Implication on management of digital communication in automotive industry

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Implication on management of digital communication in automotive industry

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Abstract: The aim of this paper is to investigate the relationship between identified target consumer and advertising campaigns, in particular referring to digital communication, focusing on the Automotive Industry.

This research employs an analysis for the literature review to identify factors at each stage of relationship marketing and focus on digital communication following the evolution of the customer's decision process: from the Funnel Metaphor to Customer Decision Journey (Consider, Evaluate, Purchase and Advocate).

This research employs, also, an empirical analisys with the aim to define the trends of italian and international market. During a period of observation of a sample of 500 customers randomly exposed to a survey with the purpose to define the relationship between the Interviewees, the Social Media and Internet.

This analysis identifies that hierarchical enterprises of the traditional economy is not adapt to digital economy that requires an ability to adapt rapdly to the market changes and needs a big data analysis. Communication and Advertising have changed in order to meet the evolution of customer, who has grown to become mora and more demanding while in parallel aware and informed.

These changes have important implications for different organisational level of management at companies because, differently from the past, today often a firm doesn't not sell just a product or a service, but an idea, a value, a lifestyle concerning the products.

Keywords: *digital communication, social media, automotive industry, management*

Introduction

Over the decades, Communication and Advertising have changed in order to meet the evolution of the consumer, who has grown to become more and more demanding while in parallel aware and informed.

Differently from the past, today often a firm does not sell just a product or a service, but an idea, a value, a lifestyle concerning that product. This outlines the need of constantly new Communication Strategies, that do not make the consumers feel like the brand is trying to convince them of something, but just giving them some additional information they need to evaluate the product on their own and confirm that the brand is a good match for them and

what they are looking for. For an industry like the Automotive, this is not as easy for many reason, beginning with the economic effort needed in order to complete the purchase.

The brands need to re-think the communication strategy and take it to a different level, not investing only on the traditional Media anymore, but especially on Digital Communication and BTL activities. Those two spheres allow the brand to advertise the product without a *real* advertisement: the possibility of living a branded experience and the word of mouth spreading on the Social Pages, blogs, forums, is fundamental on the Customer Decision Journey and it is not made of "real", "traditional" advertising, but simply of "sharing information".

A good launch plan is the most important step in order to support and promote the product.

Sessions of dealers training are crucial to make sure the salesmen are all prepared on the characteristics of the new model.

Several brand use to invite the press , influencers and bloggers to drive the car before the commercial launch , sharing the experience with their fans.

One of the phase of the plan is the 'Reveal', mostly represented by the participation to important Motor Show, like Geneva

Above the line activities are all traditional media, based on TV, radio, billboards, newspapers, magazines.

The key objective of the digital communication is to promote products through contents spread mainly using the Internet, but also mobile phones (both SMS and MMS), social media marketing, display advertising, search engine marketing, and any other form of digital media. The website plays a fundamental role in approaching the prospect.

Social Networks are the stage chosen by the automotive brand to reach the target customers, gaining their trust and appreciation speaking their same language.

BTL is considered the communication not ascribable to display advertising, for example PR, Point of Sale materials, Direct Marketing, sponsorships, guerrilla marketing, events. In other words, it is a series of means based on unconventional methods of advertising, focusing on one-to-one communication between the brand and the target. This has become increasingly important given the fragmentation and variety of the multimedia diet of target customers. BTL activities are appreciated because of their unique and personal ways to reach the customers, and are varied in implementation, execution and coverage.

BTL activities give two principal benefits: customization and deep impact.

According to the customer decision journey, when the potential customer arrive to the dealer they have already looked up many information on the Internet, many of them still like to bring home printed materials to think over the possibility of purchase.

The analysis of literature review to identify factors at each stage of relationship marketing and focus on digital communication following the evolution of the customer's decision process: from the Funnel Metaphor to Customer Decision Journey (Consider, Evaluate, Purchase and Advocate).

Traditional marketing is based on the funnel metaphor: when deciding to buy, consumers start with a wide range of brands to choose from, then gradually narrow down the possibilities as their awareness, interest and desire increase. Finally, when they get to the bottom of the funnel, they have chosen what to buy and they purchase it. The loyalty to the brand is then determined by the "aftersale phase", which can be considered a trial period. The goal of marketing campaigns is to capture the consumer's attention as it moves through the funnel, trying to keep the brand in the shortlist of the possible final choices.

Figure 2: Funnel diagram
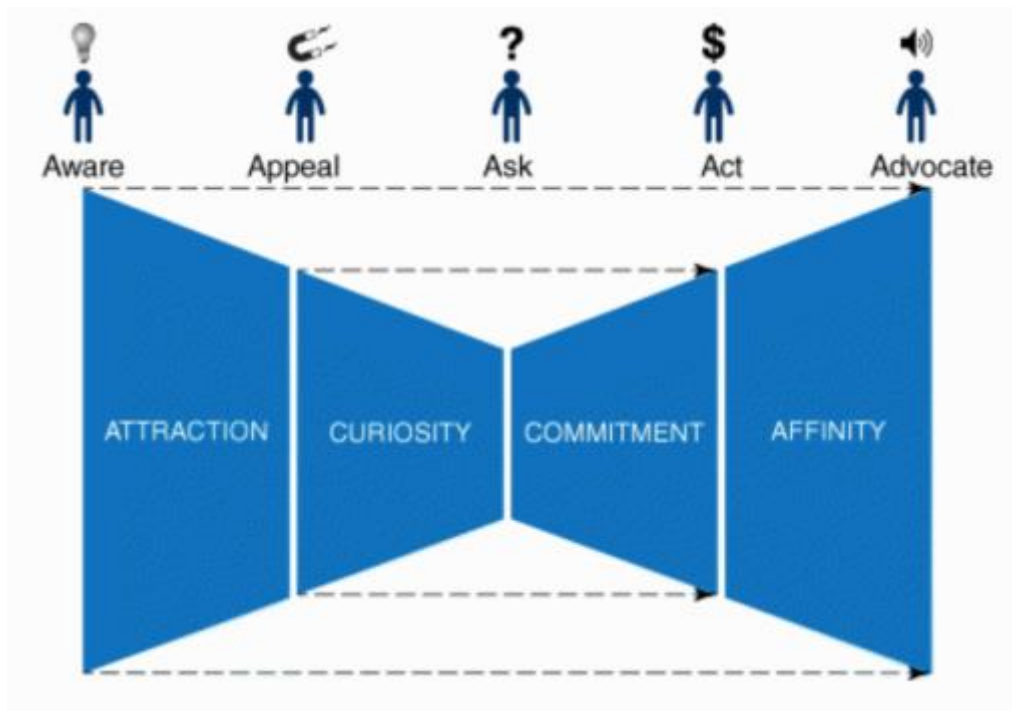
This approach «fails to capture all the touch points and key buying factors resulting from the explosion of product choices and digital channels, coupled with the emergence of an increasingly discerning, well-informed consumer». The new approach, which gives much emphasis to the importance of Digital communication.

The decision-making process has become a circular journey, made of four phases marketers need to try and influence: initial consideration; active evaluation, or the process of researching potential purchases; closure, when consumers buy brands; and postpurchase, when consumers experience them.

Figure 3: The Consumer Decision Journey

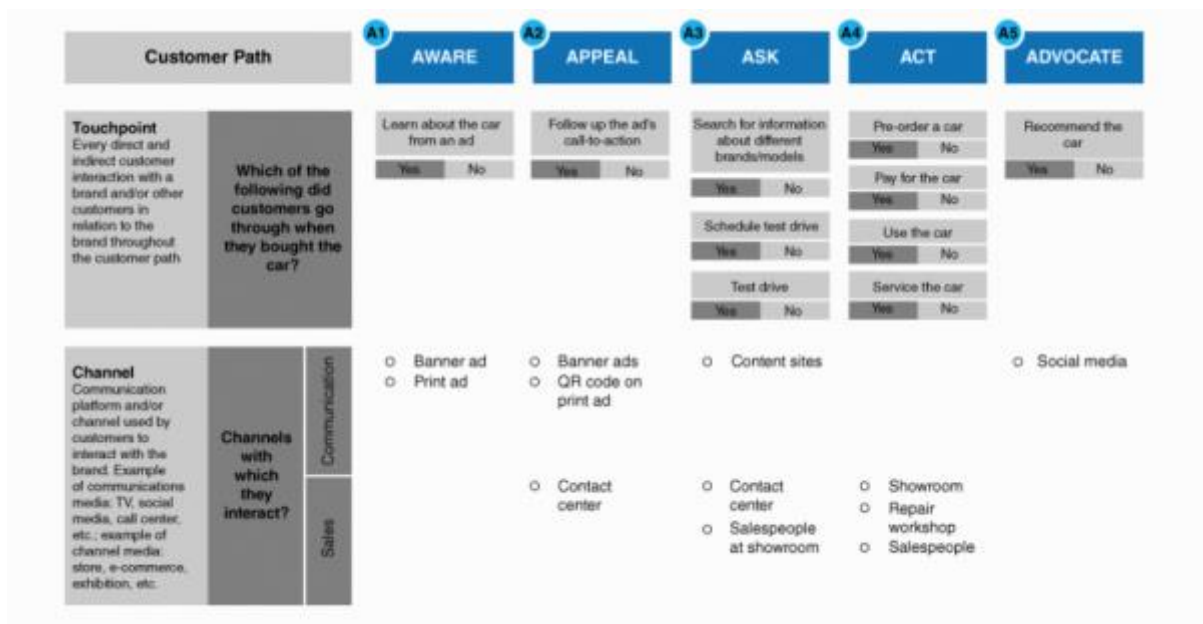| Customer Path			A1 AWARE	A2 APPEAL	A3 ASK	A4 ACT	A5 ADVOCATE
Touchpoint Every direct and indirect customer interaction with a brand and/or other customers in relation to the brand throughout the customer path	**Which of the following did customers go through when they bought the car?**		Learn about the car from an ad Yes No	Follow up the ad's call-to-action Yes No	Search for information about different brands/models Yes No Schedule test drive Yes No Test drive Yes No	Pre-order a car Yes No Pay for the car Yes No Use the car Yes No Service the car Yes No	Recommend the car Yes No
Channel Communication platform and/or channel used by customers to interact with the brand. Example of communications media: TV, social media, call center, etc.; example of channel media: store, e-commerce, exhibition, etc.	**Channels with which they interact?**	Communication	○ Banner ad ○ Print ad	○ Banner ads ○ QR code on print ad	○ Content sites		○ Social media
		Sales		○ Contact center	○ Contact center ○ Salespeople at showroom	○ Showroom ○ Repair workshop ○ Salespeople	

(Source: Kotler P., Kartajaya H., Marketing 4.0: Moving from Traditional to Digital, John Wiley & Sons Inc., 2016)

1) *Consider*

When something "triggers" the impulse to buy, the tremendous amount of impressions coming from advertisements, news, conversations with family and friends, blogs, social media, personal experiences, becomes vital because it shapes the initial-consideration set of brands, which has a triple chance to be purchased.

Today, the consumer is immediately able to list an initial-consideration set of brands to purchase, which is often scarce because of both the multitude of products available and media used. Indeed, «consumers tend to fall back on the limited set of brands that have made it through the wilderness of messages

2) *Evaluate*

In this phase, consumers define better which brands they think should be contemplate for the purchase, weighting pros and cons, considering the target, ... One aspect marks an important difference form the funnel metaphor: during the active evaluation phase, the number of brands the consumer considers grows instead of decreasing due to the increase of information acquired.

3) *Purchase*

Often, when the customers reach the point of sale, they have not decided yet which product they are going to buy. This reflection underlines the key role of the point of sale itself, not only the physical space where the products are exposed, but also the staff that works there and deals with the customers.

4) *Advocate*

Even more important is the postpurchase phase, because it is where the customers' loyalty to the brand is determined. They have finally made a choice, they have their product in their hands – or they are using the service they bought – and they interact with new online touch points. Marketing needs to work especially towards the so called "active loyals", consumers

who are devoted to the band at the point that they recommend it, while "passive loyals" are not committed to the brand, they will switch if any competitor will offer them a better deal.

The research is improve with an empirical analisys with the aim to define the trends of italian and international market. During a period of observation of a sample of 500 customers randomly exposed to a survey with the purpose to define the relationship between the Interviewees, the Social Media and Internet.

The results were studied by a simple correspondence analysis, that outlined how the sample uses the Internet mostly for researches and Social Network. Among the Social Neworks, then, the ones chosen by most of the panel are Facebook, Instagram and Youtube.

Setting the personal information as principal variables, it was possible to easily outline the answers of different groups of interviewees thanks to a Multiple Correspondence Analysis.

Generally speaking, the Female Interviewees are positioned in the left side of the vertical axis, while Males are on the right side.

The Interviewees can be divided into four groups:
• Purple → High School diploma, maxim 25 years old;
• Light blue → College degree, between 25 and 40 years old
• Orange → Middle School, over 40 years old
• Red → PhD

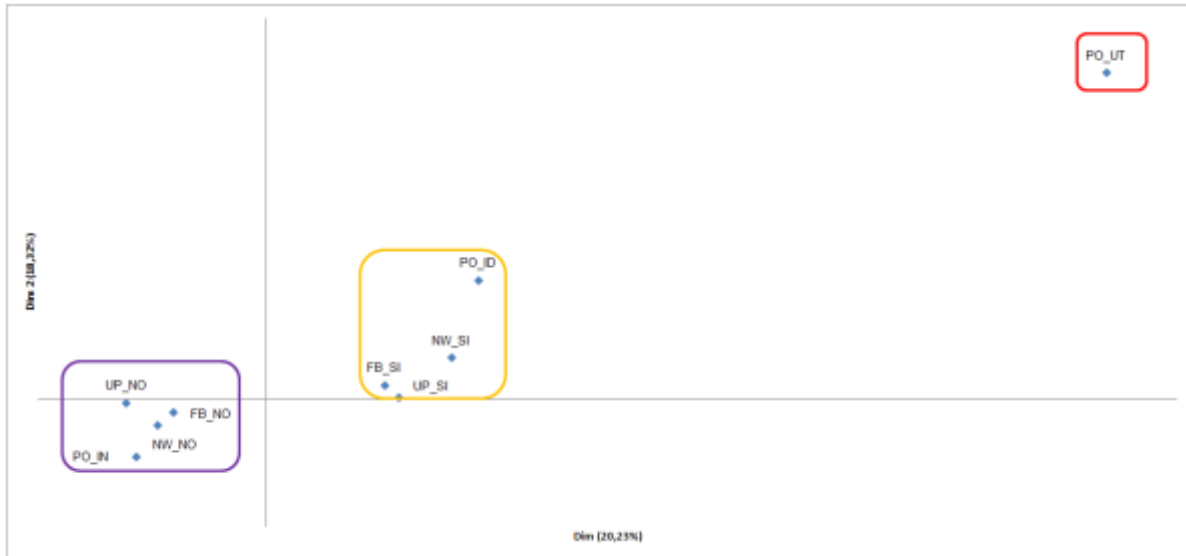*Figure 4: Survey results: Analysis of consumers*
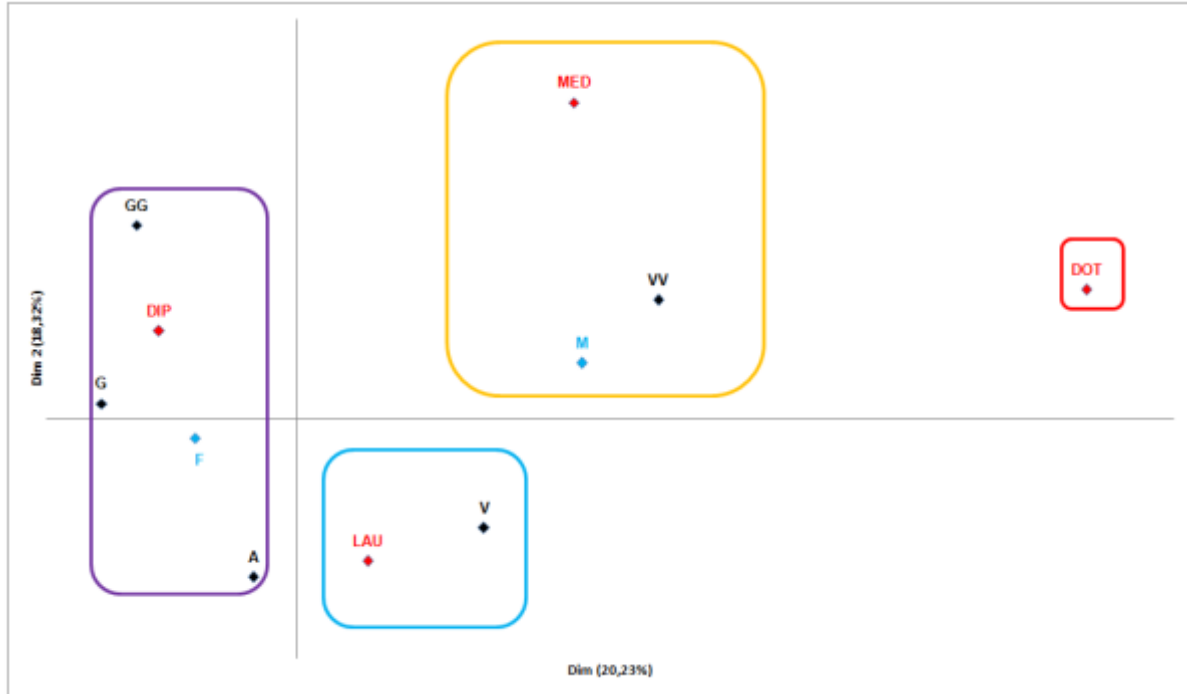
(Source: Survey Author Elaboration)

Then, the author tried and investigate the behaviour of the sample groups when it came to the utility of online advertising, Newsletters, Pop-ups and Facebook Carousels.

While the Purple group appeared to be the less interested in online advertising and even felt bothered by pop-ups, the so-considered "potential target groups" either didn't care about pop-ups or thought they are useful, did subscribe the Newsletter at least once and did click on a Carousel on Facebook at least once.

Figure 5: Survey results: Social Media Struments

The target groups selected an emotional or fun campaign, and declared they looked up the brand's website after being exposed to a pop-up, a banner, a TV or radio spot, a press campaign or a carousel. The younger group, on the other hand, declared they did not consult the website, but this seems to be an understandable result since they are hardly the ones actually purchasing the vehicle (parents)

Conclusion

One of the biggest challenges brands have to face is finding ways of communicating that are able to keep pace with the increasing demands of a customer that, over the decades, has grown to become more and more difficult to please.

Some Industries, such as for example Fashion, Make up, Travels, have already successfully undertaken this path to innovation in Communication Strategies, as well as embraced new sales channels such as the e-commerce. For an Industry like the Automotive, the road is not as easy for many reason, beginning with the economic effort needed in order to complete the purchase.

The potential customers, on their Decision Journey, collect information from the people who live around them and they trust; from the word of mouth spread on the Social Networks, blogs, forums; by their autonomous researches on the websites. Traditional Media are transforming their role towards the pure informative side, they are considered in order to trigger the customers' attention but the importance they are given to is decreasing. What brands need to do, is finding ways of promoting the product without appearing excessively pressing.

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