

TRENDS IN THE DEVELOPMENT OF INTEGRATED MARKETING COMMUNICATION IN THE CONTEXT OF DIGITAL MARKETING

Santa Bormane

University of Latvia, Latvia

Abstract. Nowadays, in the context of digital marketing and social media development, with the advantages given by technologies and the vast possibilities of communication among consumers, businesses find the implementation of integrated marketing communication (IMC) influenced by the Internet as a marketing communication environment where businesses are urged into a customer-centric approach by the consumers' changing habits of receiving information. This results in an increased role of content marketing, relationship orientation, dialogue and network communication, management of multiple stakeholders etc., which envisages consumer involvement with a view to mitigating the consequences caused by the obstacles to marketing communication – loss of control over corporate communication and being adversely affected by invisible communication. Aim of the research was to study and assess IMC in the context of digital marketing and its influence upon buyers' buying decisions. The object of the research is IMC. The subject of the research is the influence of IMC upon buyers' buying decisions. The research makes use of the results of studies conducted by the author in 2017 and 2018. There was a survey of leading marketing specialists of Latvian food retail chains and a survey of randomly selected buyers with a sample of 1,003 respondents to find out the influence of IMC upon the buyers' buying decisions. The research brings conclusions regarding the consumption habits of different generations and other factors influencing buying decisions. The research confirmed the hypothesis that IMC in the context of digital marketing is a relatively little used type of communication in the marketing communication strategy of businesses, yet its use facilitates consumer loyalty. The results of the research are of both theoretical and practical value.

Keywords: digital marketing; consumers' buying decisions; integrated marketing communication; integrated marketing communication for sustainability; sustainable marketing; survey of buyers; survey of leading marketing specialists

Introduction

Nowadays, in the context of digital marketing and social media development, with the advantages given by technologies and the vast possibilities of communication among consumers, businesses find the implementation of integrated marketing communication (IMC) influenced by the Internet as a marketing communication environment where businesses are urged into a

customer-centric approach by the consumers' changing habits of receiving information. This results in an increased role of content marketing, relationship orientation, dialogue and network communication, management of multiple stakeholders etc., which envisages consumer involvement with a view to mitigating the consequences caused by the obstacles to marketing communication – loss of control over corporate communication and being adversely affected by invisible communication. In this research, the author surveyed buyers of Latvian food retail chains to find out the influence of IMC upon the buyers' buying decisions. The research brings conclusions regarding the consumption habits of different generations and other factors influencing buying decisions.

Aim of the paper: the aim of the research was to study and assess IMC in the context of digital marketing and its influence upon buyers' buying decisions. The object of the research is IMC. The subject of the research is the influence of IMC upon buyers' buying decisions.

Methodology/methods: The research makes use of the results of studies conducted by the author in 2017 and 2018. There was a survey of leading marketing specialists of Latvian food retail chains and a survey of randomly selected buyers with a sample of 1,003 respondents. In order to attain the goal and objectives, the following quantitative and qualitative methods of economic research were used: survey, comparison, grouping, evaluation, market investigation, comparative analysis. The study is based on scientific papers published by Latvian and foreign scholars, general and special literature, and periodicals. The survey data were processed and analysed using the MS Excel and SPSS software.

Findings: The research confirmed the hypothesis that IMC in the context of digital marketing is a relatively little used type of communication in the marketing communication strategy of businesses, yet its use facilitates consumer loyalty. The results of the research are of both theoretical and practical value.

Development of the environment of integrated marketing communications

The approaches, models and classifications of marketing communications discussed in literature are distinguished between two concepts – inside-out orientation and outside-in orientation. **The inside-out orientation** is dealt with by such authors as Schultz, Tannenbaum and Lauterborn (1993) and Duncan and Caywood (1996). According to them, IMC activities are managed by the company, with the integration having the objectives of: 1) creating internal conditions (such as internal communication activity planning, organisational structure, personnel, implementation, and integration) to lay the internal foundations for an effective external communication; 2) coordinating and

approving external communication activities to make sure that the company's image be clear, unified and comprehensible. This applies to all communication messages generated by the company and addressed to all external stakeholders. Rooted in economics and strategic management literature, the inside-out orientation is an internally oriented strategic posture, the focus of which lies on how a firm achieves superior performance by developing, possessing, capitalising on, and deploying strategic firm-specific resources that are valuable, scarce, inimitable, and non-substitutable (Barney, 1991; Miller, Eisenstat, & Foote, 2002; Day, 2011). The inside-out orientation is positively related to a firm's innovation performance and overall performance. A dynamic strain of the inside-out orientation that draws on evolutionary economics is the theory of organizational dynamic capabilities (Zott, 2003; Newbert, 2007; Day, 2011). **The outside-in orientation**, in turn, is supported by such authors as Kliatchko (2008) and Bruhn (2014). Under this view, IMC are deemed customer-centric in the sense that the company adapts all its communication activities to customers and integrates customers in their communication by reversing the direction of relationship from company-to-customer to customer-to-company. Both authors also point out that communication activities may be customer-initiated and aimed towards the company; customers actively search for information of interest and thus decide themselves where and when to receive (or pull out) content from the company or get in touch with it. This view is therefore also known as *pull* communication. Furthermore, the company's activities in the integration of user-generated content fall within the IMC concept, and IMC thus move from telling and selling to listening and learning. Posting user-generated content in the social media enables the company to learn more about their customers' intentions, needs and wishes, and the information obtained through feedback may be used as the basis for the planning and implementation of the company's communication activities. With this extended approach, both the company's outgoing messages and the customers' incoming messages contribute to a consistent presentation of the company's communication. The aspect of meaning creation here is of particular importance, as the customer encodes the message, thus creating the meaning of all the company's marketing and communication activities.

In respect of both above orientations, Bruhn and Schnebelen (2017) emphasise the role of social media. They argue that both parties – senders and recipients – consecutively communicate and the communication roles interact. In such a media landscape, businesses no longer operate in a centralised model as the sole content creators and distributors – social media empowers customers to decide what information they wish to receive from the company and what to send to the company and fellow customers. It is also stressed that the existing IMC concepts do not discuss IMC in detail in the context of social media epoch and most of those IMC concepts present IMC as merely a new communication tool

that enriches the set of communication measures, thus overlooking the fact that social media has structurally transformed the communication market, as senders and recipients are no longer clearly defined and may change infinitely. Since the existing IMC concepts do not take into account the said impact, integrated user-generated content and other matters remain an untapped resource.

Segments of users in the market of services can be defined by generations and their distinctive characteristics, so the theory of generations can be used as a consumer segmentation tool (Sabaitytė & Davidavičius, 2017).

In the context of social media development, Bruhn and Schnebelen (2017) highlight the current development trends of IMC and the challenges faced when working on corporate IMC strategies. The key challenges and trends, in their opinion, are associated with loss of control, content marketing, dialogue and network communication, and multiple stakeholder management (Bruhn & Schnebelen, 2017).

The sustainable development of internet marketing faces the dynamic environment and its alterations, which occurs in both – business terms and conditions, and in the use of electronic tools and applicable concepts. The growing importance of internet marketing is being indicated by the development of electronic markets, increasing number of new generation consumers, deepening interest of scientists from different scientific fields, as well as widening the related knowledge base (Sabaitytė & Davidavičienė, 2018).

The development of social networks leads to new ways of marketing communication and poses new scientific challenges. The growing importance of B2B and B2C communication and the relationship with the customers is influenced by dynamic changes in the e-marketplace (Davidavičienė, Pabedinskaitė, & Davidavičius, 2017).

Ashley and Tuten (2015) maintain that, with customers actively contributing to the communication process, the volume of communication and available content has vastly increased, making the social media landscape less transparent for businesses. As customers are able to actively influence, create and manage communication through their contribution to the process and thereby gain power, businesses lose control over their communications. They no longer control when, where and how customers express their opinions about the company, its products and brands, and when, where and how customers share the content of communication messages generated by the company or consumers themselves (Bruhn & Schnebelen, 2017).

Jefferson and Tanton (2013) opine that the loss of control and the inflow of content mark the importance of a comprehensive content marketing strategy. This constitutes yet another major IMC challenge. In order to successfully defend themselves in the uncontrolled social media space, businesses need to be able to provide customers with a consistent content that is topical and useful and meets

the required quality standard (i.e., the content adapted to the customers' needs and wishes). According to Preece (2001), in order to achieve this and generate an added value, the IMC concept needs to ensure that businesses constantly expand their content competence. This requires appropriate technical facilities, attractive presentation of information, and easy access to information. An ever-increasing supply of new media technologies (such as social media and mobile devices) provides alternative communication options that promote multilateral dialogues among businesses and stakeholders (Mangold & Faulds, 2009). These dialogue and network communications pose new strategic IMC challenges. The interactivity and mobility of means of communication now enables and encourages customers to become active content creators, weakening the corporate media control; yet at the same time, this new functionality enables businesses to use this content any time and engage in a direct personal dialogue with the target audience (Kaplan & Haenlein, 2010).

Closely related to dialogue and network communication is multiple stakeholder management (e.g., of customers, employees, channel members, society, and suppliers). The task of IMC is to deliver its generated content to all stakeholders and integrate it in strategies, increasing the variety of the needs, interests and wishes to be served. However, the need for individualised communication and customised communication messages makes IMC more complicated, hindering a single and consistent communication process (Mulhern, 2009). Bruhn and Schnebelen (2017) argue that the changed circumstances on the market side and the customer side fundamentally affect the IMC concept in the social media era. In order to cope with the new challenges, IMC need to become customer-centric and thus require new mutually linked principles – in marketing research and practice.

Having developed evolutionarily over the last two decades, the concept of IMC now needs to develop structurally. Hence, the social media era necessitates IMC extensions beyond innovative communication tools, not limited to finding ways to integrate new media in the set of communication measures, but going deeper and affecting the company at all levels (e.g., organisational structure, internal and external communication, philosophy and goals). This includes the improvement of obsolete IMC concepts through new valid IMC concepts (Bruhn & Schnebelen, 2017).

A relationship-based approach to IMC is particularly topical when facing the challenge of managing multiple stakeholders and making a customised dialogue and network communication in the social media epoch (Kaplan & Haenlein, 2010). Relationship communication requires development of new concepts capable of addressing communication and interaction among multiple stakeholders. Hence, in the social media era, IMC need to be relationship-oriented, focusing much of communication activities to the maintenance and

management of the long-term relationship with all internal and external stakeholders (Shin, 2013). The task of IMC is no longer to popularise the company's products, brands and services in a consistent manner, but to present a story that makes the customer actively participate in the story-telling process (Bruhn & Schnebelen, 2017).

The Internet is a cheaper way of distribution of communication than other ATL (*above-the-line*) marketing channels (TV, radio, the press, etc.). Furthermore, in the globalised economy, with e-commerce and other services becoming a prominent business sector, it is not just a leisure activity, but an integral part of a business. In the context of sustainable development, the Internet is still developing and improving, with ever new e-businesses or online shops emerging.

The consolidation of the role of social media in the society has lead businesses to focus more on communication with people through these very means. For businesses, it represents an opportunity to save resources and time and to build a positive image, while the buyer can learn and follow any information of interest from anywhere in the world, discuss it with friends, seek opinions, comments, objections. The development of technologies and communication options open up new possibilities for businesses – to involve their consumers not only in the popularisation, evaluation or promotion of existing products but also in the creation of new ones. This is made possible by the development of smartphones, which makes for the growth of a new marketing communication environment – mobile applications, which not only give consumers quick and concise access to information on specific products and services but also enable them to use those. Based on the above, the authors find that “such current IMC development features as the Internet as the marketing communication environment; digital promotion based on vast options of communication among consumers; an increased role of direct marketing in the creation of a loyalty system; a stronger link of marketing communications with buyers' market behaviour; selection of marketing communications based on stages of product life cycle etc.” (Praude & Bormane, 2012) enable businesses to achieve sustainability goals in the current business environment. IMC development features manifest themselves as trends and are affected by external environment factors, communication objects, and the specifics of the industry, businesses and products. It would be useful for businesses to increase the share of their marketing communication budget dedicated to direct marketing and personal selling, enhancing the role of personalised communications and developing communications with buyers based on their market behaviour at the relevant stage (Praude & Bormane, 2012).

In the context of sustainability, businesses, through IMC, need to create the product consumption value – the need for sustainable products, sufficient information about them, deliberate and well-thought-out buying decisions, and the consequences of excessive consumption, waste quantity.

Buyers' assessment of the impact of IMC tools for sustainability on buying decisions, empirical research

The research makes use of the results of studies conducted by the author – a survey of leading marketing specialists of Latvian food retail chains in 2017 and a survey of randomly selected buyers with a sample of 1,003 respondents in 2018. The survey data were processed and analysed using the MS Excel and SPSS software. The key faults identified from the survey of buyers served as a basis for drawing up conclusions. Answers to certain questions differed among respondents aged 65 and more, aged between 30 to 45, and aged up to 30. There were also differences in opinions among those with secondary education, with higher education, and with incomplete higher education, as well as among those with income up to 500 EUR/month (after taxes), with income over 500 EUR/month (after taxes), and with income over 1,000 EUR/month (after taxes). (When making Multiple Comparisons in data analysis, the author observed the principle of using the Tukey test where the dispersions of groups (age, gender, income, education) match and the Games-Howell test where the dispersions differ.)

The descriptive statistics on IMC tools for sustainability suggests that the following IMC tools for sustainability tend to have an impact (including a substantial impact) on consumers' buying decisions:

The author finds that the key factors in the context of sustainability when it comes to buying decisions are price, availability of domestic products, best-before dates, and understanding of environmental and social issues. In Table 1 the author has pooled the respondents' answers on what affects buying decisions with their answers on what substantially affects buying decisions. It follows from Table 1 that a key role in consumers' buying decisions, as per the author's classification (Bormane 2018), is played by price-related, product-related, geographic placement and technology-related, and digital promotion-related IMC tools. Hence, when the IMC approach is used for reaching the target audience, the above tools tend to contribute to consumers' buying decisions in the context of sustainability. The target audience can be reached through a complex application of IMC tools in the context of sustainability, both for specific campaigns and a marketing strategy. However, in order to ascertain benefits from IMC tools for sustainability and find out which IMC activities have contributed to buying decisions, the author recommends doing research before and after the campaigns and studying the factors of influence on buyers within a specific period of time.

Furthermore, Table 1 suggests that buying decisions in the context of sustainability are affected by factors such as price discounts, best-before dates, the loyalty system, payment options, availability of packaging supplies (for takeaway), product packaging etc.

The author finds that the key factors in the context of sustainability when it comes to buying decisions are price, availability of domestic products, best-before dates, and understanding of environmental and social issues. In Table 1 the author has pooled the respondents' answers on what affects buying decisions with their answers on what substantially affects buying decisions. It follows from Table 1 that a key role in consumers' buying decisions, as per the author's classification (Bormane, 2018), is played by price-related, product-related, geographic placement and technology-related, and digital promotion-related IMC tools. Hence, when the IMC approach is used for reaching the target audience, the above tools tend to contribute to consumers' buying decisions in the context of sustainability. The target audience can be reached through a complex application of IMC tools in the context of sustainability, both for specific campaigns and a marketing strategy. However, in order to ascertain benefits from IMC tools for sustainability and find out which IMC activities have contributed to buying decisions, the author recommends doing research before and after the campaigns and studying the factors of influence on buyers within a specific period of time. Furthermore, Table 1 suggests that buying decisions in the context of sustainability are affected by factors such as price discounts, best-before dates, the loyalty system, payment options, availability of packaging supplies (for takeaway), product packaging etc.

*Table 1 Key IMC tools for sustainability with impact on buying decisions, 2018
(made by the author after processing the buyer survey data in SPSS)*

No.	IMC tool for sustainability	Percentage of respondents
1.	Price discounts on Latvian-made products	87.7
2.	Price discounts on ecological products	80.7
3.	Best-before dates of Latvian-made products	79.1
4.	Proportion of Latvian-made products on offer	73.8
5.	Price discounts on products with environmentally friendly packaging	71.7
6.	Best-before dates of import products	70.7
7.	Linkage of loyalty card to payment options	69.9
8.	Availability of environmentally friendly shopping bags	68.9
9.	Waste sorting options	67.2
10.	Products with environmentally friendly packaging (that quickly decomposes in nature)	66.7

Given the variety of consumer audiences, it is important to find out not only which IMC tools for sustainability do not contribute to purchases, but also in which groups of age, education, income, gender etc. there might be differences that would be relevant in the planning and implementation of IMC.

The key IMC tools for sustainability predominantly rated by respondents as having no impact on buying decisions are presented in Table 2.

*Table 2 Key IMC tools for sustainability with **no** impact on buying decisions, 2018
(made by the author after processing the buyer survey data in SPSS)*

No.	IMC tool for sustainability	Percentage of respondents
1.	Barcode information on disposal, re-use, composition of packaging and its health impact, pictures of general use of product	75.6
2.	Mobile applications providing information on ecological and Latvian-made products available in-store	70.5
3.	Informational messages on vegan products (without ingredients of animal origin)	68.2
4.	Creation of social groups on social media for regular buyers of ecological products	67.7
5.	Consumer involvement in making new products, game element system drawing to brand loyalty programme to promote sales of ecological products (points, discounts, gifts, status etc.)	66.3
6.	Option of consumer involvement in making new products	62.8
7.	Location of import products in shop shelves	60.8
8.	Support for and contribution to conferences, education and instructional literature	59.4
9.	Structure of information on company website, with ecological and Latvian-made products singled out	56.7
10.	Proportion of import products on offer	56.3

The author finds that buying decisions tend to be unaffected by digital promotion-related IMC tools for sustainability, yet the author also believes that more thorough research would be needed on how the said IMC tools affect buying decisions for certain groups of respondents, i.e., whether or not there are different opinions among people of different education levels, ages, and income. This stems from the fact that the use of digital promotion tools involves the latest technologies and the knowledge, skills and habits of utilising the advantages of smartphones differ among generations.

Table 2 also suggests that consumers lack understanding of the necessity of contributions to education and instructional literature in dealing with sustainability issues and for the purposes of public awareness. Hence, information on the results of scientific research in the business environment becomes increasingly topical for public education. Still, the author sees a positive trend

from the viewpoint of promoting the consumption of domestic products – the location of import products in shop shelves does not matter to consumers and nor does their proportion in the assortment.

Conclusions

1. Important factors in consumers' buying decisions in the context sustainability are price, availability of domestic products, best-before dates, and understanding of environmental and social issues.
2. A key role in consumers' buying decisions is played by price-related, product-related, geographic placement and technology-related, and digital promotion-related IMC tools. Thus, when implementing an IMC approach to reaching the target audience, the above tools tend to contribute to consumers' buying decisions in the context of sustainability.
3. A complex application of IMC in specific campaigns or a marketing strategy in the context of sustainability helps reach the target audience. However, in order to ascertain benefits from IMC tools for sustainability and find out which IMC activities contribute to buying decisions, the author recommends doing research before and after the campaigns and studying the factors of influence on buyers within a specific period of time.
4. Consumers' buying decisions in the context of sustainability are affected by such factors as price discounts, best-before dates, the loyalty system, payment options, availability of packaging supplies (for takeaway), product packaging etc.
5. Consumers' buying decisions tend to be unaffected by digital promotion-related IMC tools for sustainability, yet the author believes that more thorough research would be needed on how the said IMC tools affect buying decisions for certain groups of respondents, i.e., whether or not there are different opinions among people of different education levels, ages, and income. This stems from the fact that the use of digital promotion tools involves the latest technologies and the knowledge, skills and habits of using smartphones differ among generations.
6. Consumers lack understanding of the necessity of contributions to education and instructional literature in dealing with sustainability issues and for the purposes of public awareness, Hence, information on the results of scientific research in the business environment becomes increasingly topical for public education.
7. There is a positive trend from the viewpoint of promoting the consumption of domestic products, as the location of import products in shop shelves does not matter to consumers and nor does their proportion in the assortment.

References

- Ashley, C., & Tuten, T. (2015). Creative strategies in social media marketing: an exploratory study of branded social content and consumer engagement. *Psychology & Marketing*, 32, 15-27.
- Barney, J. (1991). Firm resources and sustained competitive advantage. *Journal of Management*, 17, 99–121.
- Bormane, S. (2018). Integrated Marketing Communications in Sustainable Business. *Society. Integration. Education Proceedings of the Scientific Conference*, 6, 80-96.
- Bruhn, M. (2014). *Integrierte Unternehmens- und Markenkommunikation: Strategische Planung und operative Umsetzung*. Edittion 6th, Schäffer-Poeschel Verlag, Stuttgart
- Bruhn, M., & Schnebelen, M. (2017). Integrated marketing communication – from an instrumental to a customer-centric perspective. *European Journal of Marketing*, 51, 464-489.
- Davidavičienė, V., Pabedinskaitė, A., & Davidavičius, S. (2017). Social Networks in B2B and B2C Communication. *Transformations in Business & Economics*, 16(1), 69-84.
- Day, G.S. (2011). Closing the marketing capability gap. *Journal of Marketing*, 75(4), 183–195.
- Duncan, T., & Caywood, C. (1996). The concept, process, and evolution of integrated marketing communication. In Thorson, E. and Moore, J. (Eds), *Integrated Communication: Synergy of Persuasive Voices* (13-34). Lawrence Erlbaum Associates, Mahwah.
- Jefferson, S., & Tanton, S. (2013). *Valuable Content Marketing: How to Make Quality Content the Key to Your Business Success*. Kogan Page Limited, London, Philadelphia, New Delhi.
- Kaplan, A.M., & Haenlein, M. (2010). Users of the world, unite! the challenges and opportunities of Social Media. *Business Horizons*, 53, 59-68.
- Kliatchko, J. (2008). Revisiting the IMC construct: a revised definition and four pillars. *International Journal of Advertising*, 27, 133-160.
- Mangold, W.G., & Faulds, D.J. (2009). Social media: the new hybrid element of the promotion mix. *Business Horizons*, 52, 357-365.
- Miller, D., Eisenstat, R., & Foote, N. (2002). Strategy from the inside out: Building capability-creating organizations. *California Management Review*, 44(3), 37–54.
- Mulhern, F. (2009). Integrated marketing communications: from media channels to digital connectivity. *Journal of Marketing Communications*, 15, 85-101.
- Newbert, S.L. (2007). Empirical research on the resource-based view of the firm: An assessment and suggestions for future research. *Strategic Management Journal*, 28, 121-146.
- Praude, V., & Bormane, S. (2012). Influence of marketing communications on the processes of consumers' decisions. *Regional Formation and Development Studies*, 2, 110-124.
- Preece, J. (2001). Sociability and usability in online communities: determining and measuring success. *Behaviour & Information Technology*, 20, 347-356.
- Sabaitytė, J., & Davidavičienė, V. (2018). The analysis of internet marketing research directions. *Marketing and digital technologies*, 2(1), 7-20.
- Sabaitytė, J., & Davidavičius, S. (2017). Challenges and solutions of adopting public electronic services for the needs of Z generation. *International journal of learning and change*, 9(1), 17-28.
- Schultz, D.E., Tannenbaum, S.I., & Lauterborn, R.F. (1993). *Integrated Marketing Communication: Pulling It Together and Making It Work*. NTC Business Books, Lincolnwood.

Bormane, 2019. Trends in the Development of Integrated Marketing Communication in the Context of Digital Marketing

Shin, K.Y. (2013). *The Executor of Integrated Marketing Communications Strategy: Marcom Manager's Working Model*. Springer Science & Business Media, Heidelberg, NY, Dordrecht, Londo.

Zott, C. (2003). Dynamic capabilities and the emergence of intra-industry differential firm performance: Insights from a simulation study. *Strategic Management Journal*, 24(2), 97-125.