes with organic products, events connected with healthy lifestyles and. There should exist a There should be a separate part of the website dealing with these issues. Such content is important because it helps create a good community that will often visit the site and be engaged.



Figure 6: Additional content

Given the fact that people are increasingly present on social networks, users should be allowed to simply reach a social platform, such as Instagram or Facebook from the website. There should be buttons leading from the company profile to the desired social network.

### 3.2. Social media

The importance of social networks is getting greater every day; in some cases more activities are performed on the social networks than on the websites. That is the reason why every company should make an effort to find out what social network the target groups are present at and what kind of communication they expect to have. Below, we will be talking about activities that can be taken on social networks that will contribute to the development of business.

It is recommended for a company that produces and sells organic goods to have at least Instagram and Facebook profile. Each of the profiles should contain basic information about the company as well as the link that leads to the company's website (Kostić-Stanković, Filipović, & Štavljanin, 2017). The power of social networks is that they allow a large number of tools both for targeting and for interacting with the target group. These two social networks essentially offer the same options for targeting tools. It is possible to define a very narrow group using a number of criteria (city, municipalities, education, gender, age, interests). However, the essential difference is in the way of communication. More precisely, communication on Instagram is based on minimal use of text, but on interesting photographs that show products and, also, any aspect of life in which the product is present. Interactivity is based on the ability to engage users at a higher level. Through various interesting posts requiring a user comments, prize games that require a user to take action in order to win a prize (which is often closely related to the product) (Gunelius, 2017). Another possibility of Instagram is sponsoring a photo. By clicking on a sponsored post, the user is redirected to a website, in an online store to easily make a purchase. One should not omit the great power of the hashtag, which can now be incorporated into all the company's activities. A company can create its own hashtag that carries a specific message that becomes recognizable and powerful, so the followers may wish to add a photo with company's product with the same hashtag, thereby contributing to the promotion of the company's products. When an event is happening, the company can make a live video on the Instagram and allow followers to make impressions, comments and questions in the real time.

Although it seems less popular than Instagram, Facebook is still very important in digital marketing (Lieb, 2011). On this social network there is more textual communication between company and customers, than on the Instagram. Facebook posts can also be sponsored, so the greater number of people can see them and visit the web site. Live videos can be made on Facebook, for the same purpose as on the Instagram. But, the whole activity on Facebook should not be much oriented on the business itself, but on the social community interests.

There is a rule, which defines that within a week less than three and more than five posts should not be posted (Lee, 2014). This rule should not be blindly followed. What should only be taken into account is the amount of the content and how much it is interesting, as well as giving space to followers to reproduce the content.

Although at first glance managing profiles on social networks looks like a simple task, it is a very complex one, because it requires knowledge about the target group and also the ability to estimate when the new content is required. It is therefore very difficult to set up rules for a campaign on social networks.

### 4. CONCLUSION

At the end, it is necessary to conclude that every digital marketing campaign differs from others and there is no universal plan that could work in every business. However, everything written in this paper could be taken in consideration when planning a digital marketing strategy, since the basic rules are given. Every company should adjust this plan to its business goals, strategy and target group. This topic is very broad and complex, because there are lots of factors that influence the digital marketing strategies. It is the most important to analyze, plan, and monitor every activity, so the evaluation and applying corrective measures could be done in the right way. Digital world is extremely dynamic, with changes happening every day, therefore keeping up with technology and learning about the possibilities is essential in order to improve company's digital presence.

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# MULTIPLE SWARMS ARTIFICIAL BEE COLONY ALGORITHM APLIED ON RETAIL SHELF SPACE ALOCATION PROBLEM

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**Abstract:** *As the number of products in retails continuously increase, shelf space is becoming ever more important resource. The allocation of shelf space in retail is NP-Hard problem and a few studies demonstrate usage of the bio-inspired heuristics in an attempt to solve it. Bio-inspired heuristics are great fit for parallelization as implicit parallelization already exists. In study presented herein, island based model was used for parallelization of Artificial Bee Colony algorithm. The main motivation for parallelization was achieving higher quality of obtained results. Beside main goal, the reduction of execution time was expected. The proposed version of parallel ABC, called Multiple Swarm Artificial Bee Colony (MSABC) obtained better results for the set of benchmark problems reducing execution time by nearly 75%.*

**Keywords:** *Shelf, Space, Allocation, Parallelization, ABC, Algorithm*

## 1. INTRODUCTION

Due to increasing number of brand lines and products in retail shops, the problem of shelf space allocation is getting more attention in the last decade. Shelf space in retail is mostly fixed and scarce resource, forcing retailers to choose which product to display and how much space to allocate to each product. Irion, Al-Khayyal, and Lu (2004) observed that the majority of buying decisions are made at the point of purchase which puts even more pressure on retailers to decide how products will be grouped and displayed since their stock levels and store profit depends on it. Wolfe (1968) showed empirical evidence that sale of clothing merchandise is proportional to the amount of inventory displayed. Larson and DeMarais (1990), introduced 'Psychic stock' as a new variable that influences sale dramatically. Based on their studies showing that higher sale could be achieved just by keeping shelves fully stocked, 'Psychic stock' represents full-shelf merchandising policy, which means that retail shelf should be always kept fully stocked. Silver and Peterson (1985) pointed out that the product demand in retail shops correlates with the amount of displayed inventory. The allocation of shelf space is NP-Hard problem. Hansen, Raut, and Swami (2010) illustrated that if there are 10 shelves and 100 products, shelf space allocation problem contains more than nonillion different configurations. Additional level of complexity is introduced by the fact that different products often have very different profit margins. This motivates retailers to promote products with higher profit margins.

In this study, model proposed by Corstjens and Doyle (1981) was used. This model considers profit margin per product unit, facing width of product unit, space elasticity and cross elasticity. This research uses Object oriented paradigm to mimic the model.

Yichao et. al. (2018) and Sundar, Singh and Ross (2010) showed that bio-inspired algorithms could be applied on NP-Hard problems. Ozcan and Sakir (2011) used Artificial Bee Colony algorithm and Particle Swarm Optimization algorithm for solving shelf space allocation problem. Bio-inspired heuristics are good fit for parallelization due to implicit parallelization that already exists inside those types of algorithms since each individual could be considered as separate thread. Subotic and Tuba (2014) demonstrated parallelization of Artificial Bee Colony Algorithm using island model and its application on numerical unconstrained functions which resulted in better quality of obtained results. NP-hard problems often have long execution times which makes them a good candidate for parallelization. Besides aiming for better results, parallelization has welcomed side effect, which is reduction of execution time.

This paper contributes to the literature as the first solution that uses island-based parallelization of swarm intelligence algorithm to solve the retail shelf space allocation problem.

The remainder of this paper is organized as follows: Section 2 contains model overview; Section 3 provides more detailed explanation of original Artificial Bee Colony (ABC) Algorithm; Parallelization of original ABC algorithm is presented in section 4, and Section 5 covers the design of the experiments and presents the results.



## 2. RETAIL SHELF SPACE ALOCATION MODEL

Model presented by Corstjens and Doyle (1981) incorporates four key determinants, named: product space elasticity, inter-product cross elasticity, profit margin and product facing width. Space elasticity denotes how demand for a product is changed based on the shelf space allocation. There are products of which sale decreases significantly when the shelf space allocated is reduced, so their elasticity is described as low. Cross elasticity shows relations between demands for two different products. In extreme cases, two products could be substitutes or complementary products. Profit margin represents retailers' profit per unit of sale. Facing width is a dimension of the product that is exhibited parallel to width of the shelf.

Additionally, this model includes category constraints, meaning that products from different categories should not be on the same shelf.

In this study  $n$  is used to denote number of different products ( $i = 1, 2, 3, \dots, n$ ),  $m$  is used to denote the number of categories ( $j = 1, 2, 3, \dots, m$ ) and  $o$  represents number of shelves ( $k = 1, 2, 3, \dots, o$ ). Objective function is given as:

$$f = \sum_{i=1}^n \alpha_i * S_i^{\beta_i} * \prod_{l=1}^n S_l^{\beta_{i,l}} * P_i \quad (1)$$

And constraints of the model are given as:

$$\{x_i = x_i \mid x_i, i, l \in \mathbb{N} \wedge x > 0 \wedge y \leq o \wedge i > 0 \wedge l \leq n \wedge l > 0 \wedge l \leq n \wedge (\forall y : y_i = y_l \wedge y > 0 \wedge y \leq m)\} \quad (2)$$

$$\forall x_i, \sum A_i * S_i \leq T_k \wedge x = k \quad (3)$$

$$\{S \mid S \in \mathbb{N} \wedge S > 0\} \quad (4)$$

where

$P_i$	is unit net profit of product $i$
$A_i$	is facing width of product $i$
$S_i$	is number of displayed items for product $i$ (number of items in front row on the shelf)
$\alpha_i$	is scale parameter of product $i$
$\beta_i$	is space elasticity of product $i$
$\beta_{i,l}$	is cross elasticity between product $i$ and product $l$ , $\beta_{i,l}$ doesn't have to be equal to $\beta_{l,i}$
$Y_i$	is the category of product $i$ ( $Y = 1, 2, 3, \dots, m$ )
$X_i$	is the shelf where product $i$ is displayed
$T_k$	is the length of shelf $k$

The goal is to maximize the objective function while parameters satisfy all of the constraints. Equation number 2 represents category constraint, and equation number 3 denotes that the sum of facing width multiplied with the number of displayed products in the front row for every product must not exceed the length of the shelf those products are displayed at. In other words, the sum of facing widths of products displayed at one shelf must be less than or equal to the length of that shelf. Last constraint, represented with equation 4, denotes that the number of displayed items for every product must be positive integer.

## 3. ORIGINAL ABC ALGORITHM

The Original Artificial Bee Colony algorithm is relatively new metaheuristic optimization technique inspired by foraging behavior of honey bees introduced by Karaboga (2005). The major difference between ABC and previously described swarm intelligence algorithms is the representation of the solutions. In previous algorithms that are mimic behavior of bees, the potential solutions are represented by individual bees, while ABC represents solutions as food sources. The quality of the potential solution is represented by nectar amount, calculated as the fitness of the objective function. The colony consists of three kinds of bees: employed bees, onlooker bees and scout bees. Employed bees and onlooker bees are conducting the exploitations phase of the algorithm, while scout bees are conducting the exploration phase.

There is an equal number of employed bees and onlooker bees in the colony. The number of bees in the colony is twice as big as the number of food sources. There is one employed bee per each food source. This bee is searching for the nectar around the food source. Employed bees share information about the quality of the food source with onlooker bees through wiggly dance. In this way, onlooker bees intensify search around the good food sources. When the food source is exhausted, employed bee abandons it, becoming a scout bee, which randomly searches for the new food sources.

Original ABC algorithm is presented using pseudo code.

```
initialize the population of solutions
evaluate the population
while maxCycle is not reached:
    produce new solutions for the employed bees
    apply the greedy selection process
    calculate the probability values
    produce the new solutions for the onlookers
    apply the greedy selection process
    send scout bees
    memorize the best solution achieved so far
end while
```

### 3.1. Original ABC for constrained optimization problems

Karaboga and Basturk (2017) presented an adjustment of original ABC algorithm, so it can be used for constrained optimization problems. This adjustment includes two main steps. Namely, in the original ABC algorithm for optimization of unconstrained functions, one randomly chosen parameter of objective function is modified in the employed bee phase, while the rest of the parameters are copied from the original solution. On the other hand, ABC algorithm for constrained function optimization introduces a new control parameter, called modification rate (MR). For every parameter of objective function, uniformly distributed pseudo random number in range [0, 1] is generated, and if this number is smaller than MR, the parameter is modified. When MR is used, the number of objective functions' parameters that are modified in employed and onlooker phase is in the range [0, all parameters].

The second aspect of the adjustment applies to the selection process. When new solution is produced in the employed or onlooker phase, it is compared to an unmodified solution and better one is kept. The original ABC algorithm for unconstrained function optimization uses greedy selection process so that the solution with higher fitness value is kept. Adjusted ABC however, uses Deb's rule for the selection of better solution.

Deb's rule favors feasible solutions over infeasible ones and pushes the whole population towards the feasible region. Deb's rule compares two solutions at the time, using tournament selection. It is based on three criteria:

1. Any feasible solution is preferred to any infeasible solution
2. If both solutions are feasible, the one with better value of objective function is kept
3. If both solutions are infeasible, the one with smaller constraint violation is kept

## 4. MULTIPLE SWARM ABC ALGORITHM USED FOR SHELF SPACE ALLOCATION PROBLEM

Population based algorithms are very suitable for parallelization. There are two main questions: granularity of parallelization and communication pattern. There is an implicit parallelization present in all population-based algorithms since each individual inside the colony is performing operations independently from other members of the population. In other words, each individual is independent process. Granularity denotes how many of these processes will be assigned to each physical CPU core. The finest granularity exists if each individual is assigned to one CPU core, while the coarsest granularity exists if the whole colony is divided into two sub colonies and each sub colony is assigned to one CPU core. There are multiple options between these two extremes.

The number of individuals that will be bound to each CPU core is determined by complexity of an evaluation function and speed of an individual core. Avoiding excessive thread creation and synchronization is the main objective when determining granularity level. The following formula explains this in a little more detailed manner.

$$eu = nca / ncm \quad (5)$$

where eu denotes efficiency of CPU utilization, nca CPU cycles used for algorithm calculation and ncm represents cycles used for managing the threads. The objective is to maximize eu. Since cost of creating and monitoring one thread is constant, having fewer number of threads makes denominator smaller. On the other hand, more complex evaluation function makes numerator bigger. This equation shows that finer granularity is more suitable for more complex functions, since greater number of CPU cycles is required for function evaluation, thus the cost of managing threads does not create big overhead. Functions that require smaller

number of CPU cycles are better fit for coarser granularity, since that requires fewer threads to be created and managed. Computer systems with greater number of less powerful CPU cores are more suitable for finer grained parallelization. Example of that kind of systems are smartphones and Graphical Processing Units (GPU). Modern multi core CPUs and workstation and server computers with multiple CPUs are more usable for more coarse grained parallelization. Delévacq, A., et al. (2013), Mussi, Daolio and Cagnoni (2011) and Fabris and Krohling(2012) presented usage of GPU for parallel implementations of bio inspired algorithm where very fine granulation is used. In the study presented herein, very coarse grained model is used, since the whole population is divided into four subpopulations.

There are different communication patterns among subpopulations in parallelized algorithm. If the main goal of parallelization is to reduce execution time, the parallel run approach is used and there is no communication between threads. Since bio-inspired algorithms are not deterministic, it is useful to run them multiple times, and to compare the results from different runs. Those independent runs could be executed in parallel. This approach scales really well, and speed improvements are almost linear when the number of utilized CPU cores increases. If the aim of parallelization is to achieve better results, there is communication among subpopulations. In the present study, the island-based model is used, which means that the colony is divided into sub colonies called swarms, where by each swarm executes serial version of an algorithm. On every n cycles, the best solutions are exchange among swarms and the worst sw-1 solutions in each swarm is replaced by the best solution from each of the swarms, where sw is the number of swarms. After solution exchange, every swarm continues with execution of an algorithm, but with updated solution set. Although the main objective of island-based parallelization is to improve the quality of the results, there is a tangible side effect of reduction in execution time.

Pseudo code for MSABC algorithm is presented:

```

initialize swarms with different random seeds
for each swarm:
    evaluate population
    while MFEC is not reached:
        send employers
        calculate probabilities
        send onlookers
        send scouts
        reset trial for best bees
exchange ();
    memorize bestSolution
end while
end for
choose best solution from all swarms

```

#### 4.1. Solution representations

While Ozcan and Sakir (2011) used SQL implementations of ABC, in the present study the object-oriented programming paradigm is used. Main classes for the representation of one solution are: Product, Shelf and Solution. Attributes for every of the classes are presented in the following tables:

**Table 1:** Product class

<b>Attribute name</b>	<b>Attribute type</b>
Net Profit	Real number
Facing Width	Real number
Minimal number of slots	Integer number
Maximal number of slots	Integer number
Scale	Real number
Space elasticity	Real number
Category	Integer number
Cross Elasticity	List of real numbers
Number of slots	Integer number
Shelf	Integer number

**Table 2:** Shelf class

<b>Attribute name</b>	<b>Attribute type</b>
Length	Real number

**Table 3:** Solution class

Attribute name	Attribute type
Number of categories	Integer number
Number of products	Integer number
Number of shelves	Integer number
Products	List of Product
Shelves	List of Shelf
Lower limit for net profit	Real number
Upper limit for net profit	Real number
Lower limit for facing width	Real number
Upper limit for facing width	Real number
Lower limit for minimal number of slots	Integer number
Upper limit for minimal number of slots	Integer number
Lower limit for maximal number of slots	Integer number
Upper limit for maximal number of slots	Integer number
Lower limit for scale	Real number
Upper limit for scale	Real number
Lower limit for space elasticity	Real number
Upper limit for space elasticity	Real number
Lower limit for cross elasticity	Real number
Upper limit for cross elasticity	Real number

In the initialization phase, one solution with the list of products and the list of shelves is generated using pseudo random number generator. All attributes are randomly generated. After one solution is completely initialized, it is copied SN-1 number of times, where SN represents the number of food sources. After that, for every copied solution, new randomly generated values for the number of slots and shelf are assigned. Since a lot of CPU resources would be utilized for the creation of feasible solutions, the algorithm starts with randomly created solutions without enforcing feasibility.

## 5. EXPERIMENTS AND RESULTS

In this study, the original ABC and parallel implementation of ABC algorithm were compared. Three different dimensions of shelf space allocation problem were used for comparison, which are presented in Table 4:

**Table 4:** Dimensions of benchmark problems

Problem No	Number of products (n)	Number of categories (m)	Number of shelves (o)
1	10	3	5
2	30	5	10
3	100	10	20

The original ABC has very few control parameters: colony size, maximum number of cycles, limit and modification rate. The number of food sources is equal to the number of employed bees and onlooker bees which is half of the colony size. Parallel version of ABC algorithm presented in this study has only one additional parameter - the number of swarms. Table 5 shows the values of control parameters used in this study.

**Table 5:** Parallel ABC control parameters

Parameter	Value
Colony size	80
Number of cycles	5000
Limit	$0.5 * \text{Colony size} * n$
Modification rate	0.8
Number of swarms	4

Table 6 shows limit values for each of the solution parameter.

**Table 6:** Limit values

Parameter	Lower limit	Upper limit
Net profit	1	10
Facing width	1	50
Minimal number of slots	1	5
Maximal number of slots	5	10
Scale	1	2
Space elasticity	0.1	0.4
Cross elasticity	-0.2	0.2

Java programming language was used for algorithm implementation. All tests were performed on PC with Intel i7-4930K @ 4.4 Ghz CPU and 32 Gb of RAM. Linux Kubuntu 17.10 was used as the operating system. 30 independent runs with different pseudo random seeds were performed for each of 3 different dimension of the test problem. After 30 runs, the best, the worst, and average solution were calculated as well as the standard deviation. Results are presented, in Table 7, as ratio between parallel implementation, Multiple Swarm ABC (MSABC) and the original ABC (ABC).

**Table 7:** Test results

Problem No	Best MSABC/ABC	Worst MSABC/ABC	Avg. MSABC/ABC	St. Dev. MSABC/ABC
1	1.05	1.03	1.04	1.01
2	1.04	1.06	1.05	1.00
3	1.07	1.06	1.06	0.99

Parallel version of an algorithm obtained better results for all three dimensions of the test problem. For the largest test problem, improvements, in terms of the quality of the results, were the greatest. Parallel ABC managed to find better maximal result for each of the cases demonstrating that MSABC had better exploring capabilities. The worst and average result for all three dimensions were also better when MSABC was used showing greater consistency of MSABC algorithm. Standard deviation was smaller for the first and the second dimension of the test problem when original ABC was used and MSABC produced smaller standard deviation for the largest dimensions of the test problem. This was due to more aggressive exploration process performed by MSABC compared to the original ABC.

Although the main goal of this study was to improve quality of the results, there were additional performance benefits. Time reduction was significant when MSABC was used and it was almost linear with the increase of execution threads. Performance results are presented in the Table 8.

**Table 8:** Performance results

Problem No	Execution time MSABC/ABC
1	0.31
2	0.28
3	0.26

Performance benefits were more pronounced for larger dimensions of the test problem, which was due to better ratio between CPU load used for calculating objective function and CPU load used for creating and managing threads.

## 6. CONCLUSION

In this study parallelization of the original ABC algorithm and its application on retail shelf space allocation problem was presented. Island-based model of parallelization was used and total population was divided into four subpopulation, each running original Artificial Bee Colony algorithm with different random seeds. Results were exchanged between swarms periodically. The proposed parallelization model was tested on three different dimensions of shelf space allocation problem, and 30 independent runs were conducted with different random seeds. The best, the worst and average result as well as the standard deviation were compared. The Multiple Swarm Artificial Bee Colony algorithm always performed better in terms of the best, the worst and average result. For larger test problems, differences between MSABC and the original ABC were more pronounced. Due to higher exploration performance of MSABC, standard deviation of the solutions obtained from different runs of the algorithm were slightly worse for two smaller dimensions of the problem set.

Execution times of the algorithm decreased almost linearly with increase of the execution threads. This indicates that Parallel version of the algorithm was almost four times faster, since four swarms were used. Benefits were more apparent for larger dimensions of the problem set.

Taken together, these results show that parallel version of swarm intelligence algorithm, and more specific, parallel version of Artificial Bee Colony algorithm, could provide better quality of the results for shelf space allocation problem, and that the execution times are reduced. Further adjustments of control parameters could, potentially, improve results even more.

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# NEUROMARKETING IN ADVERTISING TODAY

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**Abstract:** *This paper is focused on how modern marketing is being influenced by development of neuromarketing. Human behavior has shaped scientific research and delivered significant influence on new marketing paradigm. Brain and nervous system in the key in understanding most significant part of marketing progress, human itself.*

**Keywords:** *Neuromarketing, Behavioral economics, Marketing, Research*

## 1. INTRODUCTION

The process of decision making is a pivotal focus in marketing research. We might say that main goal of study per say is to define what is the consumer decision process. As marketers, we tend to use tools of traditional Marketing such as surveys, interviews and insights to study consumer behavior. People decisions are usually influenced by unconscious processes that are not easily detected or that are not even noticed by consumers themselves. For that reason, the usage of both psychological and Neuroscience techniques is combined so we can be analyzed consumers' responses to stimuli derived from the spectra of the Marketing mix. Neuromarketing was created from these tendencies. Behavioral Economics is heavily based on Neuromarketing research of human behavior, even dough Neuromarketing as such, still gives tangible results according to several scientists. (Lindstrom, 2008 and McClure 2014) Measuring the brain's response to the great number of Marketing stimuli is the crucial part of Neuromarketing.

As we may say, neuroscience and neuromarketing are very similar but their goal is different. Neuroscience focuses on consumer and brain processes of how decisions are made, but Neuromarketing is applying these findings to create optimized advertising campaigns. Technologies that are used in neuroscience can be applied in Neuromarketing. Therefore, are the functional magnetic resonance imaging (fMRI) of the brain, or electroencephalography (EEG) usual tools of modern Neuromarketing studies. Neuromarketing and consumer neuroscience strive to find how the human nervous system processes different stimuli in relation to making economic decisions such as purchasing and brand engagement. Reaction to social media, website and application interface or online shopping are derived from the brain reaction to advertising stimuli that comes from digital surroundings.

## 2. LITARERY REVIEW

At the beginning of the 1990s, we may see efforts to put neuroscience to commercial use. Coca-Cola and Ford tried to optimize their advertisements to public opinion, but the field was described and developed later, during the first years of the 21st century. Finding ways that person's real behavior can be explained and predicted by human unconscious thoughts better than intentional expressions (Eakin, 2002). Also, Gerald Altman described his patent of marketing research where he tried to learn more about involuntary and announces thoughts.

Term Neuromarketing first appeared in 2002, in an article created by the Bright House marketing firm. This was a year when this company has found a branch office that applies fMRI in marketing research. Read Montague has conducted this kind of research in 2003. And published it very next year. The topic of research was the taste of Coca-Cola and Pepsi. The study monitored their brains using functional magnetic resonance imaging to determine unconscious preferences. Nowadays, a study is considered more significant to be the pioneer in the field of Neuromarketing then due to its result. Next big milestone for Neuromarketing was a research of influence of the sound in an advertisement to consumer decision making. Deppe et al (2005) were focused on finding out how implicit information influence decision making. This study was based on brain imaging. While being monitored on fMRI, users had to imagine the process of purchasing. Persuasion as a process was studied in 2008 when Klucharev measured why are influences boosting sales when appeared in advertising commercials.



### 3. RESEARCH METHODOLOGY

To explain the relation between neuroscience and marketing, this research is summarizing the most eminent scholarly influences in a field of neuromarketing. The core research deals with the application practices are discussing academic and news sources covering the issue. As said above, this field is new and there is still lack of enough sources to make a conclusion that would answer the question of how the neuroscience contributes to customer research and marketing.

### 4. DISCUSSION

This work deals with the impact of neuroscience on marketing and its related fields of research, as straight access to human brain provided by medical imaging technologies gets us insights straight from the brain as the hearth of our thoughts – an approach which diminishes fear of expression, possible sensory problems and hesitation to answer in a sincere and honest manner for some of many different reasons. While the ability to read from the deep mind, it is not exactly mind reading. As of today, no technology has been discovered that should be able to scan every brain activity thus reading our thoughts directly. In neuroscience, the focus is on causing and measuring stimuli arising from selected sources that the researchers deem important and useful for his or her work.

Kenning and Plassmann (2008) make an early review of consumer neuroscience. According to the findings of their study, the use of neuroscience in marketing-related projects should be focused on the companies, brands, and products rather than customers. This way the controversial ethical side of the concept is addressed in a manner – if the company uses neuroscientific methods just to measure consumers' perception of their brand and products, rather than trying to “get inside” and try to alter their processes of thinking. There is no evidence that the quest for “holy grail” of marketing deep inside a human's brain, or the “buy button” which can be switched by external stimuli might be fruitful. Plassmann, Venkatraman and Huettel (2015) are praising the neuroscience in academic marketing research and are satisfied with the findings so far. They conclude that consumer neuroscience contributed to a systematic understanding of how consumers value specific goods. They also praise fMRI technique as the most effective thanks to its ability to scan the entire brain and takes images through many local points across this organ. This brings advanced accuracy to results and findings. Also, the growing number of consumer neuroscientists can help or influence authors from other fields of marketing and its related sciences. The perspective from inside the brain was nonexistent few decades ago, and findings from it have a potential to put many commonly accepted statements of business into question.

Pozharliev, Verbeke and Bagozzi (2016) highlight certain limitations of consumer neuroscientific research effectiveness. Their main concern is the laboratory setting where the research – and primarily brain imaging takes place. The solution to this is also proposed – it is the next generation consumer neuroscientific techniques that are multiperson and can be used in social situations. Finally, Karmarkar and Plassmann come into conclusion that combining multiple techniques of neuroscience in a single research is very powerful and suggest less invasive methods than brain imaging, such as eye tracking and comparative research of people with lesions in areas of brain that are important for research, versus those who have these areas healthy and intact. However, this approach can be used only by the academia, whilst for businesses, it may be too complex, expensive and possibly unethical – especially when it comes to using people with brain damage or disabilities to conduct for-profit research.

### 5. CONCLUSION

The field of applying neuroscience in marketing and business development – independently from more precise notions such as neuromarketing, neuroeconomics and consumer neuroscience, is a very young discipline and still brings about controversies for different reasons. Despite that, it has good prospects of becoming much more significant than is now. It can not only help businesses find more buyers through more effective marketing projects and campaigns targeting our subconscious minds. This field can also contribute to overall development of neuroscience in other fields and can also help us better understand how our brains exactly do work. Universities and research institutions along with businesses may join forces into developing more advanced techniques that unambiguously contribute to creating more effective marketing.

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# SEARCH ENGINE OPTIMIZATION STRATEGY IN PERSONAL ONLINE REPUTATION MANAGEMENT<sup>1</sup>

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**Abstract:** Search engine optimization (SEO) refers to techniques for achieving better rankings of a website in organic (not paid) search results. Given the increasing usage and importance of digital communication tools for business and personal purposes on one side and decreasing trust in institutions such as media and companies on the other side, SEO is powerful digital communication activity that is necessary for effective personal online reputation management. Therefore, the authors of this paper proposed and elaborated the framework for SEO strategy for personal online reputation management. The key phases of this process are: analysis of search results and online content; identifying and classifying existent online content; defining online reputation strategy; on-site SEO activities; content production and distribution; off-site SEO activities; paid search campaigns and content promotion and monitoring and evaluation of SEO activities.

**Keywords:** Search Engine Optimization, Online Reputation, On-site SEO, Off-site SEO, Paid Search

## 1. INTRODUCTION

Internet technologies, social media and mobile technologies led to important changes in the way companies operate and communicate with customers (Maresh-Fuehrer & Smith, 2016; Dong & Wu, 2015; Georgescu & Popescu, 2015). The results of the contemporary academic and practical research emphasize the importance of digital tools and activities and the opportunities they create for business (Veselinovic et al, 2016). Together with the exponentially increasing usage of the digital communication tools in business and personal life, there is an evident trend of decreasing trust in all institutions, especially media and companies (Edelman Trust Barometer, 2018). The same report found that “for Chief Executive Officers (CEOs), building trust is job number one” and “64% of respondents say that CEOs should take the lead on change”. Therefore, practitioners’ and general academic interest for a profound examination of reputation management has been growing rapidly (Vlastelica et al, 2018). Corporate reputation is “a set of relatively long-term impressions, attitudes and emotions of an individual or a group related to a company, which are formed upon direct experience or received indirect information from credible sources, in the context of personal and social expectations, whereas they influence the intentions or behavior of an individual or a group toward the company” (Vlastelica, 2016). The same author reports that for the majority of people, internet sources and social media present the most often used and highly credible source of information about the object of interest.

According to the Reputation Institute’s annual RepTrack report (2018), the corporate reputation is still and even more than before influenced by the CEO’s personal reputation. The results of this global longitudinal study indicate that 66 out of the 100 companies with the best reputation in the world have a strong score on leadership, and the authors conclude that “a new kind of leader emerges: a CEO who thinks beyond profit and aligns leadership with societal contributions and highly ethical behavior”. Therefore, a strategic corporate reputation management must include well planned strategy and organized activities for CEO’s personal online reputation management.

One of the major concerns of web users is to find the most relevant information with less effort and in the shortest time possible (Hariri, 2011). Search engines have become the primary tools used to locate information on the internet (Luh et al, 2016). According to research, 93% of the Internet’s traffic is due to search engines (Egri & Bayrak, 2014).

Although there are several search engines present and operating on the search engine market, the analysis of the market share by the Statcounter Global Stats (2018) shows the absolute dominance of Google search engine. Its share worldwide for the period March 2017 – March 2018 is 91.25%, and in Serbia it is even

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higher: 96.57%. Therefore, in the majority of studies search engine optimization or SEO refers to the optimization for Google search engine.

Search engine optimization (SEO) refers to techniques for achieving better rankings of a website in organic (not paid) search results. On-page SEO refers to all the measures that are undertaken on the very website. These measures make it easier for search engines to find a website, index it, understand and classify its content. Off-page SEO refers to measures which are external to a website with a task to ensure an inflow of high-quality inbound links (HubSpot & Ryte, 2017).

The authors of this paper argue that SEO is a powerful digital communication activity that is necessary for successful personal online reputation. For that purpose, the framework for SEO strategy for personal online reputation management is proposed and elaborated in this paper.

## **2. SEARCH ENGINE OPTIMIZATION – CONCEPT AND PRACTICE**

SEO tactics that follow the guidelines set by the search engines are known as “white hat”, while those that violate the guidelines are called “black hat” (Ross, 2010). Black hat SEO is the practice of using optimization tactics that cause a website to rank more highly than its content would naturally do, or making changes specifically for search engines that do not improve the user's experience on the website (Moreno & Martinez, 2013). Black hat approach is severely penalized by the search engines, making it very hard after to recover a good page rank.

If done properly, the practice of SEO can significantly increase a website's search rankings (Zhang & Cabage, 2017). A good search ranking is important because most users do not look beyond the first page of search results. The first page of SERP (search engine results page) accounts for 99.3% of all clicks (Internet Marketing Ninjas, 2017).

In order to rank websites Google's ranking algorithm is reported to employ more than 200 factors with most not being disclosed (Luh et al, 2016). Today, each industry, or even each individual search query, has its own ranking factors which are in continuous change and are driven by the dynamic between individual content relevance and user intent (Searchmetrics, 2016). Apart from the technical issues, other important factors for Google search engine are: rank (position in SERP), authority (credibility of the content) and relevance (content relevance for a specific search) of a web page for particular searches (HubSpot & Ryte, 2017). Having that in mind, key areas targeted by the SEO strategy should be: content, keywords, website structure and link optimization (Wang et al, 2011).

Although SEO is obligatory for successful online reputation management, there are several factors restricting its more frequent application. Key challenges for implementation of SEO projects according to Khan and Mahmood (2018) are:

- Relevant back-links generation is a time consuming and challenging activity;
- Web pages currently having high visibility may move downward in the ranking;
- Using SEO approaches and quality content in the web pages will not give results if a website has serious structural or technical issues;
- Duplicate content on several websites is a major technical challenge which requires detailed cleaning up of the websites.

In order to proliferate the SEO usage, the common framework for SEO strategy should be defined. It would demystify some of the areas of SEO and allow marketing practitioners to target the factors known to influence search rankings.

## **3. FRAMEWORK FOR SEO STRATEGY FOR PERSONAL ONLINE REPUTATION MANAGEMENT**

The framework for SEO strategy for personal online reputation management proposed by the authors of this paper is based on: the research of SEO framework by Khan and Mahmood (2018), Google resources – specifically SEO Starter Guide (2018) and Webmaster Guidelines (2018), and digital marketing practice.

The proposed framework consists of the following phases:

- Analysis of search results and online content
- Classifying existent online content
- Defining online reputation strategy

- On-site SEO activities
- Content production and distribution
- Off-site SEO activities
- Paid search campaigns and content promotion
- Monitoring and evaluation of SEO activities
- Activities for maintaining personal online reputation

#### **4. ANALYSIS AND CLASSIFICATION OF SEARCH RESULTS AND ONLINE CONTENT**

An analysis of search results and online content about a specific person refers to determining what web users are searching and saying about that person online. The analysis should encompass the research of Google SERPs for relevant keywords, mentions and conversations on the web including the person's name, and analysis of his/her personal web pages.

##### **Google search results**

The analysis of Google search results should start by using person's name and surname as keywords. In the next step, additional keywords relevant for the person in question are added.

Although the first page of SERP is usually also the last page examined by the user, with the goal of covering more meticulous users, the first two pages of SERP should be analyzed. Only in the case of existent or possible damaged reputation with high media interest the SEO efforts should be extended to the further pages of search results.

Apart from the results of general search, specific search categories like images, videos, and news should also be analyzed. It is important to define relevant countries and languages for search queries, as searching from different locations or in different languages turns out different search results. The results may vary depending on the searcher's history and socialization as well.

##### **Mentions on relevant web locations**

The analysis of mentions of a person online should include examining content and conversations on: media websites (especially the most visited and high authority media); websites, blogs and forums relevant for industry or profession of the person in question; and social media (Facebook, Twitter, LinkedIn, Instagram, YouTube, Wikipedia etc.)

##### **Personal web locations**

Personal web locations refer both to the web pages owned by the individual (such as personal website or blog) and the web pages opened and administered by the individual on the third-party web locations (such as social media profiles).

In this phase, apart from the examination of the authorized personal web pages, the possibility of the existence of fake web locations should be considered. It is not uncommon for public figures to have one or multiple fake web pages, especially fake social media profiles. In such a case, a person should undertake actions to report the fake page to the social media platform, prove the proper personal identity, and ultimately demand shutting down the unauthorized profile.

##### **Classification of the existent content**

Upon finishing the analysis of the Google search results and the relevant web locations, the existent content about a person subject of the research should be classified using several criteria in order to facilitate defining an adequate SEO strategy. The online content should be classified based on: topics and subtopics; keywords; key web locations; and sentiment (positive, negative or neutral).

#### **5. DEFINING ONLINE REPUTATION STRATEGY**

Establishing and maintaining a positive reputation is a proactive approach that includes: analysis of the current online image; defining desired online reputation; identifying the key items (drivers) that affect image and reputation creation with the key stakeholders; defining the key messages; designing content and stories to be told about the person; and finally employing relevant communication channels for storytelling and content placement.

The alternative approach is repairing a damaged reputation, which is a reactive tactic. In the case of negative content or content with false information, there are two possibilities: its suppression or removal.

Suppression consists in pushing negative results down in search results by pushing up the positive content (existing or newly produced) using different SEO tactics. Removal refers to the attempt to remove negative/false content by demonstrating its untruthfulness or based on the legal grounds (copyright issues, right to privacy and other legal arguments).

The removal of the content can also be pursued based on the “right to be forgotten” (Igniyte, 2018). This right exclusively applies to personal issues in EU and UK. Google has an option of removal application concerning irrelevant or outdated information from the search engine results. In practice, it enables removing only local press coverage of a minor incident, outdated magazine articles, and pictures and videos online. It is very hard to remove a content if it is highly relevant for certain searches or published on high-authority media websites, or if there is a public interest to know the information. Public interest is above the privacy rights in the cases such as financial scams, professional malpractices, criminal convictions, public conduct of government officials, etc.

## **6. ON-SITE SEO ACTIVITIES**

In this section, technical requirements and guidelines concerning website’s development - architecture and html will be analyzed. The website’s content will be examined in the separate section about content strategy and production.

Technical factors remain a prerequisite for good rankings on SERP. Even with the content with high relevance which perfectly meets the searcher’s intention, it is extremely difficult to achieve a position at the top of Google’s ranking if the page is not easily accessible, easy to consume and optimized from a technical point of view both for humans and search engines (Searchmetrics, 2016).

Below is the list of technical elements mandatory for successful on-page SEO:

- Organized architecture and clear hierarchy of the website – easy to navigate for users and easy to crawl for search engine crawlers;
- Mobile friendliness – responsive web design is recommended by Google;
- User-friendly URLs with keywords used in them;
- Security – implementation of SSL certificate (https protocol);
- Title and description tags – accurate and corresponding with the actual content, unique titles and descriptions for each page;
- Keyword tags and keyword density – publishing content rich in relevant keywords with recommended density of 5-8%;
- H tags and subheads – for emphasizing important text, corresponding with the actual content and title tags;
- Schema markup – improves the way a web page is represented in SERP by providing rich snippets below the page title (for example, for adding star rating or publication date);
- Meta tags – tags that describe a web page’s content;
- Alt tags for images – text displaying when the image is not loaded;
- Broken links – all broken links should be removed;
- Site speed – web pages should load quickly;
- File size – all files uploaded to the web pages should be optimized in terms of size in order to ensure high site speed;
- Sitemap – a list of all the URLs on the website allowing easier crawling by search engine;
- Robots.txt – for blocking unwanted crawling (for the content that is not useful for users);
- Duplicate content – elimination of duplicate content or usage of canonical URLs to mark duplicate content;
- Internal links - links to the other pages on the same domain are important for letting crawlers identify the relation between pages and the importance of the topic;
- External links or outbound links –links from other websites with high Google rank, relevance and authority must be included in website’s content;
- Anchor text – text in the link that is visible should be descriptive and help understand the content behind;
- Blog implementation - if it was non-existent before, adding a blog to the website should be considered.

## **7. CONTENT PRODUCTION AND DISTRIBUTION**

Content production depends on the web location of its publishing. Its type, form, style, and length usually differ based on whether it will be distributed on personal website or blog, personal social media profiles, media websites, or third party websites relevant for the industry/profession of the individual.

A personal website is a useful channel for publishing content that does not capture the attention of the media or industry's expert websites. Blogging is a great and yet simple way to regularly provide new, up-to-date content on relevant topics. Blogging regularly can have significant implications for search engine optimization, since each new blog entry represents a new web page (HubSpot & Ryte, 2017). The distribution of content on social media, media websites and relevant third party websites will be explained in the section about off-site SEO.

The online content can be produced in various formats depending on its purpose: articles; videos; interviews and video interviews; press releases; comments; photos; and online activations – activities based on interaction (for example: answering visitors' questions on the personal blog).

Some of the guidelines for content production set by Google's resources about SEO include: creating a useful, information-rich content that is easy to read, paying attention to quality, uniqueness and freshness of the content, as well as clear organization of the topics and consistent usage of the keywords.

## **8. OFF-SITE SEO ACTIVITIES**

Off-site SEO activities can be divided in two areas: link building and social sharing. A study conducted by Zhang and Cabage (2017) suggests that both improve website traffic, nevertheless they conclude that social media is an effective method for quickly building traffic, while link building provides a better return on investment in the long run.

### **8.1. Link building**

Link building, also known as back-link generation, refers to building a network of inbound links. Inbound links are the links from third-party websites towards the owned website. The goal of this off-site SEO activity is to strengthen the page rank and the authority of the owned website, but the use of white-hat techniques and natural link building is mandatory.

By building backlinks on high-authority top ranked websites both domain-level and page-level authority of the website or blog is boosted. The quality of links, the number of links, and the anchor text of links are three factors with impact on the SERP positioning. The SEPR positioning is also influenced by so-called "trust" factors which include authority, identity, domain age, and bounce rate of a website.

The lists of top ranked websites and top ranked online media are available on the relevant online traffic audit platforms depending on the country. For example, for the most visited websites in Serbia "Gemius Audience" service can be consulted, so placing links on that locations should be in focus. It is important to notice that links on some domain extensions like ".gov" and ".edu" carry special weight.

Link building is often referred to as "article marketing" because it involves the following activities:

- Guest articles and guest blogging/posting – this is one of the most commonly used tactics of publishing articles or posts on the relevant high-authority websites and blogs with links leading to the personal website or blog
- Appearing in editorial articles of the online media
- Commenting and posting on forums and other blogs with leaving links to the personal website/blog

### **8.2. Social sharing**

The social media are a powerful tool for distributing content due to their global popularity and number of users. Using Facebook, Twitter, LinkedIn, Instagram, Google+, YouTube and other social media platforms is great both for personal branding and traffic generation.

Social media profiles are an important tool in personal online reputation management. They should be used as a support for the content published on a personal website or blog, helping it reach a wider audience. Having in mind that search engines pay special attention to the links from social media, sharing relevant content on the social media channels generates social signals for that content.

## **9. PAID SEARCH CAMPAIGNS AND CONTENT PROMOTION**

Although the SEO strategies mainly focus on the activities other than the paid advertising, it should not be dismissed without considering its possible value and results. Whether there should be an investment in a paid campaign depends on each case and the goals set in the SEO strategy.



Usually, a paid promotion is considered rather a part of search engine marketing (SEM), with it being a wider term than SEO, while SEO is limited to the organic or not paid results.

Paid search ads are the most effective type of advertising for placing web pages on the top of the search results. They are also denominated as search engine advertising (SEA), a part of SEM that involves promoting websites through paid search advertising in order to increase their visibility in SERP.

Google's platform for paid search advertising is Google AdWords. It is based on the pay-per-click (PPC) model.

The ranking of paid ads depends on the metrics called the quality score, and it takes in consideration three elements: landing page experience, expected click-through rate (CTR), and ad relevance. There are several targeting options, with the most important being keywords and location.

The main argument against using paid search ads is that they are marked as such. But, especially in the case of damaged online reputation, the "ad" mark is less important than the need to place a very specific content in front of the eyes of the user.

Additionally, the findings of the study on users' understanding of search engine advertisements (Lewandowski, 2017) show that users generally lack an understanding of search-based advertising model: 42% of users reported that "they either do not know that it is possible to pay Google for preferred listings for one's company on the SERPs or do not know how to distinguish between organic results and ads". In his experiment, Lewandowski also showed that "users who are not able to distinguish between the two results types choose ads around twice as often as users who can recognize the ads".

Even though the paid search campaign can serve its purpose, its impossibility to influence organic search results is a serious limitation. This is confirmed by the results of the Kritzinger and Weideman (2015) comparative case study, indicating that although the pay-per-click campaign produces favourable results, it requires a constant monthly fee in order to guarantee consistent traffic, therefore the investment in search engine optimization activities appears to produce better results at a lower cost, after a given period of time.

When paid campaigns are in question, the sponsored content is another option. An investment can be made in sponsored articles on well-reputed media websites or in sponsored social media posts of high interest and quality. Promoting content is useful since it leads to its faster discovery and increases the number of its consumers.

## **10. MONITORING OF PERSONAL ONLINE REPUTATION**

The final phase of an SEO project is its evaluation. It is important to emphasize that the SEO activities should be undertaken during at least six months in order to be able to measure their effect. It takes time to influence Google's ranking and to get the newly produced content to rank. Tools that can be used to measure the results of an SEO project are Google Analytics and Google Search Console.

Even if the project was successful, for achieving long-term results, continuous monitoring and activities for maintaining good personal online reputation are mandatory. Only by constant efforts in building and maintaining a positive online reputation can a person be adequately prepared for the situations of crisis communication.

## **11. CONCLUSION**

A positive personal online reputation has a positive impact on corporate reputation, while negative online reputation of individuals affects both their personal and professional life. The authors emphasize the importance of planned and organized personal online reputation management by applying search engine optimization process.

SEO is a powerful tool in building a positive online reputation and/or repairing a damaged reputation. Good ranking of positive content in Google SERPs for specific keywords is an important factor for achieving and maintaining strong online reputation. The experimental studies report that implementing SEO tactics improves ranking in Google search. On-page optimization influences a better page rank, while off-page optimization helps better performance in getting top position in SERP for specific keywords.

The authors proposed framework for SEO strategy for personal online reputation management that is based on the analysis of search results and online content, defining online reputation strategy, on-site and off-site

SEO activities, content production and distribution, paid search campaigns and content promotion, monitoring and evaluation of SEO activities and activities for maintaining personal online reputation.

Nevertheless, SEO is a long-lasting process which demands continuous efforts. It evolves and changes together with a change in technology development and the way people “consume” technology, especially digital communication tools. Therefore, it needs continuous updating and repeated research in order to be able to address the issues of the contemporary online reputation management.

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## TENDENCIES IN DIGITAL MARKETING COMMUNICATION WITH SPECIAL OVERVIEW OF GENERATION Y MEMBERS IMPACT

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**Abstract:** *The Internet, as a key factor of digitizing marketing activities, has enabled the establishment and maintenance of continuous and direct communication with customers. The key influence of Internet on creating marketing communication has resulted from the extensive use of social media, which has shaped communication flows in all spheres of life. Members of generation Y can be defined by their sophistication and promptness in online communication, which is characterized by velocity of information flow in both formal and informal communication. It is therefore essential for marketing experts to realize that members of generation Y are expecting to be provided with personalized communication adapted to their needs, preferences, as well as the platforms they use.*

**Keywords:** *marketing communication, digital marketing communication, generation Y, social media, user-generated content.*

### 1. INTRODUCTION

According to Kotler and Keller (2006) marketing communication can be defined as a medium which organizations use for providing information for customers in direct or indirect manner, persuading and reminding them about their products and brands, as well as establishing a dialogue and creating long-term relationship with customers. Nowadays, digital technology transforms marketing communication while marginalizing traditional approaches to activities such as advertising or public relations and leading experts to creating new approaches to marketing communication in contemporary business. Actually, digital technologies development has led to the fact that traditional forms of marketing communications have gained their digital forms. Therefore, direct mail was replaced by e-mail, landline phone was replaced by mobile phone, regular television, radio and press have, to a large extent, been replaced by their digital forms, which resulted in advertising activities being redirected to new media.

The changes regarding preferences, wishes and needs of generation Y which wants to claim its active role in creating their experiences within marketing communications, have caused the adaptation of traditional information exchange models to target audiences. This primarily refers to the introduction of digitally sophisticated marketing communication between companies and their brands with specific target audiences. Traditional media are significantly being replaced with new media that are evolving due to modern information technologies. The development of the Internet has enabled interaction with customers using completely new communication tools such as blogs, forums, chat rooms and social networks. Therefore, traditional communication instruments have undergone transformation in terms of adapting to digital media and have become interactive.

Therefore, the research subject of this paper is the analysis of development and evolution of marketing communications due to the emergence of new technologies, as well as lifestyle changes and manners in which information are collected and processed by target audience members. Considering the specificity of generation Y members which shapes contemporary communication styles in both daily and business life, their sociological characteristics and communication trends which result from their lifestyle habits are examined. Rakić and Rakić (2015) state that technological development and life trends created by members of the Y generation will influence and shape communication among its members, but also between members of this generation and other generations.

Bearing in mind the above mentioned, this paper provides an analysis and display of digital marketing channels specifics as well as the role of customers within this concept, and the effects that digital marketing communications have on the quality of organization business performances. Furthermore, the concept of integrating various types of digital marketing communications and communication channels with the aim of achieving optimal results in causing desired consumer behavior through their synergetic effect was explored. Therefore, authors of this paper suggest that possibilities for integrating different forms and tools of digital

marketing with the aim of achieving optimal communication results with members of the generation Y should be thoroughly researched by other authors.

## **2. MARKETING COMMUNICATION BASED ON THE APPLICATION OF INTERNET TECHNOLOGY**

The concept of Internet marketing implies the implementation of Internet technologies with the aim of marketing activities realization (Chaffey, 2006). Furthermore, Internet marketing represents the process of creating and maintaining customer relationships through online marketing activities, with the aim of achieving more efficient exchange of ideas, products and services between customers and companies. Gašović (2010) states that Internet marketing applies direct marketing approach which is based on development of information technology and telecommunications. This combination of resources allows organizations to establish straightforward communication with target audience members by addressing them directly. Furthermore, interactive component of the Internet ensures that on the basis of customer feedback, organizations can provide products or services which will fulfill their needs with a greater degree. Rakita and Mitrović (2009) state that Internet marketing is based on contemporary concept of relationship marketing that should provide customers with complete freedom in achieving personal preferences. The Internet enables establishment and maintenance of continuous and direct communication with customers aimed at developing customer loyalty towards brands, or companies' products and services. Given its presentational, informative and educational role, as well as the fact that it can distribute information at a global level in real time, the Internet is observed as a central organizational platform for the creation of marketing communication programs (Aaker, 2002).

Due to the extensive use of digital media by customers, increasing number of organizations are applying digital marketing communication methods in order to establish contact with their target market groups. Digital marketing is a practice of promoting products and services by using digital distribution channels, i.e. using digital or online advertising to deliver marketing messages to customers (Taken Smith, 2011). Chaffey and Ellis-Chadwick (2012) state that "digital marketing involves managing various forms of companies' online presence and the use of techniques such as search engine marketing, digital advertising, online partnerships, online public relations, e-mail marketing and marketing on social media". The use of Internet in implementation of marketing activities has resulted with the occurrence of different terms such as online marketing (Jobber & Fahy, 2006) Internet marketing (Chaffey, 2006), e-marketing (Strauss & Frost, 2009), digital marketing (Chaffey & Ellis-Chadwick, 2012), while some authors equalize the meaning of these terms, stating that digital marketing and electronic marketing concepts are essentially the pursuit of marketing activities using electronic media (Chaffey et al., 2006).

Bearing in mind the fact that development of marketing communication is based on the harmonization of marketing messages content and marketing activities with customer needs and preferences (Ognjanov, 2013), it can be concluded that in this sense, digital marketing communication has reached the highest level of development. Jobber and Fahy (2006) highlight the benefits of online communication, among which are:

- Individualization and customization - that is, creating and distributing specific marketing message for customers based on their needs and previous online activities,
- Multimedia content creation - that is, providing customers with the opportunity to gather more detailed information about products / services through a combination of the latest technologies and thus better understand their needs,
- Interactivity - that is, the possibility for customers to respond to a particular message,
- Real-time information exchange - or the ability to respond to customer questions and issues instantly.

Štavljanin (2014) states that electronic communication channels, unlike traditional ones, have enabled a high degree of interaction, individualization and personalization in marketing communication, which can be initiated by the organization or the customer. The author claims that the benefits of new technologies are reflected in encouraging customers to use the Internet in gathering additional information, evaluating alternatives and making purchasing decisions that are adapted to their needs, conditions and rules. The Internet has empowered customers to increase their knowledge of products and services through access to a large number of information and express their views and preferences regarding them, which has affected companies to deliver unique values and experiences. In order to realize the delivery of such products, companies have established cooperation with customers through the implementation of personalized marketing, which involves the collection of customer data in order to deliver marketing communications which is adjusted to their needs. The characteristics of Internet marketing communication have led to a change in focus from traditional outbound marketing to inbound marketing. Inbound marketing is based on the creation of quality content adjusted to customer preferences, with the aim of encouraging them to

express their interest for particular company's offer, instead of providing customers with promotional content which they haven't requested.

### **3. INTEGRATION OF DIGITALIZED CUSTOMERS IN THE PROCESS OF CREATING MARKETING COMMUNICATION**

O'Reilly и Marx(2011) state that customers are relying on knowledge and competence of other customers, their knowledge and opinion while gathering information about products or services due to the fact that they trust information provided by other customers and enjoy interacting with them. By observing the literature from this field, Holleschovsky(2015) states that there are four categories of motives that encourage customers to seek information through reading other customers recommendation: informational behavior, tendency for reducing risks while choosing a product, search for quality and social acceptance. Campbell (2017) states that the need for obtaining social approval by the community or society in general, affected the popularity and significance of word-of-mouth communication among customers since they want to make correct decisions even during their online activities. To be more precise, positive reviews or ratings that customers provide for specific product or service can serve to other customers as a social approval about the correctness of the decision made when it comes to choosing a product or service.

As a result of this kind of online communication trends, organizations are encouraging mutual customer communication by implementing following activities:

- Engagement of influential individuals / bloggers with the aim of influencing the change of customer behavior or opinion and therefore achieving business aims of the organization;
- Marketing recommendation program through which customers personally share the content they created about products and services with their online group of contacts, with the aim of turning their contacts into new customers. The advantage of this type of marketing communication is reflected in the perception of customers who observe it as confidential and trusted friend's recommendation.
- The activity of commenting and evaluating products or services after purchasing them, which is also perceived by customers as reliable and honest communication based on opinions and impressions of other customers.
- Giveaways which are used to animate customers to share specific content with their group of online contacts for what they are motivated by gaining specific benefits or prizes. (Fanning & Bandlow, 2013).

The importance of such customer activities for the realization of marketing and business aims of companies is testified by numerous studies on customer purchasing habits. Spiegel Research Center (2017) conducted a research about the influence of online reviews on creating purchase habits. The results of the research indicate that 95% of customers read and consult these kind of contents before making decision on which product to choose, since they present not only a form of collecting information, but also a powerful method for encouraging customers to join in the process of co-creating value with companies. The results of the research conducted by Askalidis and Malthouse (2016), indicated that online reviews significantly influence probability of making purchase decision. By observing sales results of luxurious product vendors, the authors made a conclusion that the likelihood of selling products with five reviews is up to 270% bigger in comparison with another product which has no reviews. Furthermore, the results indicated that online reviews are particularly important while purchasing more expensive products which are not being bought on a daily basis, since higher financial expenditures involve greater risk when deciding on a purchase. Based on YouGov research, conducted among customers in USA, 78% of respondents read other customers' comments, reviews and ratings before making purchase decision, 44% actively contribute to creating this type of content by writing reviews on products themselves, while four out of five customers change their attitudes on products under the influence of negative reviews. The most common reason for reading online reviews are search for information about product quality and whether the product provides promised benefits (today.yougov.com).

Based on Influence Centralresearch, 83% of the respondents believe that recommendations of influential individuals, so-called influencers, more authentic than traditional advertising, while 92% of the respondents bought a product based on the recommendation of an influential individual (influence-central.com). The same source provides the results of a research about the impact of online recommendations on purchase decision making among female population, based on which 85% of respondents consult online reviews before purchase and 87% claim that they create this type of content sometimes or often. Furthermore, the research indicates that these trends influence how customers collect product information, since 91% of respondents consider online reviews to be more reliable than the information they obtain from sales staff. Likewise, 88% of respondents consider online reviews to be useful when buying products of unfamiliar brands, while 67% of respondents consult online reviews for familiar brands when they want to find out whether other customers had similar experiences with specific product and whether on the market exists a product which is better than the one they own (business.com). Results of Pew Research Centre as well illustrate the significance that

online reviews and ratings have on purchase decision making process among customers in USA, since 82% of respondents state that they consult online reviews while purchasing a product for the first time, while 46% of respondents consider online reviews helpful in gaining confidence that they made correct purchase decision (pewinternet.org).

#### **4. TENDENCIES IN CONTEMPORARY COMMUNICATION CAUSED BY TECHNOLOGICAL PREFERENCES OF GENERATION Y**

The fact that members of the generation Y have grown up with the emergence of ubiquitous networking and the ability to record, process, send and receive information anywhere and at any time through various technological devices (Chelliah & Clarke, 2011), has caused the fact that this generation performs all-day communication but mostly through screens of different mobile devices (Stein, 2013). The emergence of social media platforms resulted with even higher degree of users networking, while research provided by Childs et al. (2009) indicated that 96% members of generation Y uses at least one social network. Among social media users, those who use social media Facebook are the most active, with 1.86 billion monthly users which 22% of world population (statista.com) which collectively every minute via this network sends 30 million messages (weforum.org). Furthermore, 80% of employers from private sector use online business network LinkedIn as a primary mean in searching for appropriate employees, while 43% of social media users aged 19 to 29 uses these platforms to find an employment (icims.com). Based on these statistics, Hershatter and Epstein (2010) state that members of generation Y assume that just by pressing a button all information can be collected at any given moment. Furthermore, authors state that in case member of generation Y would be assigned a research task, they would look for information on web browser Google, than on web site Wikipedia, and in case of searching for current information from the market, they can instantly and without obstacles approach social media and obtain an answer momentarily.

The phenomenon of using online social networks and various Internet platforms has greatly contributed to changes in the consumption of traditional media. As a result of the fact that digital video platform YouTube reaches more people aged 18-49 in the USA than any cable TV network, and that 6 out of 10 people prefer online video platforms compared to television, YouTube channel ratings in 2015 grew by 74% while television ratings fell by 4% among the observed group of respondents (thinkwithgoogle.com). According to the same survey, by 2025, 50% of North American subscribers to YouTube channels under the age of 32 will not be subscribed to TV services. These statistics have led to the fact that brand advertisers seek alternative methods of promoting their products or services. More specifically, as viewers change the platform through which they get information and watch entertainment content, so the advertising campaigns have received their own customized broadcast format on the YouTube platform. According to eMarketer estimation, in 2017 YouTube generated net income from video ads of \$ 2.59 billion in the US, which makes up 20% of total revenue from video advertising in the United States in the previous year, while this platform has the largest market share in advertising (emarketer.com).

However, as the aforementioned characteristics of the generation Y members indicate that they do not trust in the advertising activities of companies, eMarketer states that only 29% of them watch commercials entirely without skipping them. As an alternative to classic advertising applied to a new type of media, product placement as a well-known marketing tool that has so far been reserved for movies, TV shows and other popular television programs has become an integral part of the video footage on the YouTube platform. Namely, as this platform gives everyone the opportunity to create and publish their video content, there has been an expansion of personal YouTube accounts of individuals in which they can express their opinions on different topics, including the quality of a particular product or service. The same has caused the emergence of new occupations such as vlogger, or the person who creates a video blog on various topics. With the increasing popularity of these individuals, the number of their followers or groups of people whose opinion can be affected increases, which marketing experts see as an effective method to present a particular product or service to the desired target groups. Through paid advertising, the video author recommends to the group of followers or subscribers on the channel a specific product or service based on personal experience of using it.

#### **5. GENERATION Y INTERACTIVE APPROACH TOWARDS CREATING MARKETING COMMUNICATION**

Ernst and Fudge (2009) state that due to the availability of a large amount of information and content on the Internet and online social networks, modern customers feel qualified and empowered to participate in the process of value co-creation with companies. This phenomenon is caused by the fact that customers no longer depend on the information provided by companies, but they themselves collect information from alternative sources that allow them to question the value created by a particular company and find the product that best suits their needs. Van Doorn et al. (2010) state that social networking of modern society

enables customers to interact mutually as well as with organizations representatives through online social networks, which has resulted in the fact that customers create value for companies without making money transactions. More precisely, Hennig-Thurau et al. (2010) state that modern media has enabled customers to create and distribute critical reviews of products and services, and as companies have realized that these types of non-customer activities later result in customer activities, they are directing their marketing efforts to encourage customers to create this kind of content.

Furthermore, Gerdes et al. (2008) indicate that by encouraging customers to evaluate and give qualitative reviews about products or services that company created, useful information about their possible improvement could be generated, while Duan et al. (2008) add that customer reactions to certain products or services in online communities can shape other customers' attitudes towards given products and services and thus affect the sales and financial results of the company. Chen and Xie (2004) observe customer online reviews of products as a new element of marketing communication mix that has a growing importance in making a purchase decision. These statements can be confirmed by the results of the research conducted by Bickart and Schindler (2001) which indicated that the opinion of other customers had far more influence on other customers while creating an opinion on certain product than promotional messages sent by companies. Bearing this in mind, Wind and Rangaswamy (2001) state that one of the biggest advantages of using digital media is their potential to create a personalized relationship with customers, which affects the increase in customer loyalty to specific company or its brand (Srinivasan et al., 2002). Taken Smith (2011) state that members of the Y generation prefer personalized messages, emphasizing online recommendations as a method of creating personalized message for the customer.

These findings can be confirmed by the results of the research conducted by Deloitte, according to which 47% of the generation Y members claim that their customer decisions were brought under the influence of social media. However, this generation does not use social media to listen to brand marketing messages, but to find information from peers about which products and services would best suit their needs. Furthermore, research results indicate that customers who include social media to their purchase activities are four times more likely to spend more money during the process, while the chances of bringing purchase decision the same day when they consulted specific social media are 29% higher ([www2.deloitte.com](http://www2.deloitte.com)). Allsop et al. (2007) state that online recommendations of other users are more reliable promotional tool than advertising, since in that case customers believe that the product has successfully met the evaluation criteria of "people like me". Furthermore, Lee et al. (2013), emphasize the significance of informative content on social media especially in cases when customers are facing time constraints, lack of product knowledge or lack of interest in making a purchase decision on their own.

These statement can be confirmed by results of a research conducted by PricewaterhouseCoopers, which included 23 respondents who perform online shopping. The results of the survey indicated that almost half of the participants (45%) claim that reviews, comments and feedback from other customers on social networks, alongside respecting their family members attitudes and evaluating the content of promotional messages, influence the creation of their affections and forming opinions on brand authenticity. Likewise, 25% of the respondents stated that their social media platforms allow them to stay up to date with current products and trends, while 22% claimed their active participation in process of writing reviews, comments and feedback on products or services. Also, the results of the survey indicated that 43% of respondents, after interacting with their favorite brands through online social networks, value them more and feel more respect for them ([pwc.com](http://pwc.com)).

In accordance with previously stated specificities of generation Y members in terms of their sociological characteristics, communication specifics caused by the extensive use of social media, which shaped the way in which members of this generation make purchasing decisions and create opinion on companies, their brands and products, guidelines to create successful marketing communications with this target group would be:

- It is necessary to build a genuine relationship with members of the generation Y on social media platforms,
- It is necessary to encourage discussions of generation Y members on online social networks about a particular brand, product or service,
- It is necessary to encourage customers to write public reviews on specific brands, products or services on social media platforms,
- It is necessary to emphasize communication about conducting socially responsible activities that are significant for the community that generation Y members belong to,
- Marketing communication should be adapted in order to be available on different technological devices and platforms (Rohampton, 2017).



Furthermore, Friedman (2016) provides companies and brands with recommendations for establishing successful communication with members of generation Y on social media:

- Brands and companies should send messages about their transparency, authenticity and commitment to specific socially responsible community purposes;
- Creating positive brand experience for customers should be an activity of highest priority, since members of generation Y make purchase decisions on the basis of brand perception more than any other generation;
- Since customers trust each other's opinion and actually buy products from them, not from brands, one of the most effective ways for establishing quality communication with members of generation Y is to engage some of them to promote a particular brand or brand product;
- Messages sent to customers should be personalized, adapted to their specificities and preferences, and the platforms they use.

## 6. CONCLUSION

Based on previously stated advantages of digital media in sense of marketing communication development, it can be concluded that companies are focusing on customers which are the users of social media as key creators of marketing content for their products and services. Considering the decrease of confidence in companies mass advertising activities, nowadays customers have focused their attention on other customers and the content they create about products and services based on personal experience. Therefore, it can be concluded that in the process of generating marketing content, communication between customers is observed with specific interest.

Due to the fact that growing up of the Y generation has been accompanied by rapid development of digital interactive technologies, this has made significant impact on them regarding availability of information and the possibility of their processing. The Internet and social media as well as other interactive technologies have given the opportunity to generation Y members to proactively gather information about products and brands, and to actively participate in the process of product or service creation and improvement. Therefore, members of the generation Y represent the key group for which digital marketing content is being created.

Even though numerous researches regarding digital marketing communication strategies for generation Y have been conducted, preferences and habits of this market segment in Serbia haven't been observed. Although there are several researches regarding the use of Internet and social media by this group of customers, their role in creating online marketing communication hasn't been explored. Since foreign researches indicated that generation Y members are prone to establishing personal, professional and business communication through numerous digital channels, authors of this paper suggest that these specifics should be researched among this market group in Serbia. Furthermore, research should include identification of most commonly used social media by this target group, their attitude towards user generated content and evaluation of its significance in purchase decision making process. This information could make contribution to domestic marketing theory and practice in sense of providing useful data for understanding generation Y preferences towards digital marketing communication and therefore creating more personalized marketing communication adapted to their needs and expectations.

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