

UNIVERSITY OF LJUBLJANA  
FACULTY OF ECONOMICS

MASTER'S THESIS

**THE DEVELOPMENT OF INTEGRATED DIGITAL MARKETING  
STRATEGY AND IDENTIFICATION OF KEY TOUCHPOINTS: THE  
CASE OF THE BRAND SUBRINA**

Ljubljana, November 2018

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## **LIST OF ABBREVIATIONS**

**IMC** - Integrated marketing communication

**AIDA model** – Attention, Interest, Desire and Action model

**CDJ** - Consumer decision journey

**BTL** - Below the line

**ATL** - Above the line

**SEO** - Search engine optimization

**SEM** - Search engine marketing



## INTRODUCTION

The new environment created by the rise of digital media in our daily lives has drastically changed the consumer and consumer behavior. Consumers no longer accept traditional marketing initiatives, but demand a different relationship. They expect brands to offer credible and interesting content, interactions with consumers and what is more, they want brands to show respect and not to spam them. Brands and companies begin reaching consumers from the moment they start their day. Unless consumers are actively shopping, much of that exposure appears wasted. Therefore, in today's highly competitive environment, low switching costs and increased commodization, it is crucial for brands to know their customers and their customers' decision journey in order to target them at the right moment and leverage the right touchpoints, which are the priorities (Patterson, 2016).

Nowadays consumers also have more power than ever and a variety of means whereby such power can be exercised. Technology has fundamentally changed our lifestyle – people now tend to integrate technology in all aspects of their lives and they are constantly communicating online. As Edelman (2010) noted, the internet has upended how consumers engage with brands, therefore the nature of touch points has changed. Today, consumers are promiscuous in their brand relationships. They connect with brands through new media channels beyond brand's control or even knowledge. After a purchase, these consumers may remain aggressively engaged, publicly promoting or assailing the products they have bought, collaborating in the brands' development, and challenging and shaping their meaning. Therefore, touch points have changed in both number and nature, requiring a major adjustment to realign marketers' strategy and budgets with where consumers are actually spending their time.

Based on Dörner and Edelman (2015) trends in the new digital world grounded us with the need to understand each step of a customer's journey, regardless of the channel they are using. It has made us consider how the use of digital capabilities could help brands design and deliver the best possible consumer experience across all parts of the business.

The main goal of this thesis is to develop an integrated digital marketing communication strategy for Subrina that will help reach their target audience with the right messages, at the right place, and at the right time. We believe that Subrina is a well-known Slovenian brand with a long tradition; however, it is not using its full potential to be even more efficient with its presence online. The brand is not using the digital environment as they could and their communication is not integrated at all. The rise of the internet has led to the appearance of numerous social media and digital channels. Therefore, allocating company resources to digital channels has become a necessity. While working at a marketing agency, both of the authors became aware of the importance of well-defined marketing strategy, where the digital part is a must. However, the content that a company is communicating online should be integrated with other communication messages from the company. With our master's thesis,

we would like to find out whether digital marketing can raise brand awareness. What is more, we would like to determine whether integrated marketing communication can trigger customers to be more loyal or even if it can even elicit a purchase. The purpose of our master's thesis is accordingly to help the traditional and well-known Slovenian brand Subrina, plan efficient communication activities, inter alia in digital environments in order to reach new consumers.

With our master's thesis, we would like to answer our research question: "Can digital communication strategy raise brand awareness?" What is more, we would like to determine whether integrated marketing communication is a trigger for customers to be more loyal or even if it can evoke purchase.

This master's thesis is structured into a theoretical and empirical part. The methodology differs between the theoretical and empirical part of the thesis.

The first part of our thesis contains an in-depth theoretical and analytical review of published literature, scientific papers, articles, and studies according to topical relevance. This part of the master's thesis is based on the concept of an integrated marketing strategy with a focus on the "new" consumer and their new consumer decision journey, where the loyalty loop is considered. We also look to the experience economy, where we analyzed customer experience approach and customer touchpoints during their decision journey. We further applied the academic knowledge we gained during our studies and the practical professional knowledge we obtained while working at an advertising agency over the past three years.

The main part of this master's thesis is the research in the empirical part based on the in-depth interviews with Ilirija's employees and the online questionnaire with consumers. Gathering data from a company and consumer perspective provides us with deeper insights and analysis of the same problem with a comprehensive view and more precise results. Results from the company perspective are based on qualitative, primary data collecting, where in-depth interviews were held in person. The data was analyzed with the use of qualitative analysis program NVIVO. The second part of our empirical part is based on the customer perspective. Data was collected through an online questionnaire, where we gain knowledge and information about Subrina's consumer's needs, demographics, attitudes, beliefs and behavior. After our research, we ran an explorative cluster analysis of data to identify homogenous groups of Subrina's consumers that will be later formed into different segments. With our research we were able to confirm that the traditional ways of differentiation, such as the price or quality of a product are no longer sufficient with the new consumer. On the other hand, a new source of competitive advantage is seen in the concept of customer experience. This master's thesis will conclude with the managerial and research implications for future studies.

# **1      MARKETING STRATEGY**

## **1.1      Traditional Marketing Strategy**

As Kotler (2003) stated, strategy is the glue that aims to build and deliver a consistent and distinctive value proposition to your target market and similarly. Lafley and Martin (2013) describe strategy in different words as a coordinated and integrated set of five choices: a winning aspiration, where to play, how to win, core capabilities, and management systems. However, other authors believe that the most difficult question in our competitive market is sometimes answered by a marketing strategy. Until the middle of the 20th century, strategy was categorized simply as management and that is why many organizations have problems defining a useful strategy that would give company competitive advantage (Lafley & Martin, 2013). Setting successful strategy means to recognize and achieve economic advantage that endures (Baker & Hart, 2008). What is more, a company should have a unique and different strategy from its competitors that is hard to copy. This leads to sustainability, lower costs, and higher revenues.

If a company has a strategy that is like its competitors' or is easily copied, the company's advantage is weak (Kotler, 2003), which means that it is forced to compete on prices. To have a unique strategy, companies should meet three conditions: define a clear target market and need, develop a distinctive and winning value proposition for the market, and arrange a distinctive supply network to deliver the value proposition to the target market (Kotler, 2003). On the other hand, Hooley, Piercy, Nicoulaud and Rudd (2017) state that strategy in marketing is seeking to develop effective answers to evolving market by defining market segment, and positioning product offerings for those target markets.

A marketing strategy is a process and a plan at the same time. A marketing strategy is the outcome of marketing research, which is used to identify consumer needs, develop new products, evaluate pricing strategies, assess distributions methods, and test the effectiveness of various promotional strategies (Wells, 1998). Having an integrated communication strategy and plan gives context and meaning to your message. For any firm, regardless of its size, an effective marketing strategy is crucial and can serve as a road map for the entire business, which helps an organization communicate effectively and meet core organizational objectives, not only marketing activities. With a well-considered strategy, one that gathers all segments of the business, an organization can not only promote its business and target the right clients but also allocate resources wisely and correctly (Financier Worldwide Magazine, 2014). What is more, this helps all departments in the company understand what its purpose is and also makes sure that sales activities and processes support each other. A strategy is flexible and answers the questions why and what; when a plan is set, it answers the question how. Strategies are usually set among top-level management, while plans are made by specialists in various areas.

Hooley, Piercy, Nicoulaud and Rudd (2017) believe that the essence of a developing a

marketing strategy is to ensure that organization's capabilities match market environment in which it operates. Because if the strategy is not focused on the customer it will fail.

To define mission and purpose, a company must ask the following questions: What business are we in? What business do we want to be in? An effective mission statement must spell out the strategic intent, the organisation's values, and its distinctive competencies, define the market (major customer targets), and determine a company's position in the marketplace Hooley, Piercy, Nicoulaud and Rudd (2017). Marketing strategies can be viewed at three main levels: the establishment of a core strategy that is made based on a detailed Strength, Weaknesses, Opportunities and Threats (SWOT) analysis, the creation of the company's competitive positioning (selecting target market: customers and competitors), and the implementation of the strategy (establishing a mix of products, price, promotion and distribution). These three levels are described in Table 1.

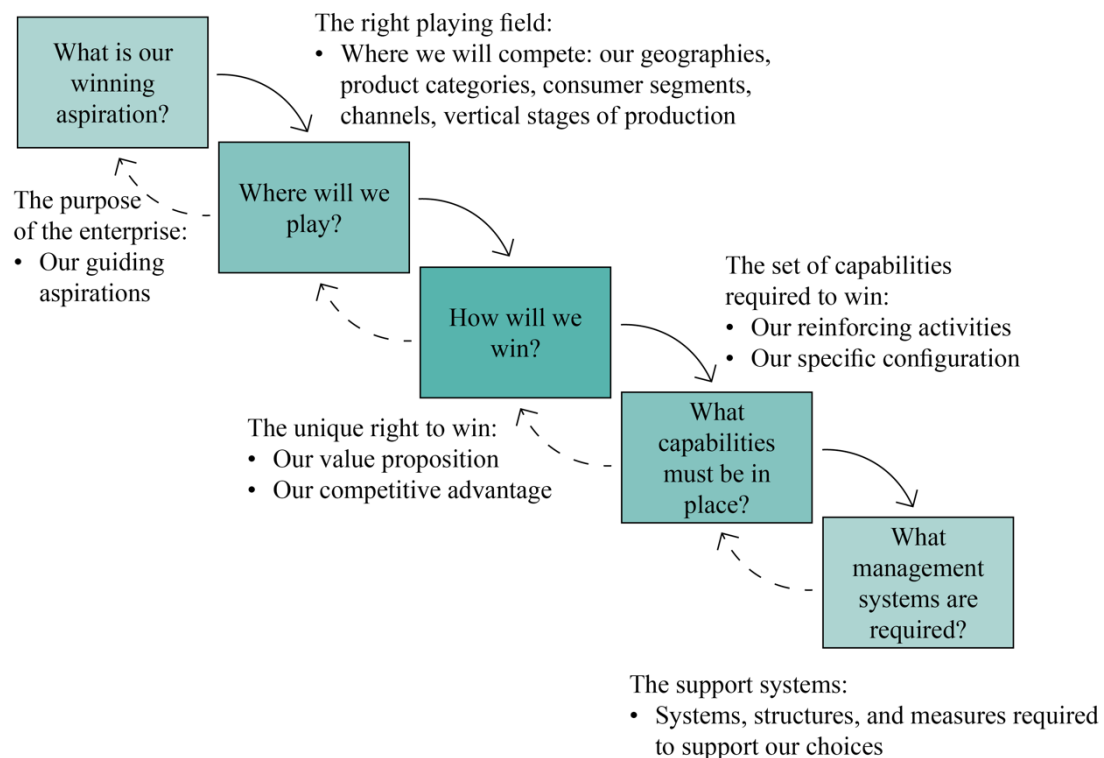
*Table 1: Strategic marketing planning*

The marketing strategy process	Description of the stage
Establishing the core strategy	The core strategy is a statement of the company's objectives and the broad strategies it will use to achieve them. A detailed analysis of the resources (product portfolio, portfolio planning) and analysis of the market served and also SWOT analysis should be done to establish the core strategy. A company defines key factors for success based on the analysis mentioned before.
Creation of the competitive positioning	The company's competitive positioning is a statement of market targets. It defines where and how the company will compete. It is developed to achieve the objectives laid down under the core strategy. For a company whose objective is to gain market share and whose broad approach in doing so is to win competitors' customers, for example, the competitive positioning will be a statement of exactly how and where in the market that will be achieved.
Implementation	Once the core strategy and the competitive positioning have been selected, the task of marketing management is to implement those decisions through marketing efforts. The three basic elements of implementation – marketing mix, organisation and control – are discussed next.

*Source: Hooley, Piercy, Nicoulaud and Rudd (2017).*

While some authors see strategy as a unit, combining various components, Lafley and Martin (2013) believes that strategy can be easily defined as a set of choices about winning that should be integrated. Specifically, those are answers to five interrelated questions that are presented in Figure 1.

*Figure 1: An integrated cascade of choices*



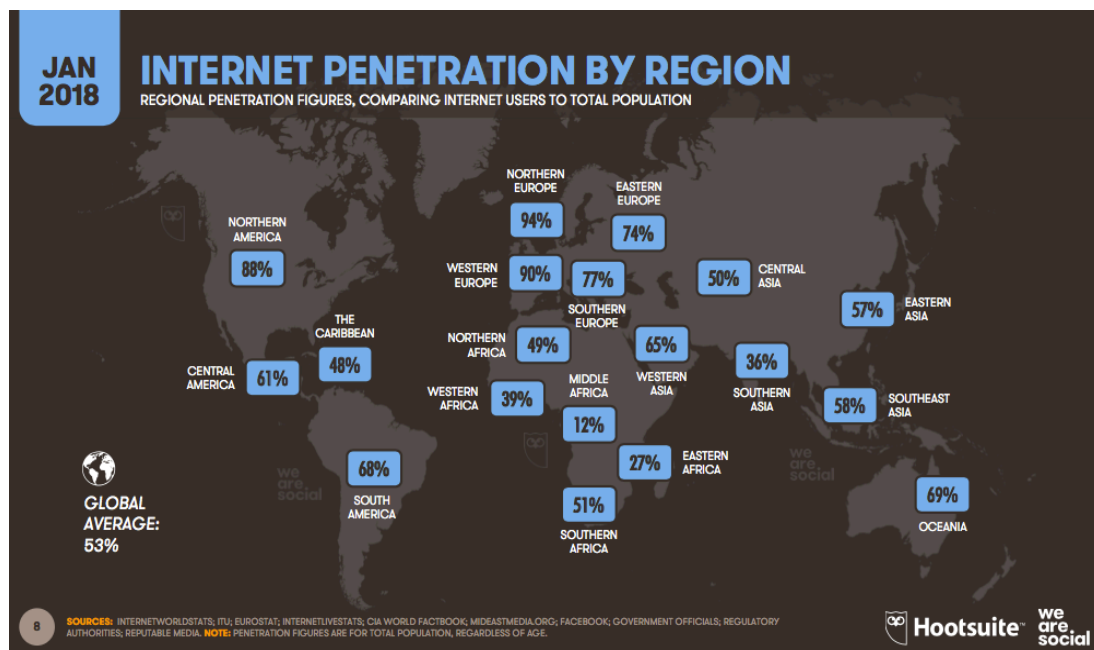
*Source: Lafley and Martin (2013).*

When setting the strategy, among other tasks, there is one very important task that authors emphasize repeatedly: knowing the customer. Kotler (2003) suggest that the best way to find out customer's habits is to spend time in the marketplace and see what matters; what customers like and dislike. Companies that put the customer first in today's increasingly dynamic and competitive markets are likely to succeed (Hooley, Piercy, Nicoulaud & Rudd, 2017). Online resources have given customers endless opportunities to acquire information about market supply. It is very easy to compare different products and their characteristics. Therefore, truly knowing shoppers, noticing their expectations, wants and needs and satisfying them before competition does is a way to succeed (Lafley & Martin, 2013).

## 1.2 Rise of digital marketing

Internet has brought us the opportunity to access information on a global basis, hence businesses have the opportunity to reach very many people at a relatively low cost (Aldridge, 1997), as well as the opportunity to interact and customize their content for different target groups (Ivanov, 2012). At the end of 2011, 2.3 billion people were connected to the Internet across the world. Global penetration (i.e. the number and percentage of people that have access to the Net) at the end of 2011 was of 32.7% and the average European penetration was 61.3% (De Pelsmacker, Geuens & Van den Bergh, 2013). This number has risen to global average penetration of 53% and average European penetration of 83.75% (We Are Social Inc. & Hootsuite Inc., 2018). In January 2018 Slovenia had a penetration figure of 80% which can be found in Figure 2 (We are Social Inc. & Hootsuite Inc., 2018).

*Figure 2: Internet Penetration by Region*



*Source: We Are Social Inc. and Hootsuite Inc. (2018).*

Increasing penetration of the internet and mobile phones is changing the nature of marketing communications interactivity. Mass marketing communication techniques with non-personalized messages used to dominate communication techniques (De Pelsmacker, Geuens & Van den Bergh, 2013). What is more, companies used to create advertising strategies, which included well controlled brand communication that enabled successful brand reputation (Leefflang, Verhoef, Dahlström & Freundt, 2014). However, the power has shifted from the media, which used to be “push marketing” to consumers as individuals, and these consumers would usually even start communication with a brand on their own. Customers are now empowered with social media. They are able to respond to the brands and that is why brands are pressured to utilize digital presence (Tiago & Verissimo, 2014). Henning-Thurau, Hofacker

and Bloching (2013) describe social media marketing as a pinball game, where consumers participate in the marketing game. Authors agree that it sets a challenge to marketers, because people have the chance to spread information freely and widely and marketers have no control over it (Maymann, 2008; Leeflang, Verhoef, Dahlström & Freundt, 2014), so marketers must take a more complex and interactive approach in order to reach their audiences. Since people are social beings, they like to share things and interact with others; the rise of the Internet has seen that sharing and interaction has migrated from the real world and is taking place primarily online (Tiago & Verissimo, 2014). Staying in the loop is crucial and we do that by using social media. A person on average looks at their phone 10 times per hour. Besides, we demand more and more. Brand innovations must come quickly to keep up with customer demands (Bellegheem, 2015), which has led inter alia to marketplace confusion. With technological progress, which has reduced the costs of manufacturing products, there are many more items available to choose from.

Marketers are competing for consumers' memories, even though an increased number of ads in a pod might generate negative influence on the overall success of the advertisement (Clagget, 1986; Webb, 1986; Zhao, 1997). An average consumer is exposed to 254 to 5000 advertisement messages per day, which highly exceeds their processing abilities (Webb, 1986; Rumbo, 2002; McCann, 2008). Many researchers have confirmed that cramped clutter reduces audience attention to commercials while increasing viewer confusion (Webb, 1986; Zhao, 1997). This leads to a decrease in advertising effectiveness as measured by persuasion, likeability, attention and recall (Yongick Jeong, 2011). De Pelsmacker, Geuens and Van den Bergh (2013) agree that clutter has become a real challenge for advertisers. To convince consumers, you have to attract their attention, create awareness, build a brand, and be more innovative than your competitors. What is more, people find ads annoying and try to avoid them. So the real challenge is not only that their commercial be viewed, but also to get people intrigued and involved (Maymann, 2008), or simply said: quality is more important than quantity.

### 1.2.1 Digital marketing

As internet usage is still increasing across the world, digital presence is highly relevant for the companies, because the internet is one of the most important marketplaces for services and goods, where more and more transactions are happening online. What is more, researchers suggest that numerous users conduct an online research before making a purchase (Leeflang, Verhoef, Dahlström & Freundt, 2014).

That is how businesses have recognized the need for integrating online marketing in their marketing strategy. A study conducted by Tiago and Verissimo (2014), where 170 marketing managers from the largest companies in Portugal participated, shows that 56% managers rated digital marketing as important or extremely important. However, few brand managers know which tactics are most appropriate to meet marketing objectives; brand managers can focus on four specific tools or methods, namely: generating brand awareness, shaping brand image and

brand attitudes, generating trial and creating loyalty. There is a big variety of e-marketing communications tools available for marketers, presented in Table 2, with which they can reach customers directly at a lower cost than traditional direct marketing (De Pelsmacker, Geuens & Van den Bergh, 2013).

*Table 2: E-marketing communication tools*

E-marketing communication tool	Description of the e-marketing communication tool
Brand website	Sites with specific brand-related information and/or services, which can be used to communicate with the target groups and also as a platform that enables interaction with, or between, customers, as well as to collect individual customer data through subscriptions to e-newsletters. These are essential for sustaining or increasing customer loyalty.
Search engine optimization (SEO)	SEO is an online technique that improve a page's listing in search engines.
Online advertising	Commercial messages on specific rented spaces on the websites of other companies. These include different banner ads: buttons (very small rectangles or squares), rectangles, leader board, skyscrapers, pop-ups, interstitials, 'shockable', etc. Online marketing also includes buying keywords, also known as search engine advertising (SEA) and affiliate marketing.
Viral marketing	Viral marketing is a set of techniques that is used to spur users and lovers of a particular brand into action, to get them to participate in a game, or even to persuade consumers among the target group to promote their favourite brand to friends and relatives. Viral marketing strategies take advantage of rapid multiplication to explode the message to thousands or millions of 'victims' and it works the best between groups with strong common interests.
Blogging	Blogs are frequently updated personal web journals that allow owners to publish ideas and information. Usually, they are managed by one person only; however, they provide possibility of interaction with others through the addition of comments.
Social networking sites	Social networking sites enable users to connect with one another by creating personal profiles, inviting friends to connect, sending instant messages between each other, etc. Personal profiles include photos, video, audio files, blogs, link to websites, etc.

*Source: De Pelsmacker, Geuens and Van den Bergh (2013).*



### 1.2.2 Social media

“The medium is the message.” – Marshall McLuhan

Social media began to influence consumers and businesses in 2006, when Facebook launched for public use (Henning-Thurau, Hofacker & Bloching, 2013). Social media as we see now is just the beginning. The companies that created social media are trying to improve them and add more features, to make the experience useful and interesting. They are constantly evolving and playing a significant role in organizations' marketing communications (Valos, Habibi, Casidy, Driesener & Maplestone, 2016). The line between publishers and the public is inseparable and will be even more so with the shift of technology. Less money is needed to create and purchase good-quality resources. Nevertheless, technology is giving wider array and more problems, but using it wisely can give us perfect solutions. For brands to be successful, marketers and owners must understand technologies and know how to distribute them over various platforms (Maymann, 2008). Most academic studies consider social media as a marketing tool, which increases communication effectiveness (Tsimonis & Dimitiadis, 2014; Dholakia, 2004; Kozinets, 2010; Trusov, 2009). Others believe that social media bring the advantages, such as online sales, market research, customer support, buzz marketing and brand building (Tiago & Verissimo 2014). Also reaching larger audiences, cost efficiency, effectiveness, and target advertising with customization are among social networks' advantages over traditional media (Ertugan, 2016; Enginkaya, 2014). Besides, creating one message and targeting a large audience does not work any longer, so creating varieties to target each market separately is urged. Companies are using social media not only for advertising, but also handling customer service, mining ideas for innovation, and creating engaged brand communities (Enginkaya, 2014).

#### *Distribution of social media*

Knowing how to distribute content over social media is fundamental. Not all campaigns suit all social media channels; however, each channel has its advantages and disadvantages, so being aware and adapting digital strategies is crucial. Besides, getting feedback on the individual distribution activities facilitates the ongoing optimization of individual campaigns (Maymann, 2008). There is no universal recipe for social media distribution. Each campaign should be considered separate based on its objectives, potential reach, and target audience. Prosperities of different types of social media are explained in Table 3.

Table 3: Social media comparison

	Usage	Demographics	Number of monthly active users, in millions
Facebook	Mainly use it for locating and communicating with friends and meeting new people – social networking. Higher percentages of people are engaging.	28% of users are between 18-24 years old, 30% are 25–34 years old, 16% are 35–44 years old	2.167
Instagram	Photo and 60-second video -sharing social networking app that enables users to take pictures and edit them with a selection of digital filters. It also enables users to share Instagram Stories. Instagram benefits from a strong social integration as users, are easily able to share their content to a variety of social networks such as Facebook, Twitter, Flickr, and Tumblr. Instagram is one of the most popular mobile social apps worldwide with high levels of user engagement.	Teenagers, younger users below 35 years' old	800
Twitter	Micro blogging social media. Limits each post to 140 characters.	37% of users are between ages of 18 and 29, 25% users are 30-49 years old	330
LinkedIn	Self-promotion, group activities, job affairs, finding friends, follow up, profile viewer data, professional networking. For meeting, other professionals. Lower engagement	28% of all male Internet users and 27% of all female Internet users use LinkedIn.	260
Snapchat	Social media app for sending videos and pictures, which disappear after being viewed	45% of users are aged between 18-29 years old	255

(“table continues”)

(“continued”)

Pinterest	Visual blogging site. Content curation platform that allows users to organize and share interesting content that they find online. Strong user engagement	Pinterest’s user ship is predominantly female as 60% of all users are women. Mostly used by adults from 18 to 49 years old. The majority of active pinners are below 40.	200
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*Source: Chang (2017); Basak (2014); Manasijević (2016); Myers (2011); Statista (2018); Hootsuite Inc. (2018); Pinterest (2017); Aslam (2018); De Pelsmacker, Geuens and Van den Bergh (2013).*

### *Engaging users*

In the offline world, before the Internet was available everywhere and all the time, brand builders had control over their brand messages with traditional media such as television, print ads, radio, movies, and other outlets.

Shifts in technology increased the amount of information available and options for reaching consumers. Audiences that could never be reached before are now available, and, what is more, the Internet is a medium of a thousand niches. Even timing is different than advertising through traditional media, so the prime time is shifting (De Pelsmacker, 2013). Social media has made it possible for the consumer to take control over brand messages. Activating and engaging social media users is crucial for success, although the endless options for doing so can be confusing. It is crucial for marketers to understand users, media, technology, and the tools they are using to accomplish their goal. There is no rule how to captivate audiences, keep them interested and loyal (Maymann, 2008). A study conducted by (Enginkaya, 2014) reveals that the most important drivers for consumer to interact through social media are brand affiliation and conversation motives. Paying attention to customers, giving them feedback, and talking to them should not be neglected.

Credibility and good content is crucial. Publishing interesting content on key hubs provides the opportunity to engage with customers and customers can interact with each other as well (Ertugan, 2016); however, we should be prepared for criticism. The best way to do this is to take the criticism into account, think about it as constructive, react to it, and make it useful for the company. Asking people for their opinion, which can be positive or negative, is something that marketing has not been long familiar with. What is more, if brands post great content, it is more likely that content will be shared, commented on, and liked by others. Brands should be honest, relevant, and respectful to customers.

### *Searching for credible information*

People are always seeking for credible information on social media. Traditional media is not perceived as a credible source of information and people do not seem to trust it. They rather

seek information in places and from people they trust completely, so being a transparent and credible source of information leads to having a higher chance of consumers relying on a company when making decisions. Authors agree that individuals seek out others' opinions on specific products on social media (Tiago & Verissimo, 2014), then share and exchange information on social media about products (Tsimonis & Dimitriadis, 2014), and finally trust society and their opinion more than company's information. Social media became a primary source when consumers began using it to seek information (Enginkaya, 2014). What is more, research found that 85% of respondents will pass on good information about a company, but also discuss negative ones (Maymann, 2008).

### *Behavioral targeting*

Consumer attention is the new marketing currency and the complexity of the media makes it hard to get. However, new tools and the explosion of big data are allowing marketers to learn about consumers' habits, which makes it easier for them to target right people and also improves monetization of a publisher's inventory (De Pelsmacker, 2013). Behavioral marketing gives marketers more potential to be more effective; to learn about viewer's interests, to bridge campaigns, engage people with multiple gateways, and provide tailored messaging, which adds value for the consumer. That gives the audience a good brand experience and does not overload them with irrelevant information (Maymann, 2008). However, the main purpose of social media is to interact and communicate with others, so online marketing could be understood as an invasion in privacy. Therefore, marketing in social media should be a genuine reflection of recommendation or actual interest of a user, which means it is relevant for a user (Maymann, 2008).

### *Measuring effect*

Besides having a dialog with consumers, another one of the biggest and most significant differences between traditional advertising and online advertising is being able to measure results thoroughly. With traditional media, like TV, there is no such trustworthy measurement. People might be doing anything else but watching ads, so messages might not get through. Likewise, users have a lot of power by exchanging information online through writing and reading online reviews, opinions, and tests. The reality is that users usually read reviews before buying and shop assistants are not the only source of information anymore. Obtaining the right feedback through analytics and responding to it is the best thing a company can do. Recommended analytics include awareness, recall, and likeability. We can also measure: awareness, likeability, frequency, engagement, attention, dispersion, relevance, dispersion, relevance, and reach. It is important to understand what gets people to click on and discuss campaigns.

Another opportunity that the Internet has provided marketers is the recording, analysis, and understanding of consumer decision-making behavior (Ruth, 2003). Marketers can analyze and understand better how consumers act in their processes, and what triggers a consumer to buy a product and how consumers form purchase decisions (O'Brien, 1971). Most consumers leave the site just before completing the process (Ruth, 2003) and that is valuable information for

marketers, so they understand how to communicate effectively to consumer. The more information that marketers have, the better their position for offering consumers the right information (O'Brien, 1971).

### **1.3 Integrated marketing strategy**

Until the middle of the 1980s marketing was understood as unilateral communication (the push model) and it seemed more like persuasion. Advertising information was delivered at the time when marketers supposed people were watching television. Promotion mixes consisted of 4 tools: advertising, personal selling, sales promotion, and public relations. Advertising did not have the same goals as the other three, because advertising created long-term goals: creating a brand image with creative messages, which were presented with paid ads. However, there was always more money invested into promotions, which had only one goal: short-term increases in sales. These four tools were not integrated within each other until the year 1982, when Dyer started talking about integration, which slowly led to the concept of integrated marketing communication (hereinafter: IMC), which is in many ways different from traditional marketing. Integrated communications are more individual, personal, and interactive, and are made for building relationships. What is more, there is a widespread belief that mass media communications are less and less effective, because of the information clutter. Marketers constantly compete for consumers' attention and it seems like impersonalized media is less capable of achieving its purpose (De Pelsmacker, 2013). This is why reaching consumers via several channels seems reasonable and IMC is crucial for the effectiveness of the campaign.

The main idea of IMC is that communications reinforce each other (Wells, 1998). IMC can be much more effective for achieving corporate goals; however, a big leap in thought should be made when preparing marketing plans as well as implementing them, which was proven to be very difficult (Wells, 1998). The main differences between traditional marketing and integrated marketing are described in Table 4.

*Table 4: Classic and integrated communications*

Explanation	Traditional communications	Integrated communication
Goal of the communication	Aimed at acquisition	Aimed at retention, relationship management
Manner of communication	Mass communications	Selective communications
Way of communication	Monologue	Dialogue
Information flow	Information is sent	Information is requested
Information provider	Information provision	Information – self – service
Initiative taker	Sender takes initiative	Receiver takes initiative
Communication effectiveness	Effect through repetition	Effect through relevance
Communication style	Offensive	Defensive
Way of sell	Hard sell	Soft sell
Brand attitude	Salience of brand	Confidence in brand
Brand orientation	Transaction-oriented	Relationship-oriented
Communication motive	Attitude change	Satisfaction
Communication style	Modern: linear, massive	Postmodern: cyclical, fragmented

*Source: De Pelsmacker, Genuens and Van den Bergh (2002).*

Integrated marketing communication is an ongoing strategic business process used to plan, develop, execute, and evaluate coordinated and measurable brand communication programs over time with consumers, customers, employees, associates, and other relevant audiences, which are external and internal. The main goal is to generate both short- and long-term brand and shareholder value (Belch, 2014).

There are many factors that drove the need for integration: oversaturation of information, which created a clutter, the need for more effective messages to achieve overall effectiveness, the need for verbal and visual consistence, and for more precise marketing investments, the recognition of IMC campaigns as more effective. Besides, customers have more power, they are more educated and skillful with technology. A few factors should be considered to achieve message integration: message consistency, color, shared consistency, logo, theme line, and common tone (Tuzovic, 2016). Also, targeting customers is way more specific as compared to the past. Formulating promotional messages for a large demographic group is almost useless nowadays (Aldridge, 1997). Last, but not least, the rise of the Internet has brought more media and the development of social media. As such, organizations are no longer the only sources of information. Customers are co-creators, who expect the brand to interact with them. This should be taken into account and organizations can take advantage of it, interact and customize (Ivanov, 2012). The shift towards IMC is explained in Table 5.

*Table 5: Reasons for the growing importance of IMC*

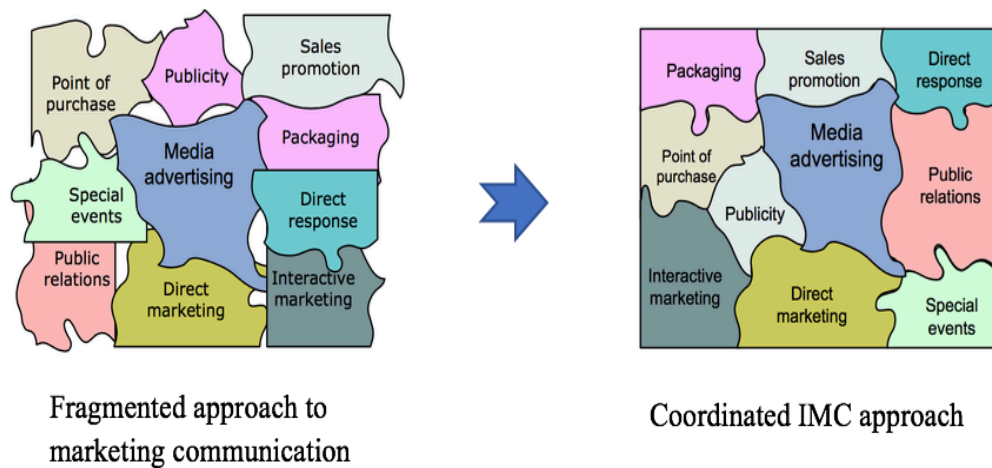
<b>FROM</b>	<b>TOWARDS</b>
Media advertising	Multiple forms of communication
Mass media	Specialized media
Manufacturer dominance	Retailer dominance
General focus	Database marketing
Low agency accountability	Greater agency accountability
Limited internet availability	Widespread internet availability
Marketer control over information	Consumer demand for timely information and entertainment

*Source: Tuzovic (2016).*

It takes a lot of effort to establish IMC. What is more, all the elements of the communication mix should be included for a consistent and coherent integrated communication plan, which means that various departments must cooperate and communicate the same message (De Pelsmacker, 2013). Strategic integration brings together a few elements: coordination, common objectives, corporate mission, multiple communication disciplines, multiple audiences, cross-functional teams, strong leadership, and shared budget (Tuzovic, 2016). It is all about integrating the whole organization.

The importance of IMC increases with the size of the organization, the heterogeneity of the product range, internationalization, and fragmentation of the target groups (Belch, 2014). Integration can be based on a message or on a strategy. To achieve message integration, more components are important: logo, color, message consistency, theme line, common tone, and shared consistency. Elements of IMC are described in Figure 3. On the other hand, for achieving strategic integration there are other components that should be considered: common objectives, corporate mission, multiple communication disciplines, multiple audiences, cross-functional teams, strong leadership, shared budget, and coordination (Belch, 2014).

Figure 3: From a fragmented approach to a coordinated IMC approach



Source: Tuzovic (2016).

Table 6: IMC Principles

IMC Principles	Benefits when considering IMC principles
All customer touchpoints impact the brand and brand equity, not just advertising and promotional messages.	In order to offer customers a better customer experience, a company should look to their map of touchpoints as a whole collective experience.
Interactive, bilateral communication is just as important as unilateral media messages.	Nowadays consumers are willing to interact with brand, that is why communication should not be one way only.
Transactions are relationship building blocks – each transaction strengthens or weakens a customer-brand relationship.	Each transaction should be made as a positive experience in order to keep the customers.
Retaining and growing customers is just as, if not more, important than acquiring customers.	Retaining customers is cheaper and easier for a brand than gaining new ones. So keeping customers is crucial.
IMC is an ongoing interactive process.	With technology nowadays, IMC is an ongoing process and companies have to keep up with the trends if they want to be successful.

Source: Belch (2014).



When performing integrated marketing communication, communications and strategies are always customer-focused (based on outside-in thinking) and there should be cross-functional planning and monitoring of all brand messages. Brand positioning is integrated into all brand messages and marketing communication planning is based on SWOT analysis conducted in advance. Customer expectations or customers are not managed and usually different metrics and measurements are used to evaluate IMC programs (Belch, 2014). To understand integrated marketing communication, one must understand marketing in an organization precisely. What is more, more and more companies are recognizing the need for IMC for their communication to be more efficient and effective.

## **2 CONSUMER DECISION JOURNEY**

### **2.1 The new consumer**

With the rise of digital media in our daily lives consumers and consumer behavior have drastically changed. Technology fundamentally changed our lifestyle – now we are prone to integrate technology in all aspects of our daily life, with the use of the internet, mobile apps, social media, and other digital communication platforms.

The introduction of the internet back in 1989 gave consumers access to vast amounts of information and developed opportunities to influence their own lives, in the marketplace and beyond. Development of mobile devices and social media platforms not only enabled consumers access to a broad spread of information but also allowed consumers to create content and amplify their voices, across the globe, to anyone (Labrecque, vor dem Esche, Mathwich, Novak & Hofacker, 2013).

Technology and other factors have profoundly changed when, where, and how consumers process communications, and even whether they choose to process them at all. All factors mentioned above have contributed to drastic changes in the mass media and marketing environment (Keller, 2009). Consumers' overall media consumption has continued to increase over the past few years with more information available; consumers generally consume and process more information in shorter time periods, which helps induce shorter adoption cycles and faster diffusions of market trends (Labrecque, vor dem Esche, Mathwich, Novak & Hofacker, 2013). Not only is the number of users increasing year by year, but also the amount of time spent online is rising. Users are not shy about admitting how much time they spend online. Many teenagers would agree they are almost constantly available online. Teens spend around 9 hours online, out of which 30% is allocated to social media interaction, mostly on the mobile devices (Asano, 2017). Consumers are constantly online communicating, sharing content and information, which means that they have shifted from passive consumers waiting for information, to active consumers. They allow users to create a public profile and interact with others (Ertugan, 2016). However, with fast Internet connections, ad-skipping digital video recorders, multi-purpose cell phones, and portable music and video players, we can see that

traditional advertising media such as TV, radio, magazines, and newspapers are losing their grip on consumers (Keller, 2009).

Moreover, technology allows consumers to use any kind of media content whenever and wherever they want, which has resulted in a new form of target audience behavior – media multitasking. Media multitasking describes simultaneous exposure to two or more types of media content. Here we could see two different studies with media combinations of TV and the Internet as channels that are commonly used together. Simultaneous exposure to two advertisements on two devices could benefit or harm the message's effectiveness. On the other hand, some researches indicate that TV advertisements increase online searches, online store visits, and purchases (Garaus, Wagner & Back, 2017).

As we can see, the “new consumers” no longer accept traditional marketing initiatives but demand a different relationship. They are expecting more from the media and brands. They want brands to be a reflection of themselves: entertaining and engaging. Consumers are expecting intelligent and innovative solutions that catch their eyes, so they only pay attention to credible information and attention is currency in social media world (Maymann, 2008).

What is more, customers want to be respected and heard, and they further expect brands to act responsibly. Social media platforms are all about friendship and we could describe it as a private party: good conversations, invited friends we know, trust and respect, and fun. No one likes party crashers and brands themselves should act like they are an invited guest; offer credible and interesting content, interact with consumers, show them respect, and not spam them. As mentioned before, the quality of the interaction is more important than quantity, but, as an ad creator, how do you create an ad that target groups would be willing to interact with and dedicate their time to? Studies show that people are more willing to devote their time within social media sites, but only if the experience gives them distinct value (Maymann, 2008). They are constantly online communicating, sharing content and information, which means that they shifted from being passive consumers who were just waiting for information to being active consumers. They allow users create public profile and interact with others (Ertugan, 2016).

However, according to Edelman (2010) consumers still want a clear brand promise and products that they value. What has changed is when—at what touchpoints—they are most open to influence, and how you can interact with them at those points.

As Edelman (2010) also noted, the internet has upended how consumers engage with brands. Today, consumers are promiscuous in their brand relationships. They connect with brands through new media channels beyond brands' control or even knowledge. After a purchase, these consumers may remain aggressively engaged, publicly promoting or assailing the products they have bought, collaborating in the brands' development, and challenging and shaping their meaning. As we know, digital marketing is all about conversation and sharing stories from our daily lives with our circle of acquaintances. What is more, consumers trust social media and the information they reach within social media, so they often turn to the

internet when seeking for new products and services. Furthermore, a modern user usually searches for information about products and reviews from other people before purchasing. With the need for recommendation increasing, the impact of advertising is decreasing (Maymann, 2008). A few years ago, social media was just a new trend in communication and now it is the leading source of information for many users and companies should not neglect its importance.

With consumers being able to share their voice with anyone, consumers also have more power than ever and a variety of means whereby this power can be exercised. The predictions of growing consumer power in the digital age that predated the turn of the century were fueled by the rise of the Internet, then reignited by social media (Labrecque, von dem Esche, Mathwick, Novak & Hofacker, 2013). Researchers agree that power is a key human concern. Nietzsche held that the execution of and exposure to power are endemic to human nature. As Labrecque, von dem Esche, Mathwick, Novak and Hofacker (2013) stressed, this concept of power is relatively rarely discussed in the context of consumer behavior. Nowadays power shapes our everyday activities, especially our online presence. Search algorithms, cookies, bloggers, and other opinion leaders can control what information we could access, as well as influence our consumption decisions through recommendations and social media posts. On the other hand, consumers are also becoming aware of the value of their personal information and are being more protective with adjusting their browsing (Edelman, 2010) behaviors in order not to give companies too much power over them.

Another issue that Parise, Guinan and Kafka (2016) emphasized is that nowadays we are living in the age of very informed consumer. Therefore, marketers are facing a “crisis of immediacy”, which can be defined as the challenge of determining how and where to meet new consumers’ need to receive content, expertise, and personalized solutions during their shopping experience. We are living in the age of the informed consumer; because consumers are comfortable with using self-service technologies, they are much better-informed today about the products and services they intend to purchase. It is even more crucial to understand consumer behavior to provide a richer consumer behavior by delivering content in context or right information at the right time in the right place (Parise, Guinan & Kafka, 2016).

In this era companies can no longer act autonomously. Consumers want to be included in the whole product or service process – from designing products, developing productions process, and crafting marketing messages, all the way to sales channels. Consumers seek to exercise their influence in every part of the business system and thereby co-create value (Prahalad & Ramaswamy, 2004). The shift from the “old” consumer towards the “new” consumer can be seen in Table 7 below.

Table 7: “The old consumer” vs. “the new consumer”

“The old consumer”	“The new consumer”
Quantity: considered shopping as a hobby and tend to buy lots of things, some of which he probably didn’t need.	Quality: tends to buy products that he really likes and are
Price-driven: low prices were a strong purchase driver.	Value-driven: brand experiences and added value are a purchase driver. He is also willing to pay more for added value.
Loyal: trusted only handful of brands and companies that he had positive experience with or were at handful location.	Promiscuous: looks around for the best product to satisfy his needs.
Local: shopped only in local environment.	Multichannel: shops across different channels and locations. He is also not afraid to shop online in different countries.
Impulse – driven: went to the shop to browse for products that he might want .	Research - driven: before purchase full research and comparison for product or service is done. Research goes beyond just product and price comparison. He also checks reviews from other consumers online and offline.

Source: Parise, Guinan & Kafka,( 2016); Edelman (2010); Labrecque, vor dem Esche, Mathwich, Novak & Hofacker, (2013).

## 2.2 Consumer experience

According to Porter (1998), companies need to learn to adapt to changes in the market by transforming or developing their organization and differentiate themselves from competitors. Companies need to attract the “new consumer”. Keller and other researchers emphasized that the marketing environment has gone through profound changes in recent years, resulting in new challenges for marketers seeking to build and manage their brands (Keller, 2009). Marketers need to review consumer behavior and understand the needs of the “new consumer”. Therefore, understanding how consumers behave, how they experience brands, and how to provide an appealing brand experience is crucial when hoping to convince consumers to differentiate brand from others in a highly competitive marketplace.

The term “experience” has been used in various ways in different fields. Definitions could be placed into two categories: a past category, which refers to knowledge and accumulated experiences over time, and a present category, where ongoing perceptions, feelings, and direct observation are categorized (Schmitt, 2011). Pine and Gilmore (1998) in “Welcome to the Experience Economy” define experience as a real offering – a product, good, or service that many companies simply wrap around their traditional offerings to sell them better. Schmitt, who has been one of the pioneers of experiential marketing, stated that experience can be defined as the perceptions, feelings, and thoughts that consumers have when they encounter products and brands in the marketplace and engage in consumption activities (Schmitt, 2011). Brakus, Smith and Zanoletto (2009), on the other hand, conceptualized brand experience as sensations, feelings, cognitions, and behavioral responses evoked by brand-related stimuli that are part of a brand’s design and identity, packaging, communications, and environments, design and identity, packaging, communications, and environments.

Pine and Gilmore (1998) stressed that experience occurs when a brand intentionally uses services as the stage, and goods as props, to engage individual customers in a way that creates a memorable event. However, experiences cannot be identical between two people, nor can they be shared. Experiences are primarily personal, existing only in the mind of an individual who has been engaged on an emotional, physical, intellectual, or even spiritual level.

Schmitt contrasted the difference between traditional marketing’s product-oriented focus on functional features and benefits with experience marketing’s customer-oriented focus on experiences. What this means is that focusing only on narrow product categories and their features (e.g., shampoo, shaving cream, blow dryer, and perfume) cannot be as successful as creating an experience around them. In his opinion experience marketers rather focus on consumption situations and how products and brands can enhance that consumption – such as “grooming in the bathroom”. Schmitt also stressed that consumers’ decisions are not always rational but are frequently driven by emotions (Schmitt, 2011).

A company must understand the needs of its consumers and review consumer behavior during their journey. The consumer experience process, which is also known as the consumer journey, includes all interaction between a company and its consumers. Consumer experience does not begin and end with a transaction, visit to a website, or conversation with customer service. The customer experience process encompasses the moment the customer becomes aware of your company and is comprised of multiple independent interactions, transactions, and contacts along the way. The goal of every company interested in leveraging consumer experience as a competitive advantage is to create a positive and consistent experience at each touchpoint (Patterson, 2009).

Another important factor we need to stress is that consumers always have experiences when purchasing products or services, whether brands intentionally aim at crafting such experiences or not. These experiences can be good, bad, or indifferent. Companies have come to realize the importance of shifting the focus from traditional marketing means to delivering experiences to

consumers. Based on this broad view, experiences may be evoked by various stimuli such as products, packaging, communications, in-store interactions, sales relationships, and events, and they may occur as a result of online or offline activities (Schmitt, 2011).

However, experience, as a concept and as an empirical phenomenon, is not as established in the same way as other consumer and marketing concepts such as choice, attitudes, consumer satisfaction, or brand equity, but could arise especially due to the introduction of new technologies – virtual reality, chat bots, interactive games and promotions, multi-player games, motion-based simulators, etc. To that end, we could say that experiential marketing is an alternative approach to traditional marketing.

As Stein and Ramasheshan (2016) also pointed out, today's customers demand and desire much more than just simple delivery of products and services. Customers are always on the "hunt" for the new, unique and memorable experiences that accompany the brand and its products or services. To attract the "new consumer" companies and brands need to take advantage of digital landscape and offer a richer experience by focusing on two factors: interactivity and personalization. To cope with individualized demands, marketers are leveraging new interactive communications to reach individual customers with customized offers and develop tailored marketing programs in a process known as mass-customization. Interactive communication channels are more than just a means of delivering promotional messages. Interactivity allows for a bidirectional, real-time dialogue between marketers and consumers (Higgs & Ringer, 2007). The use of social media, mobile apps, augmented reality, consumer online activities, chats bots and other new technologies can help brands interact with their consumer in real time in this concentrated and highly competitive environment. Interactivity gives consumers a sense of control as they converse with the brand about their desires and needs and, what is even more important, it gives them the feeling that they matter to a brand. As Pine and Gilmore (1998) pointed out, creating distinctive customer experiences can provide enormous economic value for companies.

### **2.3 Consumer decision journey**

In today's world we are constantly being targeted with brand impressions from multiple sources throughout the day such as billboards on our way to work, conversations with family and friends, Instagram stories, the evening news program, product experiences, and much more. Unless we are continuously shopping, much of that exposure appears wasted. Understanding the consumer decision journey therefore means reaching the consumer in the right place at the right time with the right message in other words to reach the consumer at the stage of maximum influence.

Therefore, a company or a brand must understand the needs of its consumers and review consumers' behavior during their decision journey. The consumer experience process, which is also known as the consumer decision journey, includes all interactions between a company

and its consumers and it begins at the moment when a consumer becomes aware of a given company. Court, Elzinga, Mulder and Vevtik (2009) stressed the importance of aligning all elements of the marketing process—strategy, spending, channel management, and message—with the consumer decision journey, which should also be integrated across the whole organization.

As mention above, the explosion of product and service choices and digital channels has made more sophisticated approach necessary for marketers to navigate and attract consumers in this highly competitive environment. Consumers want and demand bilateral communications and engagement from brands (Hudson & Thal, 2013). Edelman (2010), Hudson and Thal (2013) therefore see eye to eye, that in the past consumer decision journey has been understood through the metaphor of a “funnel”, which can be described as a process where consumers usually start with a large number of potential brands in mind and later in the process narrow their choices down until they decide which one brand they will purchase. After purchasing, the relationships with that brand typically focused on the use of the product or service and ended. The described funnel can be seen in Figure 5.

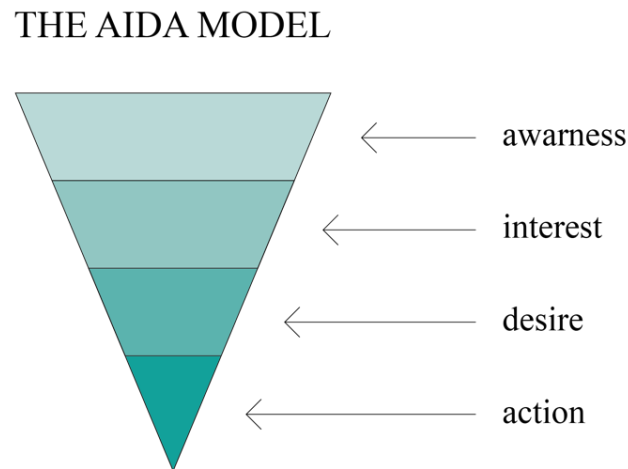
*Figure 4: The customer funnel*



*Source: Edelman (2010).*

The original or “customer funnel”, as Edelman (2010), Hudson and Thal (2013) described it, is the Awareness, Interest, Desire and Action model (hereinafter: AIDA model); which was developed by the American advertising and sales pioneer Elias St. Elmo Lewis back in the 1898. The AIDA model identifies a consumer buying process for a product or service, where individuals go through several cognitive stages in the course of making a final purchase (Hassan, Ahmad Nadzim & Shiratuddin, 2015). Figure 6 below shows AIDA model.

Figure 5: AIDA model



Source: Hassan, Ahmad Nadzim, and Shiratuddin (2015).

The model has four different phases: people become aware of a product or service, they begin to express an interest, then this grows into a desire to purchase the product or service, and finally an action, where the buying process is finished with experience of a product or service. The AIDA model has been widely used for over three decades by marketers, but lately many researchers and marketers have criticized the model for being too simplistic and not taking the new purchase funnels into the account.

As we already discussed in previous chapters, consumers and their purchasing behaviors have changed drastically in recent decades, new technology has been introduced, and the stages of the purchase funnel have increased and diversified. David Edelman, a global leader in digital marketing and sales at McKinsey & Company, believes that we need a new approach to attracting “new consumer”. Consumers’ decisions are nowadays influenced by different channels as before. User-generated content and peer recommendations, or simply after seeing an attractive banner ad that links them directly to purchase page. However, what is important is that their journey does not end with purchase – a customer can turn into a brand ambassador because of satisfaction and positive brand experience or in the worst scenario brand adversaries, wherefore we need new purchase funnels to support the new consumers purchase journey (Edelman, 2010).

But what triggers the impulse to buy?

Court, Elzinga, Mulder and Vevtik (2009) introduced the new view of how consumers engage with brands called the “consumer decision journey” (hereinafter: CDJ), which is based on their research of 20,000 consumers across five industries – automobiles, skin care, insurance,

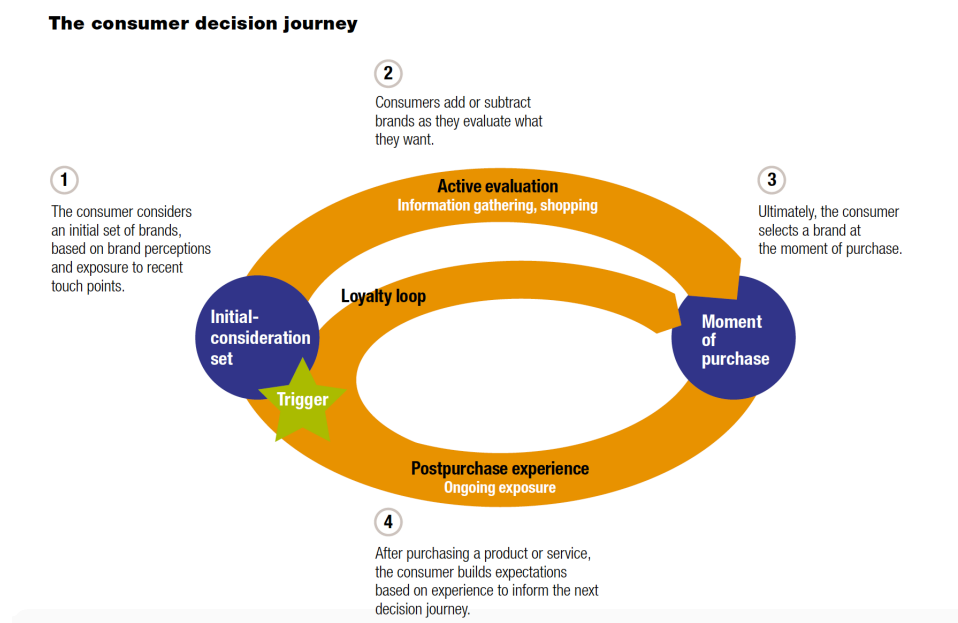


consumer electronics, and mobile telecoms over three continents. Their study shows that today's consumers, instead of narrowing down choices as in the AIDA model, take a more repeated and less reductive journey. During their evaluation phase consumers under consideration add and subtract brands until they narrow their choice down to one. What makes this model different from AIDA model is that after the purchase the consumer experiences a brand, but their journey does not end there; they often enter into an open-ended relationship with the brand, sharing their experience with peers in real life and online. The process of the consumer decision journey is also becoming central to the consumer experience of a brand and surprisingly as important as the products themselves in providing competitive advantage.

Court, Elzinga, Mulder and Vevtik (2009) define the “new” decision-making process as a more circular journey with four primary phases:

- consider initial consideration;
- active evaluation (process of researching potential purchases);
- closure (when consumer buy brands);
- post purchase (when consumer experience them).

*Figure 6: The consumer decision journey*

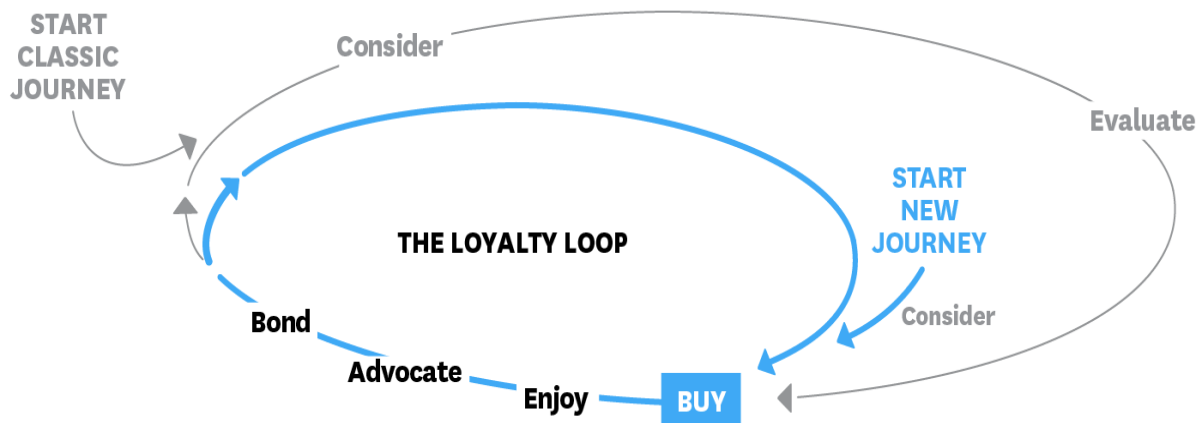


*Source: Court, Elzinga, Mulder and Vevtik (2009).*

Edelman and Singer (2015) also pointed out that the new decision journey, as compared to the classic customer journey, compresses the customer's initial stage of consideration as well as shortens or entirely eliminates the evaluation step, delivering customers directly into the loyalty loop and locking them within it. If customers' bonds with a brand are strong enough, they repeat their purchase without going again through the earlier decision journey stages. The

whole consumer decision journey we can see in Figure 7 above, where the new consumer decision journey is shown in Figure 8 below.

*Figure 7: Streamlining the consumer decision journey*



*Source: Edelman and Singer (2015).*

### *Consider stage*

The journey begins with the consumer's prime consideration set. In the funnel model the consideration stage contains the largest number of brands; but today's consumers, bombarded by a barrage of media channels throughout the whole day and awash in choices, often vitally reduce the number of products they consider at the outset (Edelman & Singer, 2015).

### *Evaluate stage*

The initial brand set frequently expands as consumers seek input from peers, reviewers, retailers, and the brand and its competitors. Consumers will at this stage discard some original brands from their initial set and add some new ones to their set. This process occurs because they learn more about brands, products, their needs and also their selection criteria might shift as well. New media especially social media make the "evaluate" and "advocate" stages increasingly relevant. Therefore, this stage must be important for brands and their marketing investments to help consumers with all needed additional information to navigate them to the next stage – buy stage (Edelman & Singer, 2015).

### *Buy stage*

Consumers increasingly put off a purchase decision until they are actually in a store (physical or online). Consumers might come to store, but that does not mean that the final decision has been made. Decision can be triggered with a product or service placement, packaging, availability, pricing, sales interactions, and more. At this stage the consumer may be easily discouraged, so the point of sale is a very important touchpoint (Edelman & Singer, 2015).

### *Enjoy, advocate, bond stage*

This is an additional stage that happens after the purchase. Consumers seek a deeper connection while they interact with the product or service. After their product or service experience they will turn into brand advocate if they were pleased with their purchase; they will spread word of mouth within their circle and connect with others who also think the same. However, this stage can also have a negative impact for brands. If a consumer is disappointed by a brand and their experience, they may break ties with it or worse become a brand adversary. In this stage if a consumer-brand bond become strong enough, the consumer will enter an enjoyable advocate-purchase loop that skips the consideration and evaluation stages entirely. If consumers' bonds with a brand are strong enough, they happily repurchase it without cycling through the earlier decision journey stages (Edelman & Singer, 2015).

To conclude, the shift to a CDJ-driven strategy has three important parts that help brands design and give consumers the best possible journey across all stages of their decision making:

- understanding the consumer and their decision journey;
- identifying touchpoints and determining which one are priorities and how to influence them;
- allocating resources accordingly—an undertaking that may require redefining organizational relationships and roles.

## **3 TOUCHPOINT MANAGEMENT**

Building brand awareness used to be marketers' primary strategy. Influencing consumers to buy a product at the point of the sale worked very well in the past. Edelman (2010) gave a good example how of buying a new car just a few years ago was a simple process. The customer would downsize the "list" of possible choices until arriving at the last one to meet the criteria. The buying process would end with a transaction. However, as we mentioned before, consumers and their behavior have dramatically changed. Consumers are promiscuous in their brand relationships. Only influencing consumers at a point of sale in today's environment no longer brings the same results. After a purchase, these consumers may remain aggressively engaged, publicly promoting or assailing the products they have bought, collaborating in the brands' development, as well as challenging and shaping their meaning. Therefore, touchpoints have changed in both number and nature, requiring a major adjustment in order to realign marketers' strategy and budgets to different stages, where consumers are actually spending their time (Edelman, 2010).

Traditional marketing still remains important and plays a big role in marketing strategies, but as consumers changed their ways of decision making, marketers and brands must follow. It is important to learn about consumers and influence them at the right touchpoints.

What are touchpoints?

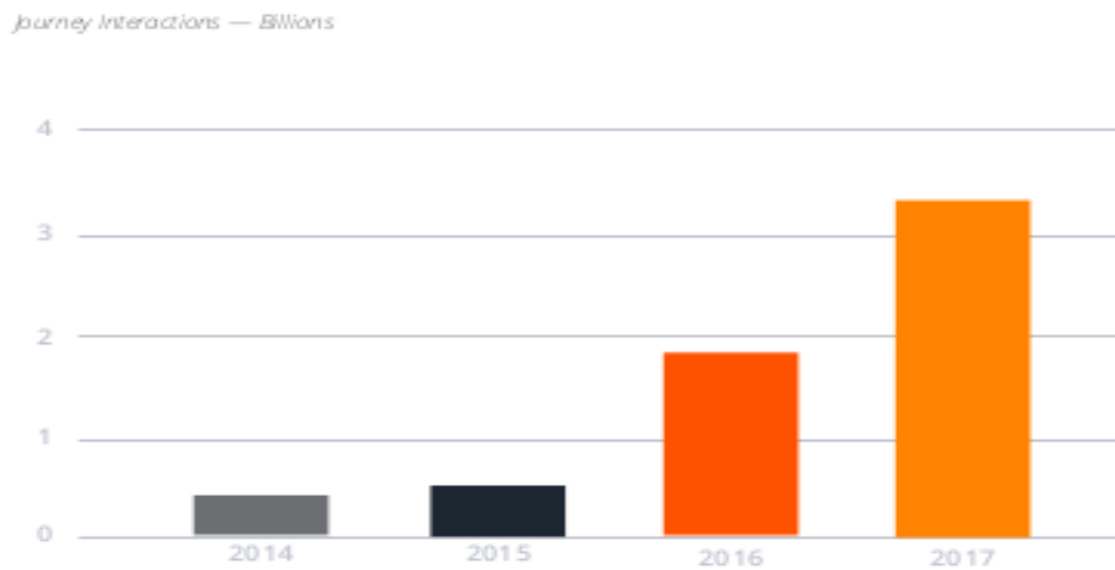
According to Parise, Guinan and Kafka (2016) they are points of human, product, service, communication, spatial, and electronic interaction collectively constituting the interface between an enterprise and its customers over the course of customers' experience cycles. Stein and Ramaseshan (2015) define it as interaction between any part of a brand or company and a customer. Meanwhile Jenkinson (2007) pointed out that touchpoints are moments of truth, media, service points, service encounters, interactions, and customer experiences. Marketing has always sought those moments, or touchpoints, when consumers are open to influence (Court, Elzinga, Mulder & Vevtik, 2009). Dunn and Dunn (2003) define a touchpoint from a company perspective, thus it could be defined by any action, tactic, or strategy taken to reach a customer or stakeholder. Therefore, the importance of touchpoint planning and observing has increased (Jenkinson, 2007).

### **3.1 Touchpoints during consumer decision journey**

Touchpoints begin long before a consumer makes a purchase and long after the first transaction. The consumer experience process begins at the moment when a consumer becomes aware of a brand and consists of various interactions, transactions, and contacts along the way. There are extensive numbers of touchpoints affiliated with consumer experience, wherefore is important to understand which touchpoint contributes to the overall consumer experience (Patterson 2009). Nowadays the complex consumer decision journey and environment both contribute to enormous number of potential touchpoints. Even with huge budgets, companies could never influence or control all of them, so measurement and strategy play a big role. Company should start first with identifying all potential touchpoints along the entire consumer decision journey and mapping their importance. By measuring all touchpoints, the contribution to the overall effectiveness can be determined and measured in terms of the total customer experience (Patterson 2009).

According to Stein and Ramaseshan (2015) and Kitewheel (2018) touchpoints can be identified at all stages of the consumer decision journey and are not necessarily linked to a company. The touchpoints are sorted into different stages based upon the consumer experience. Touchpoints in these individual stages consist of points or interactions that the consumer might have with a brand. This can be brand-owned, such as product packaging, price, or TV advertisements, or they can be not owned, that is occurring without company resources and the power to shape them, such as an online review, magazine article, or family conversation. In 2003 Davis and Longoria suggested that each brand has at least 30 brand touchpoints (in some case this number might jump to 100) that consumers and other stakeholders might experience on a daily basis (Davis & Longoria, 2003). We have recently seen the rise of digital channels, therefore increasing the number of touchpoints have increased. Kitewheel (2018) analyzed more than 60 of the world's leading brands and marketing in their State of Customer Journey 2018 report. The results have showed that customer journeys are increasing rapidly across touchpoints and channels, which can be seen in Figure 9.

*Figure 8: Consumer decision journey interactions*



*Source: Kitewheel (2018).*

The Figure 9 above shows the tremendous growth of interactions during the consumer decision journey in the previous period. The Kitewheel sample tallied more than 3 billion interactions occurring in 2017. In order to remain competitive in this environment, brands are developing personalization across every touchpoint, from physical locations to the online checkout process. Companies aim to cover and attract customers at all points, thus gaining deeper insight into their customer experience.

Research and studies showed us that the numbers of touchpoints have increased tremendously; it is accordingly crucial to analyze which touchpoints have the strength to make an impact on customers. A good example of this theory is found in the low-cost airlines, which have taken quite a big share of the market from major airlines in recent years. They offer attractive fares, but do not provide onboard food or baggage check-in. Reality showed that customers do not value such services highly and, given a choice, they will not pay for them. That helped them saving on the operationally expensive touchpoints, while also scoring high in overall customer experience (Hogan, Almquist & Glynn, 2005).

### 3.1.1 Digital touchpoints

Touchpoints can be also grouped into offline and online (digital) touchpoints. As we stressed before, the development of new technologies and social media have created new channels and platforms to reach our consumer, so the number of new touchpoints has increased.

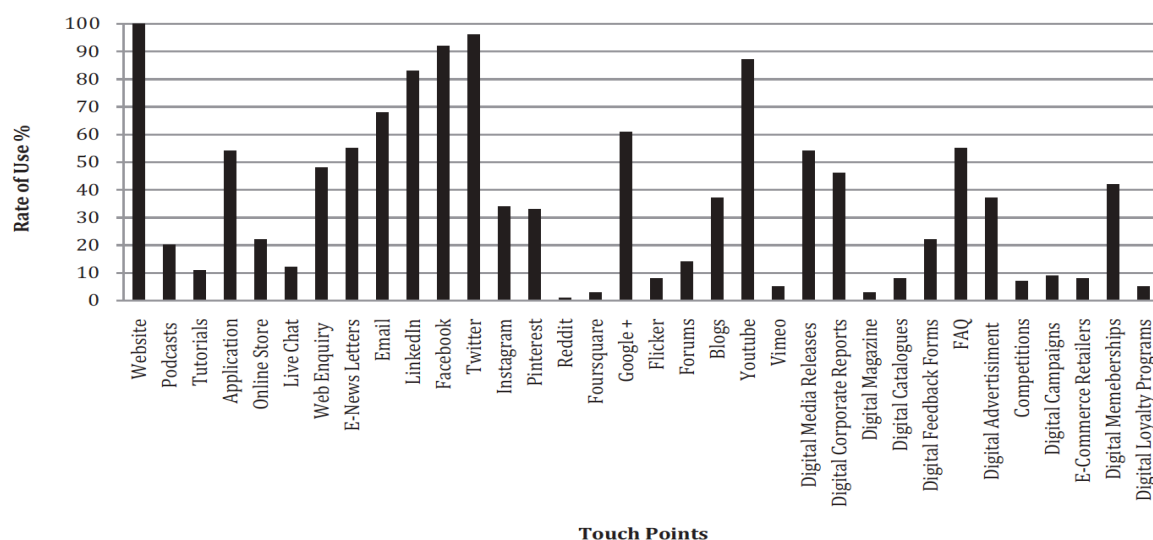
Identifying digital touchpoints also gives us insight into new consumer behavior, especially in the last post-purchase stage. After their product or service experience, if they are pleased, they will turn into brand advocates and spread word of mouth across online channels and connect

with others who also think the same; the worst case they become brand adversaries (Edelman, 2010).

The shift from traditional to digital customers has made for a more informed customer and made their decision journey and buying process are consequently more complex. Customers are nowadays referred as “always on customers”, who expect to be able to interact with brands and companies at all times. Various digital channels are included in their buying process, where the search inquiry, interaction, purchase, and payment can go through several digital channels. This has led customers to exploiting resources in various channels to fulfil different parts of the buying process. The increased use of a variety of digital channels has led to customers expecting to be able to interact with a company at all times. These customers are referred to as the always on customer, likely to search, enquire, interact, complain, buy, and pay through digital channels (Straker, Wrigley & Rosemann, 2015).

Straker, Wrigley, and Rosemann conducted a study in 2015 to gain a clear understanding of digital channels and how brands interact with consumers. 100 international companies were included to help them identify 34 digital touchpoints and define 4 typologies of digital channels across 16 industries. Results are presented in Figure 10. Theirs study showed that the most frequently used digital touchpoints across industries were company websites, Twitter, Facebook, YouTube, and LinkedIn (Straker Wrigley & Rosemann, 2015). Nonetheless, there are some limitations to this study. In recent years technology and the rise of new digital channels have risen dramatically, so a study that was made in 2015 is no longer completely sufficient. However, we will use it as a base and later upgrade it with our findings, since we have seen an unstoppable rise of Instagram and email marketing in the last couple of years.

*Figure 9: Percentage of use of touchpoints*



*Source: Straker, Wrigley and Rosemann (2015).*

Touchpoints on digital channels are designed to complement one another, enabling consumers to switch between channels without having to repeat their information. In addition, the consumer may simultaneously use several channels. Therefore, it is crucial to understand the entire customer journey, to identify and continually monitor the consumer's contact points with the offered products so that they can provide an even better consumer experience at different digital points of contact, using the right technology at the right time and in the right place, in order to increase cooperation with consumers.

Straker, Wrigley and Rosemann (2015) also identified touchpoint typologies according to different digital channels and their use. Further, it's almost impossible to group or focus on only one typology, because a relationship coexists between different types of touchpoints, which we will explain.

#### *Functional touchpoints*

This group consists of simple touchpoints that mainly function as unilateral communication from company to customer. The most typical touchpoints in this group are the company's website and email address. Websites are easily a customer's first interaction with a company. Customers could come direct from an internet search, or see an advertisement, email, or social media post that triggers a visit to a website, that is from a different group of touchpoints (Straker, Wrigley & Rosemann, 2015).

#### *Social touchpoints*

Social media channels make up this group of touchpoints, usually administrated by the company itself or marketing agency working on their behalf. Companies use social media platforms to develop a relationship with their customers in real time and engage with them. This group of touchpoints is aimed at establishing bilateral communication with customers. Not all of them succeed in doing this, due to lack of integration and consistency across different social touchpoints (Straker, Wrigley & Rosemann, 2015).

#### *Community touchpoints*

A group of users with a mutual interest makes up a community. Usually various communities are grouped on YouTube, blogs, forums, and around social media influencers. The aim of communities is to engage and share content with likeminded peers. The importance of community touchpoints has risen, due to the popularity of social media influencers. The interaction with the company and a select community can be used for providing more in-depth information and communication about a brand or a company (Straker, Wrigley & Rosemann, 2015).

#### *Corporate touchpoints*

Touchpoints in the corporate group are simple and have a clear functional purpose. In practice this means frequently asked questions, digital media releases, cooperative reports, loyalty programs, and others. Corporate touchpoints help to provide in-depth information about the company, which helps them to show their transparency. There is hardly no cross-interaction

between company and customer, therefore there is usually low to medium interaction with a clear functional purpose (Straker, Wrigley & Rosemann, 2015).

### 3.1.2 Elements of touchpoints

Stein and Ramaseshan (2016) identified seven distinct elements that occur during the customer experience at different touchpoints. According to Mayer and Schwager (2007) not all touchpoints are present in a given company or brand range, which means that touchpoints might occur during unplanned experiences customers might have with the brand (online review, news reports, conversations with a family member, etc.). This makes an in-depth understanding of customer experience touchpoints an absolute necessity.

#### *Atmospheric elements*

Atmospheric elements make up the physical characteristics and surroundings customers observe when interacting with any part of the brand experience. Atmospheric elements might occur at all stages of the customer journey and are present in digital as well as physical environments. Atmospheric aspects include website design, color schemes, store attractiveness, store layout and design, all the way up to music choice and scent. Atmospheric elements provide customers visual and sensory stimuli while interacting with a brand (Stein & Ramaseshan, 2016).

#### *Technological elements*

A customer's direct interaction with any form of technology during an encounter with a retailer. These elements are becoming more and more important in customer experience and are present at all stages of the customer experience. Technological aspects include any form of technology during an experience with a brand both in online and offline environments such as company mobile application, self-service technology, website, online store, point-of-sale terminals, tablets, and more. Customers nowadays desire "easy" and "convenient" (Stein & Ramaseshan, 2016).

#### *Communicative elements*

Unilateral communication from the retailer to the customer, including both promotional and informative messages. This aspect covers all promotional, informative, and advertising messages sent from a brand to a customer. This element plays an important role in the pre-purchase stage, where a customer is evaluating their options (Stein & Ramaseshan, 2016).

#### *Process elements*

Stein and Ramaseshan (2016) define process elements as actions or steps customers need to take in order to achieve a particular outcome with a retailer or brand. Checkout waiting time, service process while navigating the store, or how customers navigate a website or other technology platform in a digital environment are some examples of these elements.



#### *Employee-customer interaction elements*

These are direct and indirect interactions that customers have with employees when interacting with any part of the brand. Findings from Stein and Ramaseshan (2016) study showed that this aspect is important during the customer experience in different stages and it is critical especially during in-store purchases, emailing, and online chats. Elements of this group can include helpful employees, personalized service, and more. It is important to understand that this touchpoint might have positive and negative influence on customer experience.

#### *Customer-customer interaction elements*

These are direct and indirect interactions that customers have with other customers when interacting with any part of the brand. This aspect covers customer reviews, word-of-mouth, and other direct interactions. Some customers seek product or service information in the pre-purchase stage, therefore they rely on other customers reviews and their product information, that were written by other customers in their post-purchase stage of their customer experience. We can conclude that information during pre-purchase stage as well as post-purchase stage have to be taken to an account in order to provide a good customer experience (Stein & Ramaseshan, 2016).

#### *Product interaction elements*

These elements comprise the direct or indirect interactions that customers have with the core tangible or intangible product offered by retailers both in physical and digital environment. This group contains product quality as well as product assortment and more. Results from Stein et al.'s study play a significant role during the entire customer experience and different touchpoints during their journey (Stein & Ramaseshan, 2016).

### **3.2 Creating a map of the consumer decision journey**

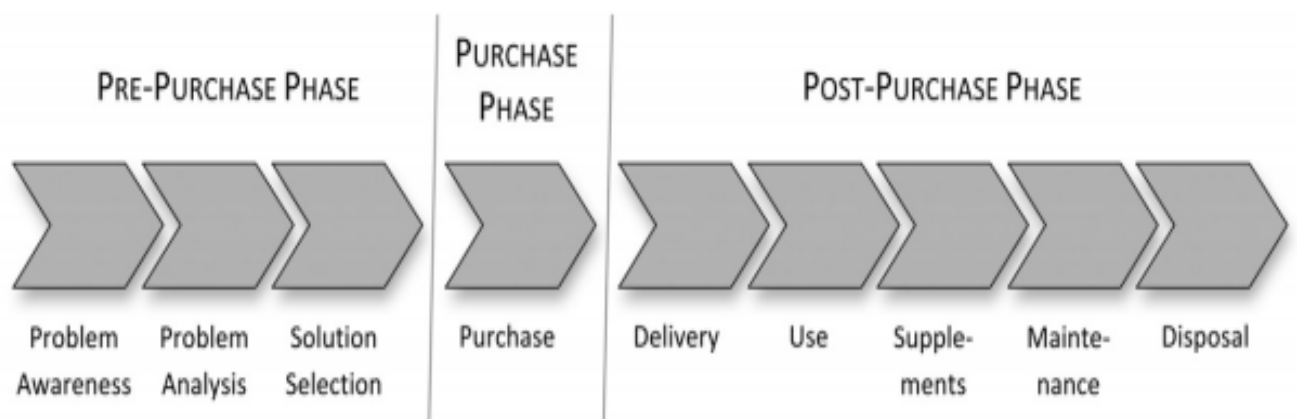
With strong probability we could say that every business, brand, or company touches and is touched by customers in different way at different touchpoints (Dhebar, 2013). In the previous chapter we explained what touchpoints are, and where in the stage of the consumer decision journey they might occur. There are several different touchpoints during a consumer decision journey and furthermore not all are the same for all consumers, wherefore is almost impossible for a company to focus on all of them. The main objective for a company is first to identify them and later design, reshape, develop, and manage these touchpoints with the central goal in mind of developing and achieve a desired customer experience at all touchpoints over the whole relationship cycle (Dhebar, 2013).

Dhebar (2013) suggest starting with a holistic approach of touchpoints across all stages of the customer cycle. Customer overall experience is never fully captured at only one touchpoint or simple sum of separate experiences at different touchpoints. Holistic approach in touchpoint management means that the overall experience is composed of the whole experience, rather than just sum of its different parts. In other words, consumer experience is coherent, when

whole components – touchpoint experiences – are best understood in context, in relation to one another and to the whole experience (Dhebar, 2013). The idea is not to create identical experiences, rather well aligned, holistic experiences, where a map is a foundation for understanding touchpoints and their impact (Schmitt, 2011).

For easier touchpoint identification we could use the definition offered by Davis and Longoria (2013) and Dhebar (2013), and map touchpoints into three different stages of the consumer experience, i.e.; pre-purchase experience, purchase experience, and post-purchase experience. Rarely are there industries where services or products will only be bought off-line. Modern marketing needs to be well aware of consumer wishes, the content they are interested in and what they are talking about, and their expectations at every purchase step so that they can build successful long-term relationships with their consumers, which is presented in Figure 11.

*Figure 10: Customer touchpoint blueprint schematic*



*Source: Dhebar (2013).*

However, the journey is often non-linear and is not the same for every customer. Some customer might skip the pre-purchase phase and go straight to purchasing; they might already be familiar with the brand, they might receive a strong recommendation from a friend, or they might see an online ad that takes them directly to a web shop. Meanwhile, others might spend a long time spinning around in the pre-purchase phase and reviewing their options. The whole journey depends on the industry, use, and price of a product or service.

#### *Pre-purchase experience*

Pre-purchase touchpoints come up before consumers decide to interact with a brand or buy a product or service. They influence consumer to consider whether they will enter the next stage in their consumer decision journey. Typical company-owned touchpoints for this stage could be advertising (online and offline), the company's website, store samples and positioning, mail catalogues, and more. The goals and objectives of touchpoints in this stage are customer retention, adding brand awareness, and shaping brand perceptions. This stage is crucial, because a positive experience can move a consumer from the consideration stage to a decision

stage. A study of 20,000 consumers across five different industries and three continents, conducted by McKinsey, found out that two-thirds of touchpoints during the active- active-evaluation phase involve consumer-driven marketing activities, such as Internet reviews and word-of-mouth recommendations from friends and family, as well as in-store interactions and recollections of past experiences (Maechler, Neher & Park, 2016). Only a third of the touchpoints involve company-driven marketing (Court, Elzinga, Mulder & Vevtik, 2009). We could say that not owned touchpoints play a very important role and it should be in a brand's interest to identify and monitor them.

#### *Purchase experience*

Purchase touchpoints can be also called the decision stage, where the end result should close with the purchase of a product or service. Important touchpoints that occur in this stage are displays, prices, packaging, personnel, user-friendly experiences if this is an online shop, and more. At this stage a company should give a consumer confidence that they have made the right decision in choosing their brand and deliver value to the consumer (Davis & Longoria, 2003).

#### *Post-purchase experience*

Post-purchase touchpoints occur after the actual purchase. The post-purchase stage is often neglected due to various reasons, where touchpoints that actually occur in this stage should help to maximize the consumer experience. The post-purchase experience also serves as an opportunity for brands to grow, develop a bond with their consumers, and get them into the loyalty loop. The transaction between company and consumer in theory might be done at a purchase stage, but the consumer experience doesn't end there; the consumer goes home, unpacks a product, uses a product, writes a review, talks to a friend about the product, and more. The goal of the post-purchase experience is to deliver a brand's promise and meet or even exceed consumer expectations in order to increase brand loyalty. Post-purchase touchpoints can include products and package information, customer service, loyalty programs, after sale newsletter (Davis & Longoria, 2003).

The first step should be to identify, analyze and later categorize each touchpoint to the experience journey stage. Usually we can see that a lack of time, resources, and knowledge constrains companies from focusing on every single touchpoint. Identifying and analyzing all of them can give us a deep understating of which ones are important for achieving the desired brand experience and allocating recourses to those touchpoints that matter. Mapping the customer journey is a foundation for understanding touchpoints and customers' behavior in context, for recognizing what is valued at each moment with the main goal in mind to achieve the desired experience. When a company starts designing a touchpoint blueprint, it must include various departments in the company for their input, because as we can see that touchpoints affect the company's various elements and go beyond marketing. What is even more important is to look beyond a company or a brand; touchpoints must be considered from the customer's perspective as well.

### *Customer perspective*

Brands must understand how their customers move through their journey and how they navigate across different touchpoints. Dhebar (2013) suggested that a company should gain answers to the following questions from the customer's perspective:

- Who and/or what (important for online touchpoints) will be interacting with customer at any stage of their customer journey?
- Why is the customer motivated to keep going to the next stage?
- What emotions are customers feeling?
- Why do customer care?
- What are the customer's functionality needs for each preferred touchpoint?

After answering the questions, the company must address the customer's needs, their desired expectations, and their desires during each part of the journey. In addition, they should build an understanding of what is working and what is not, which will help them set priorities and opportunities to improve the customer journey (Maechler, Neher & Park, 2016).

### *Company perspective*

Companies must evaluate the consumer decision journey from their perspective as well. Furthermore, it is highly recommended that multiple departments are included in this evaluation. Dhebar (2013) also suggested some questions that needed to be answered from a company perspective:

- Who and/or what will be interacting with the customer at any given stage in their journey?
- What is the company's desire in terms of customer relationship, information, goal or activity at each customer touchpoint?
- What operational and functional activities will have to be configured?
- What structural, process, cost, implementation, or other barriers stand in the way of customer moving on to the next stage?
- What are the resource implementations of delivering the desired customer experience?
- Explore competitors.
- Define strengths and weaknesses.

Companies should also identify the most important customers and divide them in different groups. As we showed, not all customers are equally important to current and future marketing and business goals. With knowledge of their customer groups, companies should identify key customer personas and develop a map around them (Hogan, Almquist & Glynn, 2005).

Researchers also stressed that the amount of time to identify and map a customer journey might vary from company to company. It also depends on the strategic and business goals a company sets before the whole process. Quick, top-down problem solving can be enough if we just want to make a few adjustments or fix few problems during our customer journey. Transforming the whole customer journey, on the other hand, is quite demanding and it requires more of a

bottom-up approach, where a detailed map for each journey from start to finish must be created. Furthermore operational, marketing, customer, and competitors' approaches must be included (Maechler, Neher & Park, 2016). As a result, map of customer journey should be simple, with the right context and information to help identify areas that must be improved or influenced in order to provide a great overall customer experience. Lastly, the customer journey map should be disclosed to employees in several departments, so everyone is acquainted with the consumer experience and is working towards the same goal.

### **3.3 How to use the touchpoints of marketing strategy**

Customers come in contact with a company through various channels and touchpoints. Every time they see an advertisement, receive an email, or have a talk with peers, an opinion of a company is being formed. Creating a customer experience map can help a company to provide a desired customer experience. Adapting to consumers and changes in digital landscapes can help them shape activities across different touchpoints in order to fulfil their strategy.

In order to offer customers a better customer experience, a company should look to their map of touchpoints as a whole collective experience, not just isolated mini-experiences. The most important reason to use touchpoints in a marketing strategy is to see how customer move from one stage to another and gain a better understanding of their behavior (Richardson, 2010). Touchpoints can provide a rich source of insight through passive listening. As the value of data to marketers increases, though, we will see them used more proactively to gather insight on consumers.

The act of simply buying a product in the store is one touchpoint within the customer journey. If a customer is satisfied, the chances of buying a product again and becoming loyal to a brand increase. Therefore, providing a desired customer experience can create customer loyalty and advocacy. For that to occur, all actions need to be in place, which can be only done if the whole company that supports the customer experience is coherent, trained, and motivated. This holds true from product design and distribution all the way to marketing and company-customer interaction, creating and delivering desired customer experience. Many studies have shown that every interaction matters. Delivering a great customer experience is not something just a few people in the company need to do, but is something that everyone in the company needs to do. Customer experience and engagement is a core competency and one that every company needs to cultivate (Patterson, 2009).

When creating a new campaign, a company can use their map of customer touchpoints to see where and when customers are the most likely to be influenced. This includes improved customer retention, through understanding how they transition through each stage in their purchase lifecycle, enabling relevant and connected conversations to the customer to help them move towards a positive decision point. According to Maechler, Neher and Park this implies understanding required metrics to identify a customer's progress and fall out points, as well as

providing opportunities to bring customers back on board. McKinsey's study identified consistent and clear communications as one of the most important elements of the customer experience (Maechler, Neher & Park, 2016).

Certain industries have developed an excellent customer experience on all touchpoints during customer journey, while others have lagged behind in terms of less competition. We must be aware that users want to transfer their experience from one industry to others. Customer nowadays expect experiences on their journey from one industry as well in the other, but some industries are not able to adapt so quickly.

Companies need to start thinking about how they can redefine their true value in the eyes of consumers and how they can smartly use technology to build these competing distinctive advantages. They should think how to become a "market maker" and not just a "market taker". It is precisely in this innovation that at each point of contact the potential for growth and successful sales is hidden. Customer experience and touchpoints during their journey requires planning, management and investment. Based on the literature review it can play an important strategic direction of the company and can represent the greatest competitive advantage. However, establishing touchpoints and defining customer experience in reality can be very challenging due to internal barriers such as:

- organizational structure,
- the absence of an integrated strategy,
- lack of resources and staff,
- communication noise in the relationship marketing departments and company management (Maechler, Neher & Park, 2016).

## **4 RESEARCH METHODOLOGY AND RESULTS**

### **4.1 Company background**

Ilirija d.o.o. established in 1908 by Granc Golob and his associate and was then named Golob & Ko. They manufactured shoe and leather cleaning products, which were branded as Ilirija, and soon after that the factory was renamed to Ilirija too. When Ivan Rozman, who was a very talented chemist, became Golob's partner, they expanded production to candles, washing, and nourishing soaps and washing powders. Soon after that, company started developing and growing quickly. The hair-care line Subrina was invented in 1958, when Ilirija introduced their first conditioner for rapid hair regeneration. This product changed habits for customers as well as for hairdressers, because it nourished hair with proteins and plant extracts, making it shiny and also easier to style and comb. Conditioner became an indispensable hair product, which consumers used immediately after applying shampoo. In the early 90s, Subrina included new types of conditioners for normal, dyed, permed, and thin hair, which positioned the brand as a

top-level hair care cosmetic. Their communication to the customers was: “If you use Subrina, you can do anything with your hair” (Subrina d.o.o., 2018). In 1998, the Subrina collection was notably expanded, which included shampoos, hair styling products, and conditioners. The same year, they expanded their line of products for hairdressers, Subrina Professional (Subrina d.o.o., 2018). With the management takeover in 2003, Subrina got a new strategy and became an umbrella brand with the aim to develop new products, such as body care and hair colors. What is more, they redesigned their packaging and won the Slovenian Packaging Oscar; with their new, red color Subrina stood for energy and enthusiasm. They also set a new target market, which were younger consumers. Later, they acquired the company Lek Kozmetika and reinforced its position as the largest producer of cosmetics in this part of Europe. In 2014 their packaging was updated again, drawing from their outstanding tradition and mighty know-how.

With almost 60 years of existence, the brand has become synonymous for strong and healthy hair (Subrina d.o.o., 2018). They aim to offer consumers the highest level of product quality, at the best prices.

The range of products include: professional hair cosmetics for use in hair salons, consumer hair cosmetics, facial and body care cosmetics, candles, and cleaning products. All products are marketed under their own brand names, namely Subrina, Subrina Professional, and Green line. This master’s thesis focuses on the brand Subrina.

Ilirija is a company with a long tradition, developing and growing throughout the years. Ongoing innovation and adaptation is crucial for the company due to the highly competitive market. Consumer and cost efficiency are their main priorities and they are constantly aiming to be a dynamic, adaptable, and modern company with a great respect for tradition. Their mission is to be: a modern enterprise, a dynamic and adaptable company, a partner to the environment they work in, an alternative to multinational companies. However, their business values are: courage, team spirit, and success.

## **4.2 Research design**

The specific objective of this master’s thesis is to develop an integrated digital marketing strategy for Subrina that will help reach their target audience with the right messages, at the right place, and at the right time.

The main part of this master's thesis is the empirical study based on in-depth interviews and the consumer questionnaire. Our study’s overall strategy was based on two different views – the company and consumer view. Our findings are analyzed in order to elaborate a proposal for the case company concerning the consumer’s touchpoints and how to use it in their digital marketing strategy based on consumer experience. The whole work process is presented in Figure 12.

Figure 11: Research design



Source: Own work.

The foundation model of marketing also known as a traditional marketing mix or four P's of marketing (product, price, promotion and place) is no longer sufficient. As Edelman (2010) noted, the internet has upended how consumers engage with brands, wherefore the nature of touchpoints has changed. Today, consumers are promiscuous in their brand relationships. They connect with brands through new media channels beyond a brand's control or even knowledge. As we discovered, the traditional marketing mix is no longer sufficient today, so brands need to integrate and harmonize all their activities in order to reach their target consumer. Brand need to speak consistently with one voice and harmonized messages at all touchpoints consumers might have with them.

Working in a marketing agency, we saw time and time again that some companies have departments isolated from others, making an environment where they are not working together to achieve their goals. For example, the sales department does not report to marketing department, or the Research and Development (R&D) team rarely meets and talks to marketing or sales team and so on. There is where integrated marketing communication strategies come into place. According to De Pelsmacker (2013) it is important that various departments cooperate and communicate the same message, to use all elements of the communication mix.

All messages should be consistent, coherent, and credible, which also helps shorten consumer decision journey. Harmonized and linked messages at different stages of CDJ help consumers



more comfortably navigate through their buying process. Consistent and integrated messages have a better chance of reaching consumers in this busy world.

Belch (2014) stressed that the main goal should be to generate short- as well as long-term brand value. However, IMC can also have the effect on sales, where stretching harmonized messages across several communication tools can help to create more and new touchpoints with consumers, which helps to increase our brand awareness, nurture or establish long term relationship with consumers, entertain consumers, and can also even drive purchases. The IMC and strategy behind it can also help us identify CDJ and consumers to see what information they need at different stage of their journey. Therefore, the importance of integrated marketing communication come in place. The hypothesis is stated below:

H<sub>1</sub>: Positive consumer experience can evoke purchase action and develop brand loyalty.

Our hypothesis H<sub>1</sub> consists of two sub-hypotheses:

- H<sub>1-1</sub>: Positive consumer experience can evoke purchase action.
- H<sub>1-2</sub>: Positive consumer experience can develop brand loyalty.

The “new consumers” shifted from passive consumers into very active consumers, meaning they are constantly online, communicating and sharing content and information with others (Ertugan, 2016). They want to be included in the whole product or service process – from designing products, developing productions process, crafting marketing messages, and all the way to sales channels. Consumers seek to exercise their influence in every part of the business system and thereby co-create value (Prahalad & Ramaswamy, 2004). According to Zarantonello and Schmitt (2010), consumers are not interested in product or service for just their functional benefits. They desire unique and remarkable experiences when buying a product or service. Maymann (2008) stressed the importance of intelligent and innovative solutions that stand out and catch consumers’ eyes in today’s highly competitive environment. The marketplace has gone through profound changes lately, but according to Edelman (2010) the Internet also upended how consumers engage with brands today. As we can see nowadays consumers demand more from brands and they are open to a dialogue, where in the past communication was only unilateral – meaning brands were spreading and “shouting” their messages in the hopes that they would reach their target consumers. It is even more crucial to understand consumer behavior to provide a richer consumer behavior by delivering content in context or right information at the right time and the right place Parise, Guinan and Kafka (2016). Based on the literature review, the hypothesis is stated below:

H<sub>2</sub>: The “new consumers” no longer accept traditional marketing initiatives but demand different relationship.

The stated hypotheses were predominantly created as a result of professional experience gained while working in the marketing agency, as well as descriptive analysis, which in turn was based on knowledge from many authors and researchers in the field of consumer behavior,

customer experience, and digital marketing. In addition to the hypotheses, this master's thesis includes a brief description and analysis of touchpoints, which also contribute to overall customer experience. The aim of the master's thesis is, therefore, not only to confirm or dismiss the stated hypotheses above but also to provide a recommendation and added value that can be used as a part of integrated digital marketing strategy for the Subrina brand.

### **4.3 Methodology**

The specific objective of this master's thesis is to develop an integrated digital marketing strategy for a well-known and almost iconic Slovenian brand – Subrina.

The first part of our thesis contains an in-depth theoretical and analytical review of published literature, scientific papers, articles, and studies according to the topic relevance. This part of the master's thesis is analyzed while using descriptive methods to bring together knowledge from many authors in the fields of consumer behavior, customer experience, and digital marketing. We applied also some of our academic knowledge gained during our studies and practical professional knowledge, which we have gained during our work at an advertising agency over the past three years.

The main part of this master's thesis is the research in the empirical part based on the in-depth interviews with Ilirija's employees and the online questionnaire with consumers. Gathering data from a company and consumer perspective provides us with deeper insights and analysis of the same problem with a comprehensive view and more precise results.

The first part is based on qualitative, primary data collecting. Because of the nature of our topic, our chosen data collecting method was in-depth interviews with Ilirija's employees, which are positioned at various levels and departments within the company. As we stressed before, it takes a lot of effort to establish integrated digital marketing strategy. What is more, all the elements of the communication mix and channels should be included for a consistent and coherent integrated communication plan, which means that various departments must cooperate and communicate the same message. In order to get to get a better understanding how company is structured, what are their goals and how are different departments working together to achieve them, we conducted 13 in-depth interviews, which were held in person. Before interviews we made sure that our interviewees have different roles in a company and are working in various departments from sales, marketing, supply, wholesale all the way to the research and development department. Integrated digital marketing strategy is an ongoing strategic business process used to plan, develop, execute, and evaluate coordinated and measurable brand communication programs over time with many different stakeholders such as consumers, customers, employees, business partners and more, therefore interview questions were structured in the same manner. We formulated interview questions based on the literature, which is presented in the first part of the master thesis and also conclusions drawn from several studies. The interviews helped us get answers to few main questions:

- How do employees see their company and Subrina as a brand?
- Are employees' goals and vision for Subrina brand harmonized among employees and are they equal to brand's goals and vision?
- Do employees think that digital tools are crucial and how could they improve customer brand experience?

In-depth interview is presented in Appendix 2.

Secondly, a quantitative research represents data and findings we gain from consumer perspective. Data was collected through an online questionnaire using Likert Scale questions, closed-end questions and multiple-choice questions. We have compiled the questionnaire with the help of already existing questionnaires from similar research and used scales whose psychometric properties has been largely demonstrated by previous research. In order to get a broad view our sample contains 148 respondents from a different age groups as well as backgrounds. Questionnaire was formulated with the objective to identify homogenous groups of Subrina's consumers that we later formed into different segments. With the identification of homogenous groups we were able to identify Subrina's key "brand personas", which represent personal attributes and customer behavior from each segment. According to the previous research and certain findings, we were particularly interested in our research:

- How consumers see Subrina brand and what values in their opinion the brand represents?
- Which channels trigger customer to buy a hair or body cosmetics products?
- Which factors contribute to positive overall customer experience?
- Is there a correlation between positive customer experience and purchase intention?

Online questionnaire is presented in Appendix 3.

#### **4.4 Qualitative research: In-depth interviews with Ilirija employees**

##### **4.4.1 Research Goals and Objectives**

In order to be able to draft a digital strategy for Subrina, it is crucial to get to know the company's background. To get relevant information and get to know employees that oversee Subrina, we conducted 13 in-depth interviews with employees from different areas of work. The most important information for us to obtain was whether all employees have the same vision and goals about the brand and what their approach is to achieving it. What is more, with the insight from employees we were able to compare their thinking with impressions from their consumers to see whether consumers see the brand in the same way their employees do or whether their thinking is different. Based on that we later came to some relevant conclusions and create the strategy, which is the most applicable. The main goal was to formulate an integrated digital marketing strategy for Subrina that is attractive for Ilirija as a company, as well as for employees, so it could potentially be adapted later on.

#### 4.4.2 Data Collection Method

Our chosen first data collecting method was the qualitative method: an in-depth interview. This is an important tool for marketing decision making. Overall, we conducted 13 in-depth interviews, which were held in person in order to get to know the company better. The aim of “in house” in-depth interviews was to get an overview and insight from Ilirija’s perspective. The point is to get a better understanding of how company is structured, what their goals are, and how different departments are working together to achieve them. Because in-depth interviews can be time consuming and therefore it is hard to find participants, we stuck to questions for the interview that are the most important for our conclusions, so each interview took about 20 to 30 minutes. To investigate different opinions of the employees, this method was the most appropriate for us and for our goal. What is more, with one-on-one interviews we also tested whether employees are willing to accept changes and are prepared to implement the suggested strategy. After collection of the primary data, the data was analyzed using the qualitative analysis program NVIVO. The results are visualized either with charts, word clouds, word trees, or descriptively. The first part of our primary research holds a discussion of the results of qualitative data analysis and implications for the company.

#### 4.4.3 Sample characteristics

Our sample contains 13 employees of Ilirija d.o.o. As mentioned before, for this study it is important to get point of views from employees that are in different positions and departments, but are all connected to the Subrina brand.

The more accurate listing of the interviewees and their roles in the company is listed in the Table 8 to see what are the tasks of each employee at different positions in the company. Based on our research the average time that they are employed at the company, which, based only on the interviews, is 11.7 years, therefore they have a very good knowledge and experiences of the environment and industry they work in.

*Table 8: Interviewees based on number of years working at Ilirija d.d. and their position with their task description.*

<b>Interviewee</b>	<b>Number of years employed in the company</b>	<b>Position at the company</b>	<b>Working tasks for Subrina</b>
Interviewee 1	1.5 years	Wholesaling	Doing business with key customers
Interviewee 2	11 years	Marketing manager for mass market	Leadership of the department with key account managers, setting marketing budget and strategies for brands
Interviewee 3	12 years	Sales leader for the mass market in Slovenia	Signing contracts with key customers, preparation of business plans and achieving them, market analysis, boosting sales
Interviewee 4	18 years	Product manager for cosmetic products	Guiding the success of a product (Subrina body care)
Interviewee 5	17 years	Store manager	Store management, work organization and employee training
Interviewee 6	30 years	Development and innovation manager	New product planning, quality control, coordinating and delegating work to employees
Interviewee 7	1,5 years	Digital Marketing Manager	Control of the webshop Click2Chic.com, preparation of digital marketing activities
Interviewee 8	10 years	Sales manager	Taking care of the markets they are already working, and finding new partners
Interviewee 9	6 years	Product manager	Strategy setting, roadmap, and feature definition for a product or product line, sales forecasting

*(“table continues”)*

(“continued”)

Interviewee 10	10 years	Sales manager for the ex-Yu market	Sales planning and execution, market analysis, price setting, cooperation with distributors, actively involved at strategy setting
Interviewee 11	15 years	Supply manager	Packaging development and design, production planning, packaging materials supply
Interviewee 12	3.5 months	Product manager for Subrina shower gels	New products development, marketing strategies preparation, communication activities planning
Interviewee 13	27 years	Product manager hair colors Subrina, Subrina Recept shampoos	Following the market trends, marketing strategy preparation, new products suggestion and development of new products, communication activities planning

*Source: Own work.*

#### 4.4.4 Findings

To see what employees think about their company, we asked them to describe their company in 3 to 5 words. The most common answer was “tradition”, which was answered by 9 interviewees, followed by “Slovene company”, “flexible”, and “reliable”. Those words were used commonly, while descriptions that were used only once included: historical, innovative, in trend, and modern.

When asking employees to describe Subrina as a brand, it is no surprise, then, that we got similar answers as to the question before: “tradition” was the most common answer again. Subrina hair conditioner was first hair product that Ilirija created and later on expanded to the whole of haircare and also into a cosmetics line. Hair conditioner was very innovative product and has impacted Subrina as a brand and also whole company Ilirija. As mentioned before, hair conditioner contains so many different ingredients to shampoo and makes hair significantly softer and more vital. That is why this innovation has changed consumers’ habits. What is more, that is why employees see Subrina as a synonym for hair care and quality. They described Subrina as:

*“Subrina is a little reserved. It is trying to please everyone, which is not easy. That is why it does not stand out of the crowd too much.” – Interviewee 6*

*“Subrina is a quality brand.” - Interviewee 1*

*“Subrina is a synonym for hair care and healthy hair.” - Interviewee 12*

*“Subrina is a brand with 60 years long tradition. Even nowadays, people just call hair conditioner “Subrina”. It is a well known, appreciated brand, that offers good quality for relatively low price. “ – Interviewee 3*

*“Subrina is a synonym for hair care. Name Subrina is even a synonym for hair conditioner. It has a wide selection of products for hair and body. It is traditional, domestic brand that follows trends on the market. “ - Interviewee 13*

Based on our analysis of the in-depth interviews we can say that employees see Subrina as a well-known Slovenian brand with a long tradition. One indicator of the tradition, which employees mentioned for Ilirija as a company as well as for Subrina as a brand, was the average time that they are employed at the company, which, based only on the interviews, is 11.7 years. This fact has its pros and cons; a pro is definitely that employee turnover is low, which means that the team is functioning, and employees also feel like they belong in the company. What is more, they have comprehensive proficiency about the brand and its processes. However, its con is that they do not have a lot of young people in the workforce, who are always willing to introduce new tactics, and adjust to the digital trends. They have recently employed a digital marketing manager, though, which demonstrates that they are willing to follow the trends and adjust to the innovations. However, the question is whether she and her team have enough influence to teach and inspire others to follow the trends, which the digital era has set and is demanding.

We have visualized question “If Subrina was a person, how would you describe it?” with a word cloud. Results are presented in Figure 13. This word cloud sums up the first section of the questions representatively. We can see that generally employees have a positive attitude towards the brand, however there is a space to improve, which can be described with words: insecure, should focus on the future, and older woman. Generally, the basis is strong and positive, which means that a little can be done and a lot can be changed with it. As befits a woman, they are describing, so do they also describe the brand’s tone of communication: tender, pleasant, positive, youthful, nonaggressive, realistic, and favorable.

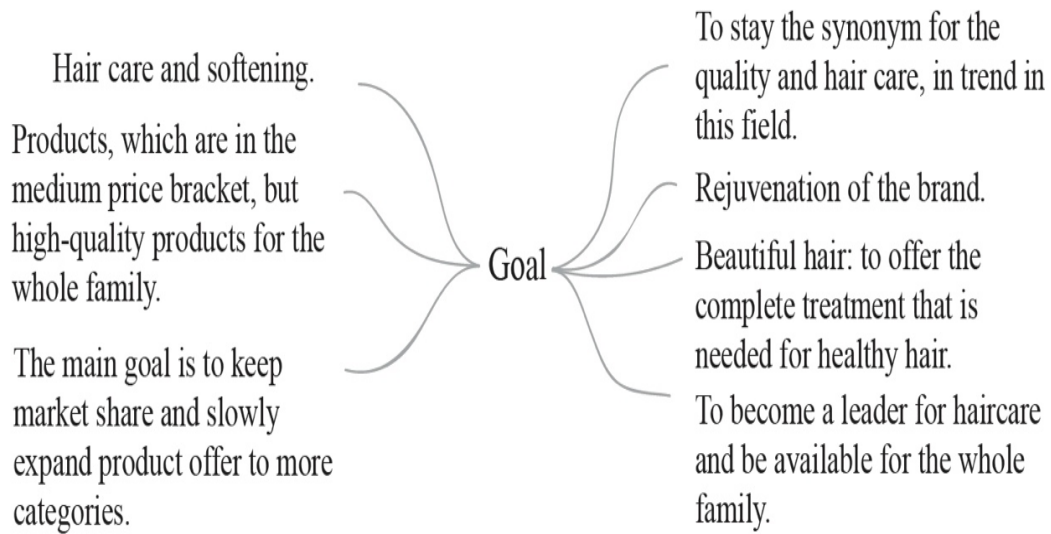
A word cloud of adjectives describing a woman. The words are arranged in a circular pattern, with 'happy' and 'positive' being the largest and most central. Other prominent words include 'colorful', 'traditional', 'charming', and 'gentle'. Smaller words like 'attractive', 'reliable', 'loves herself', 'seductive', 'pleasant', 'knows what she wants', 'insecure', 'colorful haircolor', 'wants the best for her and her family', 'should focus on the future', 'long hair', 'daring', 'loved', 'loves colors', 'independent', 'renowned', 'takes care of herself', 'rely on the past', 'ready to help', 'does not disappoint', 'has high standards', and 'older woman' are also present. The words are in various shades of gray and are oriented in different directions, creating a dynamic and visually appealing composition.

- Are employees' goals and visions for the Subrina brand harmonized among employees and are they equal to the brand's goals and vision?

48



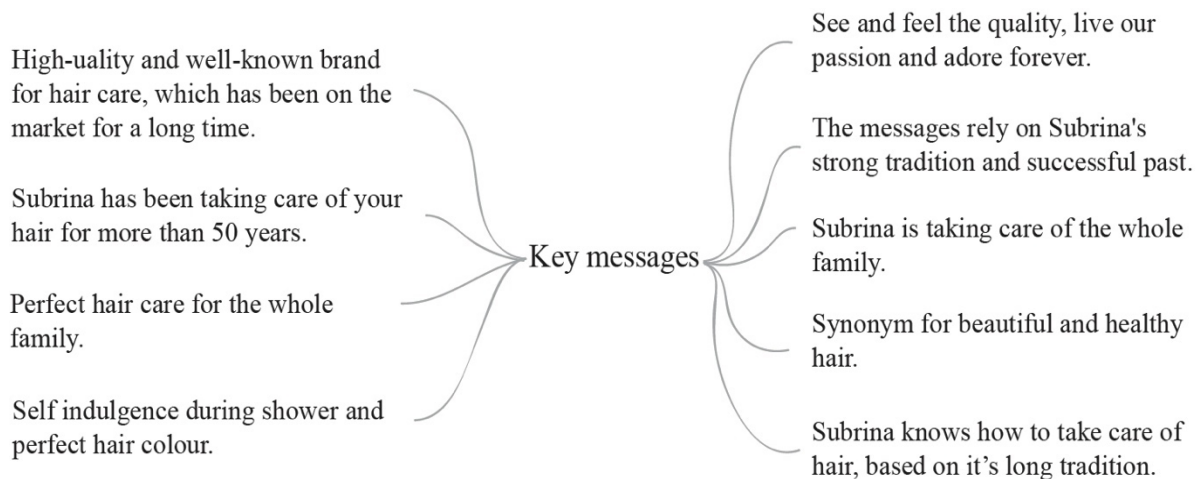
Figure 13: Word query – Subrina's goals (Q9)



Source: NVIVO visualization from collected data.

The most common answer about their target market is a middle-class woman, from 18 to 50 years old. Some interviewees add the whole family to it. However, description of their buyer persona is a woman, who has family and takes care of it. She trusts Subrina and its quality, because it is a Slovenian brand with tradition and at the same time offers a lot for its money. She is active, self-confident, modern and very busy. Employees rely on products' quality and tradition a lot. A few questions regarding customers' perceptions and their purchase decisions, were answered with one word: quality. They believe that customers see their brand as high quality above all, followed by traditional, affordable, and reliable. That is also why they think customer pick Subrina over their competitors, because it offers a lot for comparatively low price. They would like their customers to perceive Subrina as a synonym for body and hair care. Similar to all the findings above, the key messages that employees believe Subrina is suggesting also include a long tradition and quality. The key messages, as stated by the employees, are presented in the word query Figure 15.

Figure 14: Word query – Key messages (Q14)



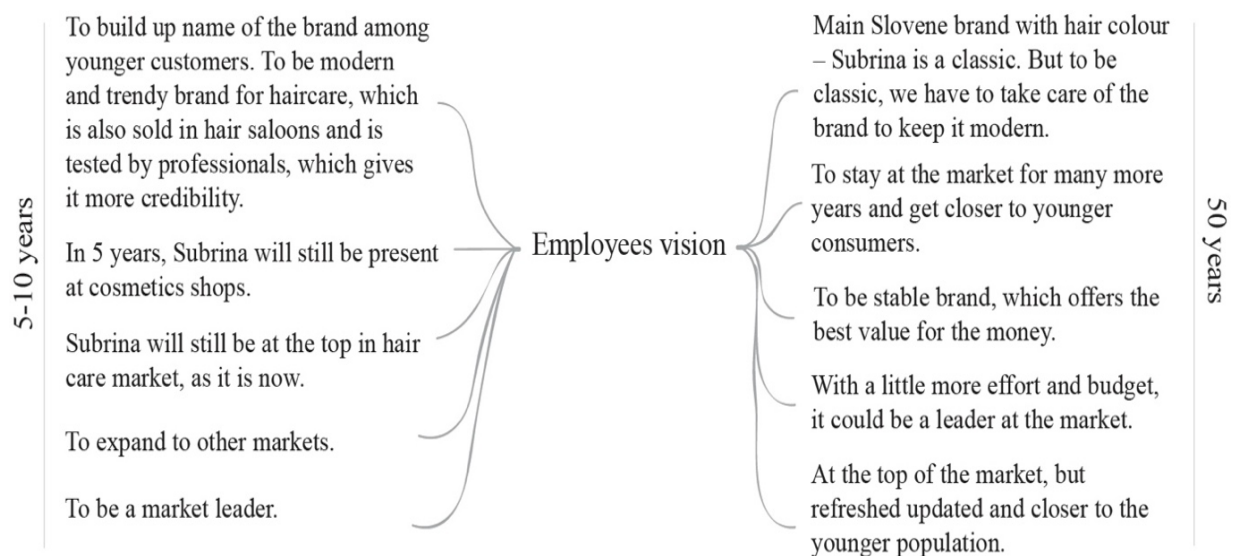
Source: NVIVO visualization from collected data.

When it comes to their vision of the Subrina brand in the future or, to be more precise, in five, ten, and fifty years, the answers were moderate and are presented in Figure 16. The majority pointed out they believe that the brand will keep the same, strong position on the market for the next five to ten years. Yet, for fifty years' time, they stated:

*"Subrina will move closer to younger consumers."* – Interviewee 13

*"I can see Subrina at the top of the market, however it will be updated and rejuvenated. Closer to young people."* – Interviewee 12

Figure 15: Word query – Employees vision of the brand in 5 to 10 years and 50 years (Q5)



Source: NVIVO visualization from collected data.

- Do employees think that digital tools are crucial and how could they improve the customer's brand experience?

Thorough analysis of the last seven questions showed that employees are conscious about digital trends, and are aware of the importance to be present online as a brand. All 13 respondents answered positively to the question of whether they think social media is important for their brand. One interviewee revealed that they are investing more and more assets into digital marketing.

*“Brand communication through social media is not only important, but it is crucial. It enables advertising to the specific target groups, which traditional marketing cannot do. More and more people seek information online and that is why we should not neglect communication there.” - Interviewee 7*

*»I believe that social media is important, because more and more people use them and that is why we should be present there too.« - Interviewee 3*

*»Of course, it is very important. Subrina is a local brand, which means that it is very close to local customers. If he or she has a question, it should be answered as soon as possible.« - Interviewee 2*

Anyhow, TV advertising is still very strong tool for them, because they believe they still reach a lot of the target market there, as well as point-of-sale marketing, which they perceive as good tool to communicate with customers in person and get feedback. Furthermore, all of interviewees believe that their customers have a positive customer experience. Two interviewees stated ways how they could improve customer experience:

*“With a bigger budget for marketing activities.” – Interviewee 10*

*“If we could get more information about the customer experience.” – Interviewee 9*

To conclude, throughout the interviews we can see that employees are well connected as a team and are following equivocal goals. The Subrina brand relies a lot on its successful past and tradition, which is a good motivator for the brand. They also put customers first and offer quality for relatively low price, which is appreciated by consumers. However, we can conclude that they are willing to accept few changes to be even more effective and reach more consumers. Based on their answer about how they see brand in fifty years, coming closer to younger consumers is a plan, but seems unrealistic for now.

## **4.5 Quantitative Research: Online Questionnaire**

### **4.5.1 Research Goals and Objectives**

While the first part of the research provided a deeper insight of company and its operations, second part of our research focused on the consumer and their experience with brands. Consumers always have experiences when purchasing products or services, whether brands craft them intentionally or not. These experiences can be good, bad, or indifferent. Measuring customer experience and which factors contribute to overall experience is not an easy task, especially because customer experiences cannot be identical between two people, nor can they be shared. Therefore, understanding how consumers behave, how they experience brands, how to provide an appealing brand experience is compelling to differentiate a brand from others in a highly competitive marketplace. As a result, the structure of the questionnaire was created in a way that provides a better understanding of consumer behavior and their shopping habits regarding hair and body cosmetics products.

### **4.5.2 Data Collection Method**

The data was collected through a questionnaire which was created on the Slovenian online survey platform 1ka (<https://www.1ka.si/>). Due to time restraints, an online survey was the most appropriate primary data collection method. We wanted the results to be collected quickly, with a large sample of respondents and at low cost. Online surveys also provide a high level of convenience for the respondents; because they are anonymous, respondents can answer the questionnaire according to their own pace, chosen time, and preferences. Some say that respondents may be more willing to share personal information because they're not disclosing it directly to another person.

The questionnaire was first designed and written in the English language, which was later translated to Slovenian language in order to avoid a loss in respondents due to language barriers. To check whether the appropriate and understandable language was used, we asked an independent third party to translate the Slovenian questionnaire back to English and match it with our original English questionnaire. The questionnaire was shared via social media and emails.

The first part of our questionnaire consisted of simple questions to attract respondents and gain their trust in order to complete our questionnaire. Questions were about their behavior regarding hair trends, hair and body cosmetics products, their customer journey habits, and the use of digital platforms. The second part consisted of questions regarding the Subrina brand and their experience with the brand. In the third part we asked basic demographic questions such as age and gender, education, household, and employment status.

In our study we used scales which have been widely used in previous research that we found in our literature overview. All items were measured on a five-point Likert scale for brand experience, consumer behavior, and purchase intention, or semantic differentials in the case of brand attitude.

The primary unit of our analysis are the individuals, or consumers, in this matter. In order to get a representative sample, we shared our online questionnaire via social media. 1471 participants opened our questionnaire, where only 231 (16 %) continued to answer our questionnaire. Total responsive rate of our questionnaire is 12 % (170 participants), from where 22 participants were our test samplers, therefore a total of 148 respondents are presented in our sample.

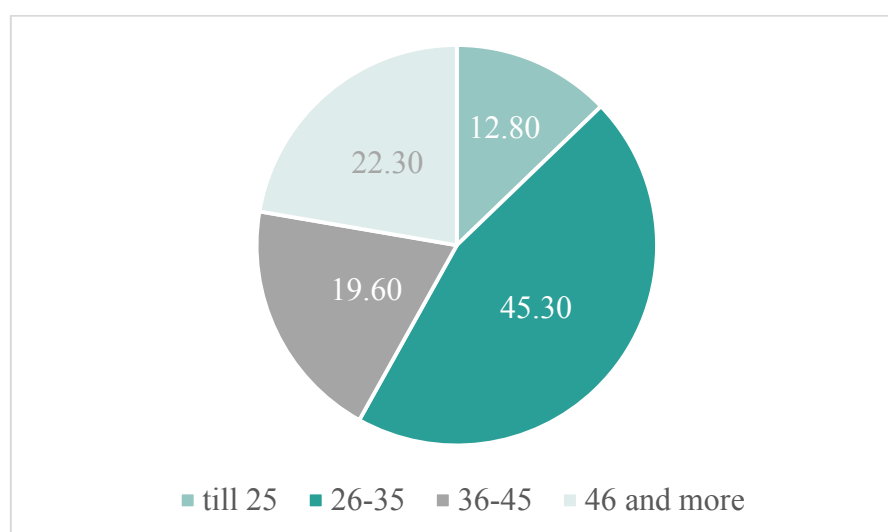
Since our questionnaire was shared online we used a snowball sampling method which can be also called a chain-referral method. Respondents who participated in our online questionnaire shared it among their acquaintances. This process continued until our sample was big enough for our research. We didn't have any prior information about our respondents, therefore we used a probability sample.

The questionnaire is presented in Appendix 3.

#### 4.5.3 Sample Characteristics

The sample contains 148 (100%) respondents, of which 120 (81.1%) respondents were female and 28 (18.9%) male. Figure 15 below demonstrates the percentage of women and men organized into four different age groups. Our respondents were between 18 and 80 years old, with a mean of 35.8 years old. Results can be seen in Figure 17.

*Figure 16: Percentage of respondents by age group*



*Source: Own work.*

20.3% of respondents have finished high school, while 51.4 % of respondents have completed a bachelor's degree and 23% a master's degree. 64.9% respondents are employed, 14.9% are students, and 15.5% are self-employed. On average there are 2.9 people per household.

64.2% of all respondents do not follow hair and hairstyle trends and 89.2% of them do not change their hair style according to current trends. 52.2% of respondents do not color their hair.

50.7% of respondent buys hair and body cosmetic products every two months and many respondents – 43.9% – do not spend more than 15 euros on hair and body cosmetic product per month. In general, our respondents do not have preferences regarding local or international brands, where 54.7% answered they do not have preferences. 60.1% of respondents usually switch brands.

We emphasize that 97.3% of all respondents knew the Subrina brand and out of them 70.1% of respondents had already bought a Subrina product. Results are presented in Figure 18 and 19.

*Figure 17: Percentage of respondents who know Subrina brand*

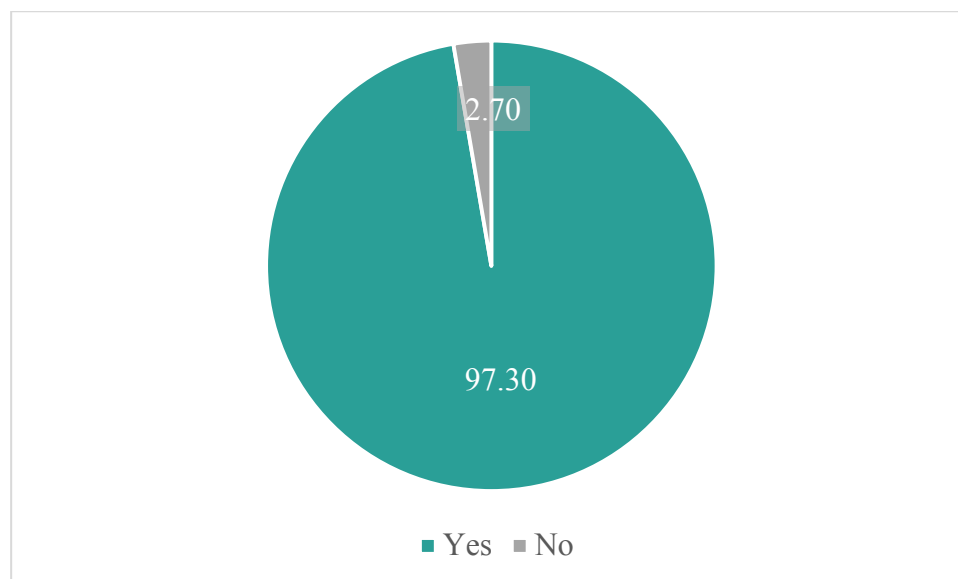
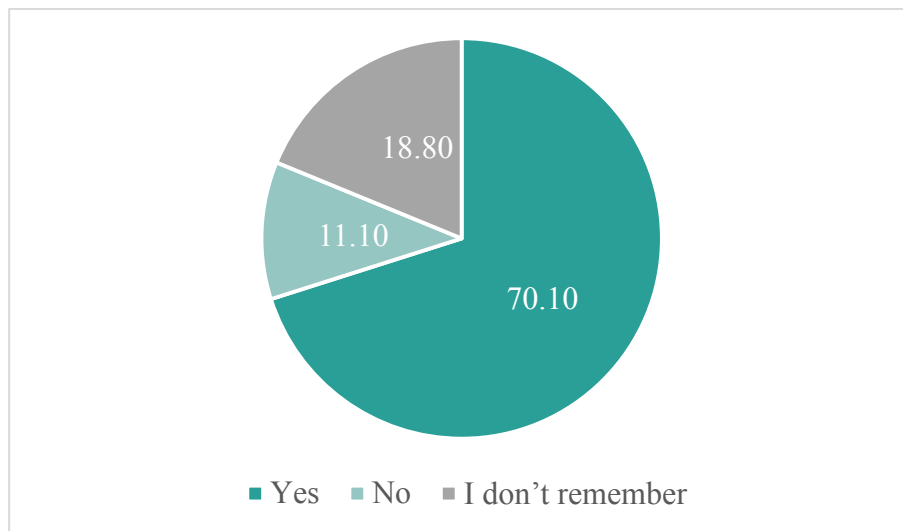


Figure 18: Percentage of respondents who bought Subrina products



Source: Own work.

We have visualized respondents' answers to the question "Which of the following words would you choose to describe the Subrina brand?" with a word cloud in Figure 20. This word cloud sums up the most common answers by respondents. We can see that generally respondents know the Subrina brand, since adjectives such as "Local" and "Recognizable" received the most answers. On the other hand, adjectives such as "Innovative", "Modern" and "Premium" have received the fewest answers.

Figure 19: Respondent's answers describing the Subrina brand.



Source: Own work.

#### 4.5.4 Data Analysis and Results

After our literature review we set our two main hypothesis we wanted to test. In our primary data analysis, we first tested the following hypothesis:

H<sub>1</sub>: Positive consumer experience can evoke purchase action and develop brand loyalty.

In order to check whether there are differences in the frequencies of how often some channels trigger participants to buy hair products, we have compared two groups: participants who use digital tools (27 %) and participants who do not use them (73 %). First, we have checked whether the data is normally distributed in both groups. The Kolmogorov-Smirnov test showed that the data is not normally distributed in both groups ( $\text{sig} < 0.05$ ), therefore in the further analysis we have used non-parametric test. For a further research we also wanted to see which channels trigger respondents to buy hair and beauty products. Results are presented in Table 9.

*Table 9: Channels to trigger respondents to buy hair and beauty cosmetics products*

Do you use digital tools or online platforms to interact with the brands?		Kolmogorov-Smirnov <sup>a</sup>		
		Statistic	df	Sig.
Newspapers and magazines	Yes	.214	40	.000
	No	.200	108	.000
Advertisement leaflets/ catalogues	Yes	.211	40	.000
	No	.192	108	.000
TV advertisement	Yes	.233	40	.000
	No	.216	108	.000
Online ads	Yes	.181	40	.002
	No	.215	108	.000
Point of sale communication	Yes	.267	40	.000
	No	.169	108	.000
Family or friends	Yes	.214	40	.000
	No	.246	108	.000
Website/ e-shop	Yes	.183	40	.002
	No	.239	108	.000
Social media (Instagram, Facebook, Twitter)	Yes	.172	40	.004
	No	.207	108	.000
Online influencers	Yes	.201	40	.000
	No	.258	108	.000
Mobile app	Yes	.239	40	.000
	No	.344	108	.000

*Source: Own work.*



Mann-Whitney U test showed that there are statistically significant differences in the frequency of using “online ads”,  $p=0.043$ . The group of participants who use digital tools ( $m=2.0$ ) are more frequently triggered by the online ads compared with the participants who do not use digital tools ( $m=2.19$ ). The results further show that the group of participants who use digital tools ( $m=3.20$ ) are more frequently triggered by social media (Facebook, Instagram, etc.) compared with the participants who do not use digital tools ( $m=2.28$ ),  $p=0.000$ . The results further show that the group of participants who use digital tools ( $m=2.38$ ) are more frequently triggered by the online influencers compared with the participants who do not use digital tools ( $m=1.89$ ),  $p=0.025$ . The results further show that the group of participants who use digital tools ( $m=1.88$ ) are more frequently triggered by the mobile applications compared with the participants who do not use digital tools ( $m=1.58$ ),  $p=0.038$ .

*Table 10: Trigger channels between respondents who use digital tools to interact with brand and respondents who do not use digital tools*

Do you use digital tools or online platforms to interact with the brands?		N	Mean	Median	Mean Rank	Sum of Ranks	Mann-Whitney U	Z	Sig. (2-tailed)
Newspapers and magazines	Yes	40	2.23	2.00	76.64	3065.50	2074.500	-.386	.700
	No	108	2.15	2.00	73.71	7960.50			
Advertisement leaflets/ catalogues	Yes	40	2.18	2.00	72.48	2899.00	2079.000	-.364	.716
	No	108	2.23	2.00	75.25	8127.00			
TV advertisement	Yes	40	2.08	2.00	74.78	2991.00	2149.000	-.050	.960
	No	108	2.07	2.00	74.40	8035.00			
Online ads	Yes	40	2.60	3.00	85.73	3429.00	1711.000	-2.020	<b>.043</b>
	No	108	2.19	2.00	70.34	7597.00			
Point of sale communication	Yes	40	2.95	3.00	79.74	3189.50	1950.500	-.936	.349
	No	108	2.76	3.00	72.56	7836.50			
Family or friends	Yes	40	3.48	4.00	82.60	3304.00	1836.000	-1.454	.146
	No	108	3.17	3.00	71.50	7722.00			
Website/ e-shop	Yes	40	2.45	2.00	81.08	3243.00	1897.000	-1.185	.236
	No	108	2.20	2.00	72.06	7783.00			
Social media	Yes	40	3.20	3.00	96.55	3862.00	1278.000	-3.919	<b>.000</b>
	No	108	2.28	2.00	66.33	7164.00			
Online influencers	Yes	40	2.38	2.00	86.80	3472.00	1668.000	-2.242	<b>.025</b>
	No	108	1.89	2.00	69.94	7554.00			
Mobile app	Yes	40	1.88	2.00	85.33	3413.00	1727.000	-2.071	<b>.038</b>
	No	108	1.58	1.00	70.49	7613.00			

*Source: Own work.*

Furthermore, we have checked whether there is statistically significant correlation between participants overall experience with the Subrina brand and their loyalty. All variables are ordinal, so we have used nonparametric Spearman test. Results are presented in Table 11.

*Table 11: Correlation between positive customer experience and purchase intention*

		Based on your experience with the Subrina brand, how likely are you to buy their products again?
Unpleasant	Correlation Coefficient	0.769**
	Sig. (2-tailed)	0.000
	N	25
Bad	Correlation Coefficient	0.666**
	Sig. (2-tailed)	0.001
	N	23
Unsatisfactory	Correlation Coefficient	0.731**
	Sig. (2-tailed)	0.000
	N	23

*Source: Own work.*

The results show that there is a strong positive correlation between a customer's good experience and customer loyalty ( $r_o=0.769$ ,  $p=0.000$ ). Furthermore, the results show that there is a strong positive correlation between a customer's pleasant experience and customer loyalty ( $r_o=0.666$ ,  $p=0.001$ ). The same applied for satisfactory experience. The results show that there is a strong positive correlation between a customer's satisfactory experience and customer loyalty ( $r_o=0.731$ ,  $p=0.000$ ). All correlations are statistically significant at the 0.05 level.

To conclude we can say that with our data analysis we were able to confirm our hypothesis

H<sub>1</sub>: Positive consumer experience can evoke purchase action and develop brand loyalty. Where we found out that there is a strong positive correlation between customer's positive experience, customer loyalty and purchase action.

H<sub>2</sub>: The "new consumers" no longer accept traditional marketing initiatives but demand a different relationship.

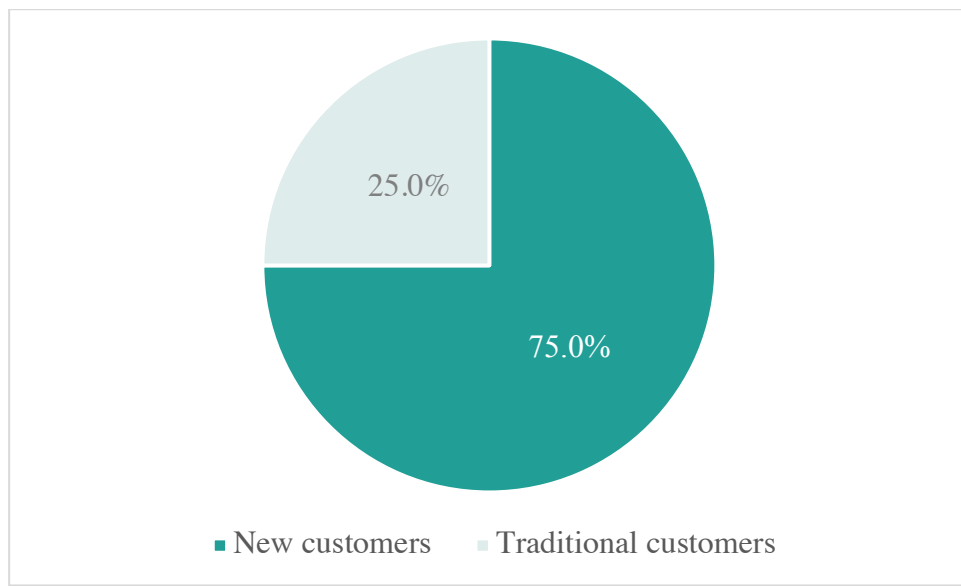
With the next analyses we wanted to create groups of customers based on their preferences for using traditional market initiatives and based on their demand for different relationships. In order to create the groups we used two-step cluster analyses, which is a combination of the k-means cluster method and hierarchical cluster method. Two-step cluster analysis creates groupings by running pre-clustering and then running hierarchical methods. Results are presented in Table 12 and Figure 21.

Table 12: Distribution of respondents in groups

		f	f %
Group	New customers	111	75.0%
	Traditional customers	37	25.0%

Source: Own work.

Figure 20: Distribution of respondents in groups



Source: Own work.

Two-step cluster analysis has grouped participants into two groups. In the first group 111 (75%) participants were placed and in the second 37 (25%). The first group of participants demands a different relationship, due to the fact that the main importance was given to the Environmental responsibility ( $m=3.86$ ). On average all other service characteristics were scored with a high grades: Social responsibility ( $m=3.68$ ), Friendly service ( $m=3.58$ ), etc.

Traditional marketing initiative such as price ( $m=3.81$ ), Information during the shopping process ( $m=3.76$ ), Package ( $m=3.35$ ), Marketing and brand communication activities ( $m=3.23$ ) are also important. Based on their preferences we named them “new customers”.

In the second group 37 participants were placed. As we can see from Table 11 above they prefer traditional marketing initiatives, and the price of the product is especially important to them ( $m=3.35$ ). However, compared with the first group they give less importance to service

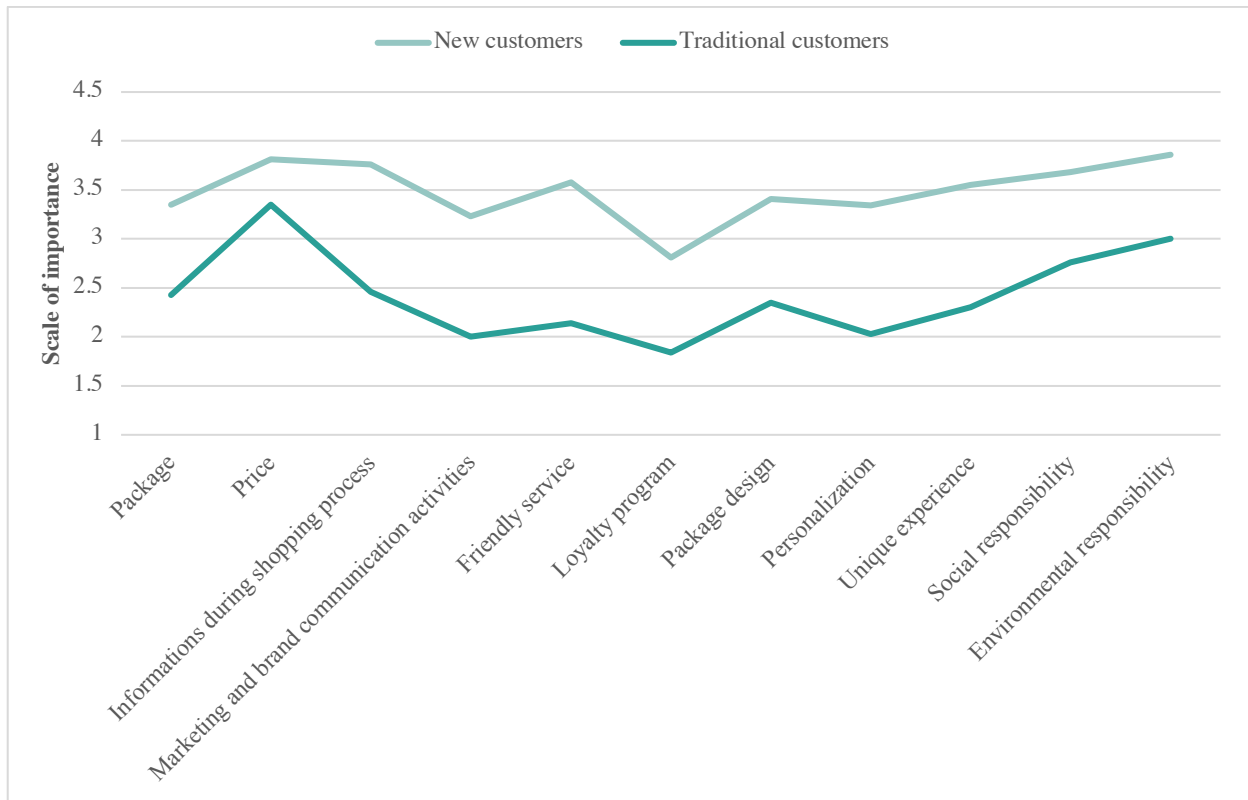
characteristics. In other words, they pay less attention to the different relationship. The average scores of all service characteristics on a scale from 1 to 5 are marked at 3 or less than 3: Environmental responsibility (m=3.00), Social responsibility (m=2.76), etc. We named them “traditional customers”. Analysis of factor affecting customer experience are presented in Table 13 and Figure 22.

*Table 13: Cluster grouping of respondents and factors affecting their customer experience*

	Groups	
	New customers	Traditional customers
Environmental responsibility	3,86	3,00
Price	3,81	3,35
Information during shopping process	3,76	2,46
Social responsibility	3,68	2,76
Friendly service	3,58	2,14
Unique experience	3,55	2,30
Package design	3,41	2,35
Package	3,35	2,43
Personalization	3,34	2,03
Marketing and brand communication activities	3,23	2,00
Loyalty program	2,81	1,84

*Source: Own work.*

Figure 21: Factors affecting customer experience



Source: Own work.

Further in the analysis, we wanted to see what the characteristics of both groups were. As we can see from the Table 13 below, the highest percentage of new customers (45.9%) comes from the 26-35 age range. The same applies to the traditional customers. The highest percentage of traditional customers (43.2%) is 26-35 years old, that we can see in Table 14.

Table 14: Respondent groups' age

			Age group				Total
			do 25	26-35	36-45	od 46	
Groups	New customers	f	14	51	18	28	111
		f%	12.6%	45.9%	16.2%	25.2%	100.0%
	Traditional customers	f	5	16	11	5	37
		f%	13.5%	43.2%	29.7%	13.5%	100.0%
Total		f	19	67	29	33	148
		f%	12.8%	45.3%	19.6%	22.3%	100.0%

Source: Own work.

Regarding participants' education, from the table below we can see that the highest percent of new customers have finished college (55.00%). The same applies to traditional customers. The highest percentage of traditional customers (40.5%) has finished college.

*Table 15: Respondent groups' education level*

			Education				Total
			High School or less	Professional degree	Bachelor's degree	Master's degree or doctoral	
Groups	New customers	f	19	4	61	27	111
		f%	17.1%	3.6%	<b>55.0%</b>	24.3%	100.0%
	Traditional customers	f	12	2	15	8	37
		f%	32.4%	5.4%	<b>40.5%</b>	21.6%	100.0%
Total		f	31	6	76	35	148
		f%	20.9%	4.1%	51.4%	23.6%	100.0%

*Source: Own work.*

Regarding the number of people in participants' households, from the Table 16 below we can see that the highest percentage of new customers lives three people to a household (32.4%). However, the highest percentage of traditional customers lives with either three or four people in one household (27.0%).

*Table 16: Respondent groups' households*

			Including yourself, how many people are in your household?					Total
			One	Two	Three	Four	Five or more	
Groups	New customers	f	12	33	36	20	10	111
		f%	10.8%	29.7%	32.4%	18.0%	9.0%	100.0%
	Traditional customers	f	3	9	10	10	5	37
		f%	8.1%	24.3%	27.0%	27.0%	13.5%	100.0%
Total		f	15	42	46	30	15	148
		f%	10.1%	28.4%	31.1%	20.3%	10.1%	100.0%

*Source: Own work.*

Regarding the size of participants' budgets for hair products, we can see that the highest percentage of new customers (37.8%) spends up to 15 euros, then 28.8% spends 15-25 euros, and 24.3% spends 25-50 euros. Likewise, the highest percentage of traditional customers

(62.2%) spends up to 15 euros for hair products. Results based on our analysis are presented in Table 17.

*Table 17: Respondent groups' spending habits*

			How much money on average do you spend on hair and body beauty products per month?				Total
			Up to 15 €	15 € – 25 €	25 € – 50 €	50 € and more	
Groups	New customers	f	42	32	27	10	111
		f%	<b>37.8%</b>	28.8%	24.3%	9.0%	100.0%
	Traditional customers	f	23	9	5	0	37
		f%	<b>62.2%</b>	24.3%	13.5%	0.0%	100.0%
Total		f	65	41	32	10	148
		f%	43.9%	27.7%	21.6%	6.8%	100.0%

*Source: Own work.*

Regarding the social media platform that the participants use, we found out that the highest percentage of new customers (48.6%) use Instagram. However, the highest percentage of traditional customers (56.8%) use Facebook. Results from respondents answers regarding social media usage are presented in Table 18.

*Table 18: Respondent groups' social media platforms usage*

			What social media platform do you use the most?				Total
			Facebook	Instagram	YouTube	Twitter	
Groups	New customers	f	46	54	4	7	111
		f%	41.4%	<b>48.6%</b>	3.6%	6.3%	100.0%
	Traditional customers	f	21	8	5	3	37
		f%	<b>56.8%</b>	21.6%	13.5%	8.1%	100.0%
Total		f	67	62	9	10	148
		f%	45,3%	41.9%	6.1%	6.8%	100.0%

*Source: Own work.*

Further in the analysis we wanted to check what the personal characteristics were shared by both groups of participants. Results show that all personal characteristics are more developed for the first group.

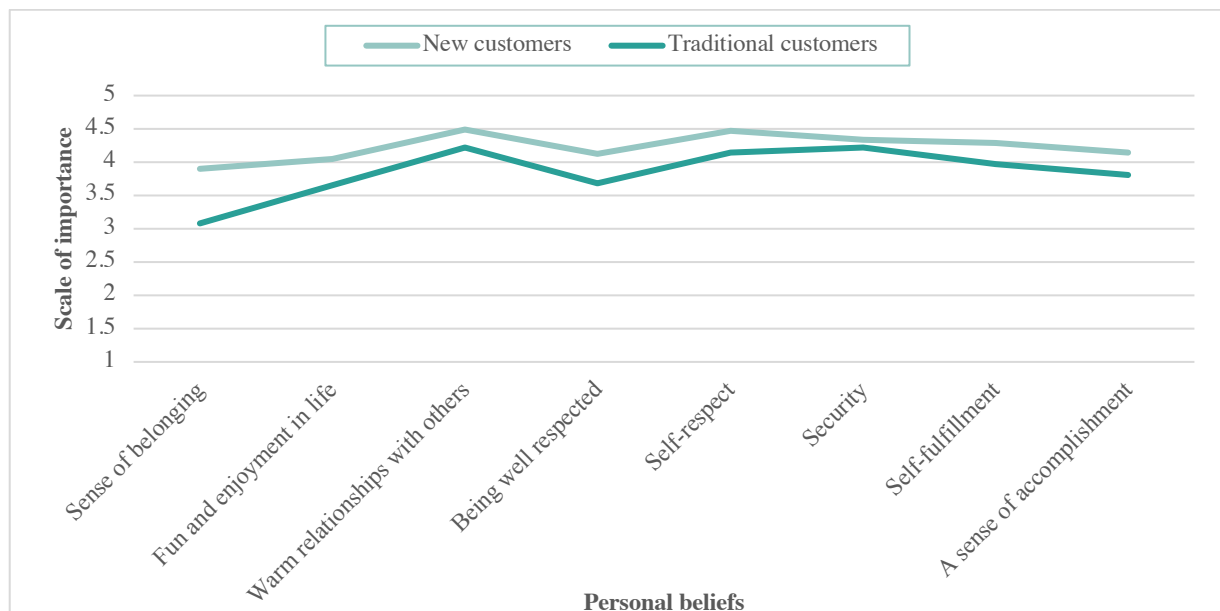
The Mann-Whitney U test showed that new customers on average feel a higher sense of belonging ( $m=3.90$ ) compared with traditional customers ( $m=3.08$ ),  $p=0.000$ . New customers are also more respected ( $m=4.12$ ) compared with traditional ones ( $m=3.68$ ),  $p=0.023$ . They are also more self-fulfilled ( $m=4.29$ ) compared with traditional ones ( $m=3.97$ ),  $p=0.047$ . Results from our analysis are presented in Table 19 and Figure 23.

*Table 19: Respondent groups' personal beliefs*

	Groups		p value
	New customers	Traditional customers	
Sense of belonging	3.90	3.08	<b>0.000</b>
Fun and enjoyment in life	4.05	3.65	0.115
Warm relationships with others	4.49	4.22	0.553
Being well respected	4.12	3.68	<b>0.023</b>
Self-respect	4.47	4.14	0.062
Security	4.34	4.22	0.973
Self-fulfillment	4.29	3.97	<b>0.047</b>
A sense of accomplishment	4.14	3.81	0.115

*Source: Own work.*

*Figure 22: Respondent groups' personal beliefs measured on a scale from 1 to 5*



*Source: Own work.*

The following hypothesis H2: The “new consumers” no longer accept traditional marketing initiatives but demand a different relationship, was confirmed. Since the analysis was based on



our online questionnaire, the results cannot be applied for the whole population. In our opinion a further research with more detailed in-depth interviews with different segments is needed.

#### 4.5.5 Limitations

Online questionnaires in general are very easy to create and are cost-effective; they also reach a significant number of people. Respondents can answer the questionnaire according to their own pace, chosen time, and preferences. Some say that respondents may be more willing to share personal information because they are not disclosing it directly to another person. Despite the stressed anonymity of the questionnaire, there is still a chance that some respondents gave answers that are more socially acceptable rather than honest. Before distributing the online questionnaire, we checked its interpretation with an independent third party; however, some responses can still lead to unclear data, because some individuals may interpret some questions differently. Those factors can therefore lead to incorrect findings and conclusions. Our chosen method was structured online questionnaire with close ended questions, which may lead to limited outcomes. Respondents had limited options for their response, based on our selection of possible responses. Therefore, we can say that results cannot represent the actual occurring.

Even though online questionnaires are useful research tools for our study, which aimed to gather a large sample of respondents, deeper customer insights and honest answers would be more forthcoming by conducting in-depth interviews with the participants. Moreover, the sample is comprised of 148 respondents and so cannot represent the whole segments of hair and body cosmetics products customers. A further limitation to this questionnaire is that respondents were invited to participate in this study via email or social media within our own social circles. Therefore the results might not represent all of Subrina's segments. A larger sample would therefore lead to more accurate findings.

### 4.6 Results discussion

#### 4.6.1 Research conclusions

*Subrina employees' perspective vs. customers' perspective about the brand*  
In order to be able to compare views about Subrina brand from its employees' perspective and consumers' perspective, we set questions regarding brand attributes in the survey for consumers, as well as in the interviews for the employees. Results show that employees have a very positive attitude towards the brand and describe Subrina as high-quality, traditional, affordable, and reliable brand. On the other hand, customer opinion about Subrina is still positive, but has a lot of room for improvement. They see Subrina as: local, recognizable, reliable, conservative, and outdated. Results, conducted from the survey and interviews clearly show that customers' and employees' opinions are not aligned, but should be if the brand wants to make a step forward. Results are also presented in the Table 20.

Table 20. Attributes that describe Subrina

SUBRINAS ANSWERS	CUSTOMERS ANSWERS
Quality	Local (25.2%)
Traditional	Recognizable (19.6%)
Affordable	Reliable (13.25%)
Reliable	Outdated (11.10%)
	Conservative (10.0%)
	Professional (9.10%)

Source: Own work.

In order to match the company and customers' views, they need to focus and keep building brand attributes: Quality and Affordability. Employees strongly believe that Subrina has exactly those two attributes, which they emphasize throughout the interviews. However, they do not communicate their good quality a lot and it is necessary, if they want to improve awareness about the quality of the products. On the other hand, 43.9% of our survey respondents are willing to pay up to €15 on hair and body beauty products per month. This comes in handy for the Subrina brand, because one of its core attributes is affordability. What is more, they should work towards improving the negative attribute: Outdated and Conservative and focus to be more modern.

#### *Positive customer experience*

A positive customer experience is key to brands' success. Keeping a customer is way cheaper than attracting new ones and also customers are more likely to talk about negative customer experience than positive ones. That is why providing a positive customer experience is vital. Based on our research, we can say that Subrina's customers care about their experience, because more than 79.3% think that a positive experience is very important. What is more, 59.5% respondents are also willing to pay more for a great customer experience. Based on our research we can say that 50.50% of respondents who know the Subrina brand and already bought their product graded their experience with at least 4 points (out of 5) in the terms of Pleasant, Good and Satisfactory. Moreover, Subrina's employees also believe that their brand offers a positive customer experience. However, they should be working towards increasing the percentage of customers that had a pleasant customer experience.

Additionally, we found that there is a correlation between a positive customer experience and brand loyalty. 39% of respondents answered that they will buy Subrina's product again. The results show that there is a strong positive correlation between a customer's good experience and their loyalty ( $r_o=0.769$ ,  $p=0.000$ ). Furthermore, the results show that there is a strong positive correlation between a customer's pleasant experience and their loyalty ( $r_o=0.666$ ,  $p=0.001$ ). The same applied to the satisfactory experience. The results show that there is a strong positive correlation between a customer's satisfactory experience and their loyalty ( $r_o=0.731$ ,  $p=0.000$ ). All correlations are statistically significant at the 0.05 level.

As mentioned in our literature review, marketers need to review consumer behavior and understand the needs of the “new customer”. It is therefore crucial to understand how Subrina’s customers behave, how they experience brands, and how to provide an appealing brand experience. Our research shows that for “Subrina’s new customers” the following attributes are important: environmental responsibility, price, information during the shopping process, and social responsibility. If Subrina wants to attract them, it should focus on these attributes to provide an amazing customer experience.

### *Communication channels*

Brand attributes are not the only thing that differs between traditional and new customers. New customers are online all the time, checking the phone 10 times per hour on average, and demands more and more. This is also something that Subrina has to take into account when making a communication plan. Based on the interviews conducted with employees, their main media channel is TV, where in their opinion they reach mass audience. Besides television, they also use point of sale marketing and social media. However, their communication is not very well integrated, but should be nowadays, because integrated communications are more individual, personal, and interactive, and are made for building those relationships that a brand should aim to build with customers nowadays. What is more, there is the widespread belief that mass media communications are less and less effective because of the amount of information clutter (De Pelsmacker, Geuens and Van den Bergh, 2013). What is more, our research shows that TV advertisements rarely stimulate customers to buy hair and body beauty products. Together, 69% of respondents answered that TV advertisements “never” and “rarely” stimulate them to buy beauty products. On the other hand, 47.9% answered that social media occasionally, frequently or always triggers to buy beauty products. TV as a media channel is fine for reaching mass market, but it is highly advised that they integrate other communication channels with it in order to provide consistency and maximum communication impact.

### *Brand personas*

As mentioned before, at the time of information saturation, it is necessary to have a better understanding of consumers, their behavior, and their preferences. The collected data can anticipate their needs in advance and we are there when they need us. By doing this, we are building a positive customer experience that will ensure their return. Based on our research, we categorized respondents into two groups: new customers and traditional customers. Within each group we formulated two brand personas that represent the main characteristics within the group: Barbara is a representative of a new customer and Nataša is a representative of a traditional customer.

#### Brand persona – Millennial Barbara

##### *Biography*

Barbara is 27 years old. She finished her studies at the Faculty of Social Science and is working on her master’s thesis. During her studies she worked in a large corporate company but she realized that kind of work environment was not for her. She is determined to finish her master’s

thesis and find a job in marketing or the PR department of a small company. Every year she goes on a big low-budget backpacking trip to explore the world and experience new cultures. She moved out of her parents' house while finishing college and lives in a shared flat with two flat mates in Ljubljana's center. She loves to be outdoors and eat healthy, despite living on a budget. She would love to settle down and start a family in the future.

#### Demographics:

- mid-20s;
- just finished with college and is on the hunt for a job;
- millennial;
- single, no children;
- lives in city center;

#### Values:

- values time spent with friends;
- she wants a healthy work/life balance;
- having a career is important to her, but she would like to be a part of a small team, doing something meaningful, where she feels valued;
- cares about the environment;
- high-quality products over international brands;
- when buying products, their origin is important;
- weekends are reserved for short trips with family and friends outdoors;
- other opinions and reviews mean a lot.

#### Behavior:

- Checks Instagram and Facebook before getting out of bed and going to sleep.
- Monthly shop for fast fashion online/app.
- She is always on the hunt for a new product and better prices, therefore she is not loyal.
- Automatically opens Facebook when lonely, Instagram when uninspired.
- “Healthy” is a daily commitment to eating right.
- She is a part of “how to” generation.
- Capturing and sharing moments on social media.
- She follows influencers on social media for a daily dose of inspiration.

#### Media:

- apps: Instagram, Facebook, Twitter, Pinterest, TripAdvisor;
- video: Netflix, TEDTalks;
- written: daily news – MMC, siol.net, trend/travel blogs, self-help and growth books;
- email list: Asos, Revolve, Premium Career Group.

### Typical day

She wakes up and checks her phone while she is still in her bed. She usually checks Twitter for quick news and follow up what her friends are up to on Instagram. She goes on a morning run and eats a healthy smoothie afterwards. During the day she is working on her thesis. In the meantime, her phone is disconnected from Wi-Fi so she does not get disturbed. During breaks she catches up on social media and news, and then cooks lunch. After writing sessions she looks for job vacancies and meets up with friends for a drink in the city. Before going to sleep she watches her favorite TV show on Netflix.

### Brand persona – Traditional Nataša

#### Biography

Nataša is a 39-year old high school teacher, living in the suburbs of Ljubljana. She also has a son and daughter and loves spending her free time with them. She has been working as a teacher at the same school for 10 years and she loves it. Because she appreciates spending time with her family a lot, she is happy to finish working around 2 p.m. and afterwards spends time with them. She has a garden and enjoys working in it. She also loves traveling and hiking. She is very active and likes to keep her body in shape. She usually goes cycling with her husband, on Saturday mornings, when her kids are still sleeping.

#### Demographics:

- late 30s;
- has a family and takes care of it;
- she is a teacher in high school;
- generation X;
- lives in the suburbs of Ljubljana.

#### Values:

- When she finds products that she likes, she is loyal.
- She values good-quality products and appreciates good prices. Value for price is important for her.
- Follows trends via kids, from stores merchandise and advertisements.
- Prefers local products.

#### Behavior:

- Hard working and passionate worker.
- Values time spent with family.
- She is somewhat familiar with computers; however, her kids are teaching her new tricks every day.

- She started to use social media because of the hype and to see what are the kids doing, now she loves it and spends a lot of time online.
- Active and takes a good care of her health.

#### Motivation:

- She likes to feel like a credible worker.
- She does not live to work, but she works to live.
- A healthy work/life balance
- Likes to keep thing light and amusing

#### Media:

- Newspaper, Lifestyle magazines.
- TV: news, her favorite show.
- Apps: Facebook, Instagram, 24ur.
- Topics: cooking, gardening, kids, health, active life.
- Prefers audio visual materials.

#### Typical day

Nataša gets up early in the morning in order to make breakfast for her family. In the meantime, she listens to the radio to hear the most relevant news. She takes her children to school and goes to work. She is a teacher and works on her computer, to get ready for lectures. She likes to look for some articles online, to gain some new knowledge about her teaching techniques. She finishes at 2 p.m., and then goes to grocery store and picks her kids up at school. She makes lunch for the family and then spends time with her kids at the park.

In the evening she loves to watch the news and later checks her Facebook profile to get updates from her friends.

If we want to meet our goals, we need to start addressing the new target segment – the millennial Barbara – with the right tactics, and better get to know our older segment – the traditional Nataša – who in our opinion is already a customer. In order to achieve these goals, we need to involve all stakeholders – to work towards achieving common goals.

#### 4.6.2 An integrated digital marketing strategy for the Subrina brand and identification of key touchpoints

Based on Kotler (2003) companies should meet three conditions in order to form a unique strategy: define a clear target market and need, develop a distinctive and winning value proposition for the market, and arrange a distinctive supply network to deliver the value proposition to the target market. As we stressed in our literature review an effective marketing

strategy is crucial and can serve as a road map for the entire business, which helps an organization communicate effectively and meet core organizational objectives, not only its marketing activities (Financier Worldwide Magazine, 2014).

With our empirical study that was based on two different views – the company and consumer view – we found out the importance of well-designed and structured integrated marketing strategy. Nowadays, internet usage is so widespread that brands have no choice but to engage in online activities in order to reach the new consumer. Subrina is already using some online tools, but there is still room for improvement. Because consumers are no longer accepting traditional marketing initiatives, the current marketing activities that Subrina is using now should be adapted so the brand can achieve the best possible results and offer a desirable customer experience. To make sure that the communication strategy can reach its potential, we have to make sure that employees that are in charge of the Subrina brand are familiar with the parameters we have set, and further that they agree with them. Based on the interviews conducted, we can see that all interviewees are familiar with the importance of social media and they are also willing to accept changes. A few of the interviewees stated that in 50 years they see Subrina ranked even higher, but that they should move closer to younger customers with their communication. We believe that getting closer to millennials is possible way before that, with only minor changes in their communication strategy.

#### *Why integrated digital marketing strategy?*

An integrated digital marketing strategy helps us identify marketing goals and set the right tactics to achieve them afterwards. It is the tool that helps us set the right messages for the relevant brand personas, through the right and applicable channels. It can also help a brand adapt to the drastic change in consumer behavior. According to De Pelsmacker, Geuens and Van den Bergh (2013). the focus of integrated communication should be to build a relationship with consumers, open dialogue between a brand and its consumer, provide needed information, soft sell, and more.

As mentioned in this master's thesis, it is crucial to understand “the new consumer” and their consumer decision journey, which has mostly relocated online. Emerging technology has given consumers the chance to be online more than ever and has also given them more power than ever. To conclude, putting the consumer first, understanding their behaviors, and shaping their customer experience based on their needs are crucial. Also, being consistent with the communication and tools that are a part of consumer decision journey is crucial, because even customers expect the touchpoints to be integrated, no matter what their preferred medium is.

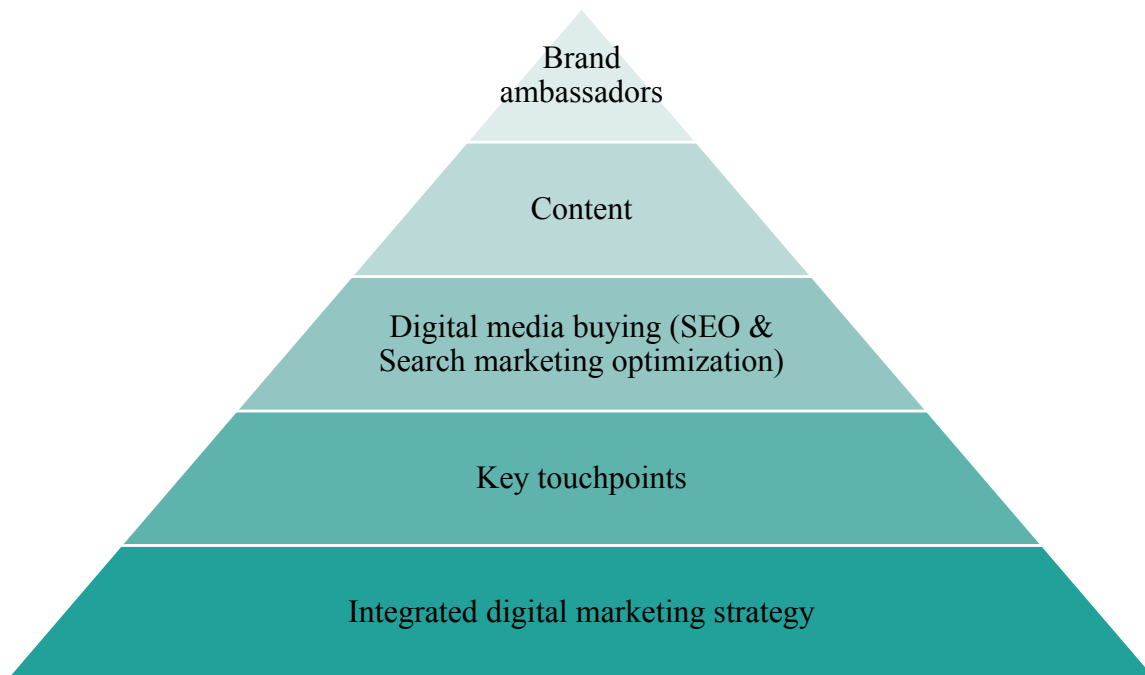
With our empirical study we also identified the main challenges that Subrina brand might face:

- Define realistic, yet ambitious goals for marketing and communication activities that will support the Ilirija's business vision (growth), despite the budget constraint in comparison to their competitors.

- Suggest integrated communication among all channels, which demands collaboration among all departments.
- Unify the activities of all departments (sales, marketing, R&D) with core communication objectives.

Based on our literature review and professional experiences we gained while working at a marketing agency we identified Subrina's integrated digital marketing strategy, key digital touchpoints, and tactics in stages that are presented in Figure 24.

*Figure 23: Stages and activities in digital environment*



*Source: Own work.*

#### *4.6.2.1 Stage 1: Integrated digital marketing strategy*

The plan for the preparation of a communication strategy is based on the analysis of the organization and the environment in which it operates. Strategic planning starts with an analysis of consumer needs, trends and market positioning.

Our integrated digital marketing strategy is based on four strategic questions that we identified in our literature review: Why? (Goals), Who? (Audiences), What? (Messages), Who? (Audiences), and How? (Tactics). We have visualized our strategic questions in Figure 25.



*Figure 24: Strategic questions*



*Source: Argenti, Howell & Bec (2005).*

### *Communication goals*

#### 1. Goal:

Change consumers' perceptions about Subrina from conservative and old fashioned to those features that employees believe Subrina is and what their vision is: modern, quality, innovative – to reinforce these three attributes and at the same time keep the attributes affordable and traditional.

#### 2. Goal:

To have an integrated communication strategy at all levels: below the level (BTL) and above the level (ATL) activities such as TV advertisement, website, social media, corporate identity, point-of-sale communication). To be consistent and modern on all channels and touchpoints during the customer journey.

#### 3. Goal:

Get to know consumers and start having bilateral communication (dialogue) with them, and create two brand personas instead of one with an age range that is too broad.

### *Audiences*

When setting the strategy, among other tasks, there is one very important task that many authors emphasize repeatedly: knowing the customer. With the definition of market-communication goals we emphasized that we want to get to know our customers, acquire a younger population, and offer them a good customer experience. To achieve those goals, we must firstly refresh their perception of the Subrina brand and raise brand awareness. Based on the results from our

research we formulated two brand personas that represent the main characteristics of Subrina's target audiences – "Millennial Barbara" and "Traditional Nataša".

### *Tactics*

As we discussed in our empirical study, the borders between online and offline channels are becoming increasingly blurred and customer experiences are becoming comprehensive, all-embracing, and indifferent to the channel through which the message was delivered. Our main question in this part was - how can the digital customer experience contribute to a better overall experience?

Customers do not think about their experiences and do not classify their feelings in digital and non-digital channels. It is only important for them to communicate with the brand in the most convenient way. Today, when mobile data rates are so high, this in an increasing number of cases means online. Experience shows that it is necessary to combine the interpretation of data from several sources in order to truly know the consumer. For example, we can combine data obtained from website analytics and data from social networks. If we are successful in doing so, we can adapt our content to the target audience even more appropriately. Tools and communication channels consumer use are visualized in Figure 26.

*Figure 25: Customer digital channels and platforms*



*Source: Own work.*

The consumer, their needs, and their wishes are placed at the starting point, and at the same time serve as an instant proof of performance, since newly formed shopping routes and message systems have been tested immediately and improved according to the results from the field – the internet. The means and tactics of the digital consumer experience, however, must also

ensure smooth integration with existing, non-wired channels and past the sales and purchasing routes. We divided digital communications channels into two different groups – owned and not owned. Subrina has to work on both to achieve the desired customer experience and goals.

Owned:

- Social media (FB profile – <https://www.facebook.com/subrina.official>, Instagram profile – <https://www.instagram.com/subrinahaircare/?hl=en>, YouTube channel – <https://www.youtube.com/channel/UCoHo8kU6nYoB5W7STCKRqsg>)
- Website (<https://www.subrina.si/sl/>)
- Online shop (<https://www.click2chic.si/>)
- Blog posts (<https://www.click2chic.si/>)

Not owned:

- Brand ambassadors' channels (social media channels, blogs and websites)
- Customer social media profiles
- Forums
- Life – style online magazines and websites

Brands are often unaware of the fact that they can simply ask their potential and existing customers what they want. A modern advertising environment is made of bilateral communication channels in which consumer feedback is of great importance. A company should encourage this. During our work experience, we noticed that customers are more willing to respond to more added-value content, which can help increase brand awareness; that is why we came up with the 70-30 rule, where 70% of content should have some value added and 30% should be product-oriented, to get better results. Yet, social media is flooded with posts from different brands and that is why brands should deliver well-prepared content if they want users to notice it, or even more, be engaged.

#### *4.6.2.2 Stage 2: Key touchpoints*

Our research led us to the conclusion that digital channels play a significant part of consumers' everyday life, so Subrina's role in the digital world, especially on social media, is crucial for gaining brand awareness. Touchpoints on digital channels are designed to complement experiences, enabling consumers to switch between channels without having to repeat the information. In addition, the consumer may simultaneously use several channels. Our identification of Subrina's touchpoints are presented in Table 21.

*Table 21: Subrina's digital channels typology*

<b>Functional</b>	<b>Social</b>
Subrina's website E-shop (Click2Chick)	Subrina's Facebook page Subrina's Instagram page
<b>Community</b>	<b>Corporate</b>
Brand ambassadors Forums YouTube videos	Native advertisements SEM Remarketing ads

*Source: Own work.*

For a better understanding we divided key digital channels into four functional groups, to get a better understanding for what purpose is used. Results are presented in Table 22. In our empirical part we explained what the function of each group was:

- Functional group: unilateral communication channels, where Subrina presents its range of products and information about them, such as where to buy it, how to use it, etc.
- Social group: this group is extremely important to build a relationship with their customers and start a bilateral communication.
- Community group: to attract new customers on different channels and invite them to visit their functional and social channels.
- Corporate group: to attract new customers also on different channels that are not owned by Subrina and trigger them to buy Subrina products.

Table 22: Elements of Subrina's touchpoints

Digital touchpoint	Description	Elements included	Purpose	Interaction	Brand persona
<b>Subrina's website</b>	Owned by Subrina	<b>Atmospheric</b> , technological, <b>communicative</b> , product interaction elements	Interaction Functional Awareness	Medium	"Traditional Nataša"
<b>E- shop Click2Chic</b>	Owned by Ilirija	<b>Atmospheric</b> , technological, communicative, product interaction, <b>process</b> , employee-customer interaction	Functional Sales	Medium	"Millennial Barbara"
<b>Subrina's Facebook page</b>	Owned by Subrina brand	<b>Communicative</b> , atmospheric, employee-customer interaction	Awareness Promotion	Medium-high	"Millennial Barbara" & "Traditional Nataša"
<b>Subrina's Instagram page</b>	Owned by Subrina	<b>Communicative</b> , Atmospheric, employee-customer interaction	Awareness Promotion	Medium - high	"Millennial Barbara"
<b>Brand ambassador</b>	Owned by brand ambassador	<b>Customer-customer interaction</b> , atmospheric, technological, communicative	Awareness	High	"Millennial Barbara"
<b>Forums</b>	Not owned	<b>Customer-customer interaction</b> , communicative	Information	Medium-high	"Traditional Nataša"

*"(table continues)"*

“(continued)”

<b>YouTube videos</b>	<b>Owned &amp; not owned</b>	Customer-customer interaction, <b>indirect product interaction</b>	<b>Information, Awareness</b>	<b>Medium</b>	<b>“Millennial Barbara”</b>
<b>Native advertisements</b>	Not owned	<b>Communicative,</b> atmospheric	Awareness Information	Medium	“Traditional Nataša”
<b>Remarketing ad</b>	Owned	<b>Communicative,</b> atmospheric, <b>product interaction,</b> technological	Awareness Promotion	High	“Millennial Barbara”
<b>SEM</b>	Owned	<b>Communicative,</b> atmospheric, technological, product interaction.	Awareness Information	High	“Millennial Barbara” & “Traditional Nataša”
<b>Digital ads</b>	Owned	<b>Communicative, atmospheric,</b> product interaction, technological	Awareness Promotion	Medium	“Millennial Barbara” & “Traditional Nataša”

Source: Own work.

Following Stein and Ramasesehan’s (2016) research, we identified elements of Subrina’s touchpoints, and summarized them in Table 21 above. The ones bolded refers to the element being stressed according to the findings from our research. Atmospherics and communicative and product interaction could be recognized in all of the touchpoints. From this we can conclude that it is important to pay attention to the visual, product, and communication experience. Despite the fact that consumers do not intentionally pay attention to brand communication, they nonetheless consciously experience it. During those touchpoints, consumers are most likely to be influenced by the Subrina brand.

In this master’s thesis we stressed how today’s consumers are extremely educated, critical, and demanding. We learned from the literature and results from the questionnaire that the focus has shifted from offline touchpoints to digital touchpoints. Digital touchpoints can provide Subrina with new ways of interacting with its consumers and start to build a relationship also with a younger population such as “Millennial Barbara”. Digital touchpoints presented above have a lot of potential and do not require an enormous budget.

#### *4.6.2.3 Stage 3: Digital media buying*

We did a fast and simple analysis, where we typed some keywords associated with Subrina products into Google search. Keywords associated with the Subrina brand included: hair care, shampoo, hair shampoo, body care, hair color, etc. The results were quite disappointing since Subrina was never near the top of search results. This simple analysis can show us that if we cannot find Subrina near relevant topics, the consumer cannot either.

Search engine marketing offers plenty of opportunities to reach relevant users, in all parts of the decision-making journey, but the presence on search engines must be well thought out. This can give Subrina the opportunity to place their ads directly to interested users who have explicitly expressed their desire for their product with the entered search term. This means that Subrina can catch customers with paid search ads at the moment they are most open to getting new information or when they are ready to buy.

Subrina must be ready to have an appropriate strategy to appear and to ensure the proper optimization of advertising campaigns to avoid potential problems and to achieve the best results with regard to the funds invested. Therefore, it is crucial to set a media buying strategy to allocate the budget in order to achieve goals – reach “Millennial Barbara” and “Traditional Nataša” at the moment when they are the most likely to be influenced. Digital media buying also offers a wide flexibility since our campaigns and ads could be adjusted and optimized during the campaign based on real time results. Due to its technical capabilities the digital environment offers advertisers the opportunity to target consumers more effectively, enabling them to deliver customized advertisements depending on the interest and taste of each user separately. Other media also offers consumer targeting options, but the digital provides a level of targeting that cannot be used in other media. Targeting excludes unnecessary waste, since it allows the ads to be distributed only to interested consumers or to our target audience.

#### *Native advertising – sponsored online magazines articles*

Native advertising is a buzzword that has become trendy in recent years; it means that advertising imitates the form of web content or is very good with the content of an online magazine. Ad formats are both in terms of format and function consistent with the user experience. The purpose of this type of advertising is that paid advertising appears less intrusive, thereby increasing the likelihood of clicks on ads. In many cases, they appear either as an article or as a video that the advertiser prepares for the promotion of the product, but at the same time the ad has a form and style, which is very similar to the announcements of the editorial board of the platform, media. These ads are effective primarily for the sake of better user experience and different perceptions of advertising messages, as users recognize the advertising message as delivering quality content or, good information. Google's sponsored links and Facebook newsfeed ads count as native ads. In Slovenian media native ads count as sponsored articles. In our content plan we already prepared such content that could be used in this form of digital advertising.

### *Programmatic advertising (personalization and remarketing)*

Throughout this thesis we emphasized how important it is to reach customers – at the right time, on the right channel, with the right message, and now we can also add for the right price. The hot topic in digital advertising in recent years is also “programmatic advertising”, which helps marketers accurately target users and make their campaigns more effective, both in terms of lower costs and better results. When targeting the target audience, segmentation of the audience by gender, age group, geographical location, and similar interests and preferences is enabled. Therefore, the ads that appear within the selected audience are shown based on their interest and search habits. Programmatic advertising with the help of cookies also allows us to “follow” the customer. Customers leave behind the trail of their shopping habits, the websites they have visited, the content they are interested in, search keywords, etc.

With Subrina’s two brand personas defined we can easily set customer journeys and target them with the right messages and information about Subrina products. By retargeting users who have already visited a Subrina website we can display ads to redirect users to Click2Chic website, where they can actually buy Subrina products.

Another example is when a user searches how to get rid of dandruff, we can show them ads that would display Subrina’s shampoo for dandruff. With programmatic advertising the options are almost limitless. It only depends to what extent a brand is willing to use it in their digital marketing strategy.

### *Search engine marketing (SEM)*

Staying relevant and visible on the market, crowded with information, is one of every brand’s primary goals. Search engine marketing ensures that the brand occupies a position where a web search is transformed into a purchase path. Search marketing is intertwined in modern advertising strategies in all stages of the shopping route. Consumers look for additional information at each step towards the ultimate goal, which means that the search marketing strategy must be adapted to the entire purchase funnel, not just the final stage.

#### *4.6.2.4 Stage 4: Content*

We analyzed Subrina's social media profiles and saw that their current communication is more or less unilaterally based, very straightforward and mostly product oriented. Product oriented photos can work well with the audience; however, there should be a fine mix between different types of content. Generally, they use good-quality photos, but at first glance all social media posts look the same, which is on one hand good for keeping the brand’s image; however, on the other hand if we look from customer’s perspective it is very dull and boring. This all results in low engagement (likes, comments, and shares) per social media post. What is more, they use the same content on Facebook and Instagram. Different social media platforms are targeted for different audiences and they have different reasons to follow pages. Cross- promotion across



different platforms is on the other hand very desirable. An example of Subrina's social media content can be found in Appendix 4.

#### *Advice content*

Subrina is a generally trusted brand that has been on the market since 1958. When it comes to hair and body care and products, they have prodigious experience and knowledge. What is more, Subrina's professional academy and their advice could be implemented into their social media strategy to serve as a credible source of information directly from the professionals. The Subrina professional team could make short video clips and blog posts with tips and tricks on how to take care of users' hair and bodies. For example: how to create beach waves at home, tricks for preventing hair color from fading, new beauty trends, and more.

However, we found some blog posts in their Click2chick website and social media posts that are posted to their Subrina professional Facebook page, which targets professional hairdresser. However, we believe that the content is more relevant for the "everyday user". The main goal is to spread this content through different channels and adapt it for each channel specifically.

#### *Engaging content*

People nowadays use social media in their free time, so they expect content to be fun and engaging. Some ideas that Subrina could implement:

- Fun quiz – with the headline: "Answer questions and discover which hair color suits you best!" This quiz would engage fans and at the same time give them valuable information about Subrina products.
- Chat bot – where customers would be able to ask questions directly, spread information about new products, and interact with the brand easily. This way, the brand gives customers the feeling that it is welcoming and willing to give them professional advice.
- Reward contest – such as "Total transformation by the Subrina professional team", where fans could post their photos and give Subrina reasons why they are the right fit for a total makeover. Subrina could give samples of their products as a reward for those who participated; in doing so they would also give their fans an opportunity to try and test their products.
- Write a review and earn new product sample.

#### *Lifestyle content*

Users usually go to social media and other digital platforms to find inspirations and ideas. That is where Subrina can post photos with different hair styles and show which product was used for it, share tips for beautiful hair, and, more importantly, use people in the photos with different colors and lengths of hair. For Instagram stories, some behind-the-scenes content could be used and along with some tricks that could be done with the products.

### *Brand awareness – guerilla content*

As we seen in our research customer care about social and environmental responsibility, 55.4 % of customers are even willing to pay more for products that value social responsibility and 64.2 % of customers are willing to pay more for products that value environmental responsibility. Subrina’s products are not tested on animals, which is one of the benefits that could be emphasized in their communication.

Subrina could also prepare a guerilla campaign that would have a social responsibility clause and on the other hand help to increase brand awareness. Guerilla marketing can increase the amount of traffic that comes into the company without spending a lot of money, so it can be defined as a means to obtain maximum results with a minimum budget. Guerilla marketing allows companies that are smaller to compete more effectively with large companies. With guerrilla marketing, the possibilities are endless, just like our imagination. One guerilla campaign that shows social responsibility could be to offer a haircut by their team for elderly people who live in retirement homes. For environmental responsibility they could react to plastic pollution and create a shampoo line with reusable plastic bottles, to show that they do care about the problem and are willing to do something about it.

For a better understanding we presented Subrina’s type of content and channels in Table 23.

*Table 23: Distribution of Subrina content across digital channels*

<b>Types of content</b>	<b>Channels</b>
Advice content	Social media (Facebook, Instagram, YouTube), Blog post, Native articles
Engaging content	Social media (Facebook)
Lifestyle content	Social media (Facebook, Instagram) and Native articles
Social, environmental responsibility – Guerilla content	Social media (Facebook, Instagram, YouTube), digital PR, Native articles

*Source: Own work.*

#### *4.6.2.5 Stage 5: Brand ambassadors*

Putting a face to the brand offers a real person to tell your story. Over the years, marketing with influencers has become a key tactic. Because of the trust that the influential people enjoy among their followers, they have become a popular tactic for reaching target audiences. Influential people are nowadays called “influencers”. They are individuals, often with a strong online presence, who have an above-average reach on the market and have a significant impact on purchasing behavior of consumers. They could be referred as the link between brand and

consumers. What all influencers have in common is the trust and relationship that they've built with their followers with their content (blog posts, video content, social network posts). With the rise of social media in the past years, especially Instagram, they've got even more power and have become a powerful new advertising channel. Because of this trust and loyalty, influential people with their recommendation can direct the followers to the advertiser's site, increase their reach on social networks, and also influence the actual purchase. When an individual recommends a particular product or service, it works much more reliably than if the company does it in classic advertising media.

However, blind tracking of effective tactics does not bring success, because – like all other components of marketing strategies – activities with influential people must be well thought out and planned to achieve (or even exceed) the goals of the communication strategy. As with any strategy, the co-operation strategy should also include the objectives, the plan, and key performance indicators that will properly evaluate the partnership. Cooperation with influencers should also be planned for a longer period, since we can not expect a turning point in our communication and sales results based on a single influencer post. It's also important to find the right person, who has same beliefs as a brand, as well as our brand persona.

#### *Ana Klačnjaja*

Subrina has recently launched a new TV campaign with famous Slovenian ballerina and TV personality Ana Klačnjaja. With this TV campaign they put a familiar and positive face to the brand. However, they did not use this collaboration to its maximum potential and incorporate it into their integrated marketing strategy. They could also use collaboration in their digital communication strategy, for example by creating some lifestyle content – what Ana Klačnjaja's hair routine at home looks like, a live video with Ana where fans could directly ask questions, create some photos and videos for their social media, and also for Ana Klačnjaja channels to spread the word with her fans.

#### *Collaboration with (micro and macro) influencers*

Nowadays social media influencers are the "IT" group online. In order to attract the "new" and young consumer it is a good tactic to find a few ambassadors that would be willing to collaborate and share their experiences, advice, and news with their followers. This type of collaboration can help us spread word of mouth and let someone else explain a story for us. Subrina can provide them with measurable, unique discount codes that they can distribute to their followers, and their performance will be measured by the number of conversions that are made through these codes. We propose a collaboration with micro influencers – smaller, more targeted influencers. Based on our experiences influencers with smaller audiences tend to have a more genuine relationship with them, we see greater loyalty and consequently a greater engagement.

Marketing with influencers has become a constant component of consumer communication especially in digital environments and the rapid development of technology makes it possible to achieve new dimensions. However, sometimes it is useful not to collaborate with some celebrities and more with lesser known figures. As mentioned before, those are called micro influencers, because they do not have enormous number of followers, yet they are well-accepted and followed among their peers and have a great influence on them.

## **CONCLUSION**

It is crucial for companies to have a strongly set strategy in order to achieve their economic goals. This strategy should be unique and hard to copy. Companies used to set strategies, which included well-controlled brand communication that drove their successful brand reputation. However, the rise of the internet has changed the world entirely. The internet has changed the way we live, work, and interact, and consumers are not the same as they used to be as a result. Nowadays consumers have more power and they are constantly online communicating and sharing information. They went from being passive to being active, they co-create content and search for information, which is easily available. This means that messages cannot be controlled that easily, but that companies must adapt to the market and they should also adapt their strategies, which should also include digital communication as well. Targeting used to be massive, but with social media it is much more specific. What is more, a consumer's journey does not end when a product is bought, but consumers interact with brands online afterwards. After a purchase, these consumers may remain aggressively engaged, publicly promoting or assailing the products they have bought, collaborating in the brands' development, and challenging and shaping their meaning. Therefore, touch points have changed in both number and nature, requiring a major adjustment to realign marketers' strategy and budgets with where consumers are actually spending their time.

Also touchpoints have changed with the rise of social media, in both number and nature, requiring a major adjustment to realign marketers' strategy and budgets with where consumers are actually spending their time. Therefore this era of marketing requires a major adjustment to realign marketers' strategy and budgets with where consumers are actually spending their time.

It is also crucial that communication is integrated, so that consumers have an equal message, wherever they interact with the brand and so the brands reach a maximum communication impact. However, it takes a lot of effort to establish IMC and one must understand marketing in an organization precisely. Brands have not adapted to the market needs effectively, but will absolutely have to in the future if they want to succeed, because competition is increasing with the internet and online opportunities.

That is why, we have developed and integrated digital marketing communication strategy for Subrina, based on our research, which consisted of in-depth interviews with employees that work with the Subrina brand and surveys with customers in order to get different point of views regarding the brand. We also wanted to get a better understanding of the brand to be able to develop an effective strategy that will help Subrina reach its target audience with the right messages, at the right place, and at the right time. Subrina is a well-known Slovenian brand with a long tradition, however it is not using its full potential to be even more efficient online. They are not using digital environment as they could, their communication is not very well integrated, and, more importantly, they have a long tradition and products of a good quality, but are not communicating their attributes effectively. Marketers have been aware of the change in consumer behavior: their research about the products and purchases, however, they are not reaching consumers at the moments that most influence their purchases. This shift means that marketers need to adjust their marketing plans and spending, and take the change in consumer behavior as the opportunity to be in the right place at the right time, supplying them with information and supporting their purchase decisions.

Although employees are well aware of the importance of digital marketing and also the importance of a good customer experience, which they are already providing, but is not digital enough. However, this analysis is proposed based on a small study, conducted for the purpose of this master's thesis to get a quick overview of the market. A much bigger and more thorough analysis could be done to get better market insight, and a more thorough analysis could be conducted within the company and a strategy on that basis developed afterwards.

Overall, the purpose and goal of this master's thesis have been achieved; even though it seems like a huge step forward, with little changes, such as integrating communication offline and online, using more social media, targeting customers and approaching younger customers, Subrina can provide a much better online customer experience and can become a progressive and modern brand that also millennials will adore and pay attention to.

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## **APPENDIXES**



## Appendix 1: Povzetek

Dobro zastavljena strategija je za podjetja ključnega pomena, da lahko zasegajo zastavljene cilje. Le-ta pa mora biti edinstvena in težka za kopiranje. Vse do sedaj so imela podjetja takšne strategije, ki so močno nadzorovala komunikacijo in skrbela za ugled podjetja. Z razvojem interneta to ni več mogoče, saj imajo potrošniki vedno več moči in možnosti izražanja mnenja. Potrošniki so bili včasih pasivni, sedaj pa postajajo aktivni in vedno bolj pogosto izražajo svoje mnenje. Dandanes potrošniki soustravljajo vsebine, neprekinjeno komunicirajo med seboj in si izmenjujejo mnenja, ki pa niso vedno pozitivna. Vse to pomeni, da sporočil ni več lahko tako zlahka nadzorovati. Zato morajo podjetja vse to upoštevati in prilagoditi strategijo, ki vključuje digitalno komunikacijo.

Ciljne skupine so bile v času tradicionalnega oglaševanja zelo splošne. Tudi to se je z digitalnim oglaševanjem spremenilo in tako je oglaševanje postalo zelo targetirano. Kar pa je še posebej pomembno, da se potrošnikova izkušnja še zdaleč ne konča, ko potrošnik opravi nakup, ampak kupci vedno več komunicirajo z blagovnimi znamkami tudi kasneje. Vse to pomeni, da so se stične točke spremenile in jih je vedno več. Tudi to je faktor, ki ga morajo podjetja upoštevati pri oblikovanju strategije. Da bi kupci dobili enaka sporočila na vseh stičnih točkah, mora podjetje poskrbeti, da je njihova strategija integrirana. Osnovna ideja integriranega tržnega komuniciranja je, da se elementi komuniciranja med seboj dopolnjujejo in podpirajo, ter tako dosežejo maksimalni učinek. Vzpostavitev integriranega komuniciranja je lahko precej kompleksna in dolgotrajna, zato je zanj potrebno dobro razumevanje trženja in poznavanje same organizacije. Veliko podjetij se že ni prilagodilo spremembam, ki se trenutno dogajajo na trgu, so pa spremembe neizbežne, če si podjetja želijo obdržati svoj položaj na trgu. Konkurenca je iz dneva v dan večja, saj internet s seboj ni prinesel samo novih zahtev, ampak tudi ogromno priložnosti.

Namen magistrske naloge je zastaviti integrirano digitalno trženjsko strategijo za znamko Subrina, s pomočjo katere bo komunikacija znamke dosegala prave ciljne skupine, s pravimi sporočili zanje. Subrina je dobro uveljavljena slovenska znamka z dolgoletno tradicijo, ki bi po najinem mnenju lahko še bolj učinkovito izkoriščala svoje prednosti na trgu, predvsem pa v digitalnem svetu.

S pojavom digitalnega okolja, je socialnih omrežij in digitalnih kanalov vedno več. Prav zaradi tega je razpršitev komunikacije nujna, ampak vseeno mora biti komunikacija poenotena in mora vsebovati enaka sporočila. Cilj magistrske naloge je prav tako ugotoviti, ali lahko digitalno oglaševanje pripomore h dvigu zavedanja blagovne znamke in ali lahko integrirana komunikacija celo pripomore spodbujanju nakupa znamke in nato spodbudi stranko h zvestobi.

Magistrska naloga je sestavljena iz dveh delov – teoretičnega in empiričnega. Teoretični del vključuje podroben pregled literature s področja integriranega oglaševanja in pojma “novega potrošnika”, ter njegove tržne poti.

Pri tem je temeljita raziskava sekundarnih podatkov služila kot temelj za razumevanje raziskovalnega problema za podporo empiričnega dela magistrske naloge. Empirični del je sestavljen iz zbiranja in analize primarnih podatkov. Tudi empirični del je sestavljen iz dveh različnih metod zbiranja podatkov. Raziskava je sestavljena iz poglobljenih intervjujev z zaposlenimi v podjetju Ilirija d.o.o. in pa iz anket s potrošniki. Zbiranje podatkov in informacij iz dveh različnih perspektiv je za to nalogo ključnega pomena, saj nama omogoča bolj podroben pregled problema in videnje le-tega iz dveh različnih zornih kotov. S pomočjo the dveh metod, lahko potrdiva, da zgolj kvaliteta in ugodna cena izdelka dandanes še nista dovolj močna dejavnika, ki bi moderne kupce prepričala za nakup. Tako je v nalogi predstavljena bolj podrobna strategija, ki vključuje uporabo digitalnih orodij in skuša s tem približati znamko digitalnemu kupcu.

## Appendix 2: In-depth interviews with Ilirija employees

1. Can you describe your company in 3-5 words?
2. What is your position at the company?
3. How long have you been working here?
4. What are your tasks for Subrina brand?
5. Where do you see Subrina brand in five/ten/fifty years?
6. How would you describe subrina as a brand?
7. If Subrina brand was a person, how would you describe her?
8. What is Subrina's goal?
9. To who am I selling? Who is your target market?
10. What is your target customer like?
11. What three words would your customers use to describe Subrina brand?
12. How does Subrina communicate?
13. What are subrina's key messages?
14. What values do you want to portray to your audience?
15. What traits are important to your customers?
16. Why do people purchase your brand?
17. Why do you believe that subrina is better than your competition?
18. How should all of your employees perform?
19. What makes Subrina unique?
20. How do you intend to reach your customers?
21. Where do you think, you should communicate?
22. Do you think that Subrina has good customer experience?
23. How do you think your customer experience could be better?
24. What are your main forms of advertising?
25. Do you think that social media is important for your brand? Why?
26. Which of the following attributes in your opinion is worth paying more for a beauty product? And why would someone pick Subrina? (package, price, information, marketing, friendly service, loyalty programme, package design, personalization, unique experience, social responsibility, environmental responsibility, convenience)

### Appendix 3: Customer questionnaire

1. Do you follow hair/hairstyle trends?

- a) Yes
- b) No

2. Do you change your hair style according to current trends?

Yes

No

3. Do you dye your hair?

- a) Yes
- b) No

4. Where do you dye your hair?

\*Only for those who answered the previous question with “yes”

- a) Home
- b) Hairdresser salon

5. How often do you buy hair and body beauty products?

- a) Twice a month
- b) Once a month
- c) Every two months

6. How much money on average do you spend on hair and body beauty products per month?

- a) Up to €15
- b) €15 – €25
- c) €25 – €50
- d) €50 and more

7. Which products do you prefer to buy? (Choose one)

- a) Local
- b) International brands
- c) No preferences

8. Do you have a set of favorite hair and body beauty brand or do you switch from one to another constantly?

- a) Switch
- b) I'm loyal to my brand



9. Do you carry out research before going into a store regarding:  
(1– Never, 2 - Rarely, 3 – Occasionally, 4- Frequently, 5- Always)

	1	2	3	4	5
Brands					
Ingredients					
Origin					
Size					
Colors					
Package					
Price					
Product benefits					

10. What is the most important feature for you when you are buying a hair and body beauty product?

(1- not important, 2- Slightly important, 3- Moderately important, 4- Important, 5- Very important)

	1	2	3	4	5
Brand					
Ingredients					
Origin					
Size					
Colors					
Package					
Price					
Product benefits					

11. Do the following channels ever stimulate/trigger you to buy hair and body beauty products?

(1- Never, 2- Rarely, 3- Occasionally, 4- Frequently, 5- Very frequently)

	1	2	3	4	5
Newspapers and magazines					
Advertisement leaflets/catalogues					
TV advertisement					
Online ads					
Point of sale communication					
Family or friends					
Website/e-shop					
Social media (Instagram, Facebook, Twitter)					
Online influencers					
Mobile app					

12. What social media platform do you use the most?

- a) Facebook
- b) Instagram
- c) Snapchat
- d) Twitter
- e) Pinterest
- f) YouTube
- g) Twitter
- h) I don't use any

13. Do you use digital tools or online platforms to interact with the brands?

- a) Yes
- b) No

14. When it comes to making purchase decisions, how important is customer experience in choosing between options?

- a) Very Important
- b) Important
- c) Moderately Important
- d) Of Little Importance
- e) Unimportant

15. Would you pay more for a product or service if the company provides a great customer experience?

- a) Yes
- b) Maybe
- c) No

16. How big of an impact do the following attributes have on your overall customer experience?

(1- not important, 2- Slightly important, 3- Moderately important, 4- Important, 5- Very important)

	1	2	3	4	5
Package					
Price					
Information during the shopping process					
Marketing and brand communication activities					

17. Which of the following attributes in your opinion is worth paying more for a hair and body beauty product? (1- not important, 2- Slightly important, 3- Moderately important, 4- Important, 5- Very important)

	1	2	3	4	5
Friendly service					
Loyalty program					
Package design					
Personalization					
Unique experience					
Social responsibility					
Environmental responsibility					

18. How important are those ideas to you in your daily life on the scale indicated? (1- Very important, 2- Important, 3- Moderately important, 4- Slightly important, 5- not important)

	1	2	3	4	5
Sense of belonging					
Fun and enjoyment in life					
Warm relationships with others					
Being well respected					
Self-respect					
Security					
Self-fulfillment					
A sense of accomplishment					

19. What is your favorite hair and body beauty product brand?

- a) Subrina
- b) L'Oréal
- c) Kerastase
- d) Nivea
- e) Keune
- f) Schwarzkopf

- g) Wella
- h) Kozmetika Afrodita
- i) Store brands
- j) Other: \_\_\_\_\_

20. Do you know the Subrina brand?

- a) Yes
- b) No

21. Which of the following words would you choose to describe the Subrina brand?

\*Only for those who answered with “yes” to question 19

- a) Trustworthy
- b) Local
- c) Innovative
- d) Modern
- e) Recognizable
- f) Competitive
- g) Professional
- h) Premium
- i) Conservative
- j) Outdated
- k) Responsible
- l) Reliable

22. Have you ever bought a Subrina product?

\*Only for those who answered with “yes” to question 19

- a) Yes
- b) No
- c) I don't remember

23. Please rate your overall experience with the Subrina brand on a scale from 1 to 5.

- a) Unpleasant vs. Pleasant
- b) Bad vs. Good
- c) Unsatisfactory vs. Satisfactory

24. Based on your experience with the Subrina brand, how likely are you to buy their product again?

\* only if answered yes to question 22.

- a) Definitely will
- b) Probably will
- c) Might or might not

- d) Probably will not  
Definitely will not

25. Gender:

- a) Female
- b) Male

26. Your age in years? \_\_\_\_\_

27. What is the highest level of education you have completed?

(If you're currently enrolled in school, please indicate the highest degree you have received.)

- a) Less than High School
- b) High School
- c) Professional degree
- d) Bachelor's degree
- e) Master's Degree
- f) Doctorate

28. What is your current employment status?

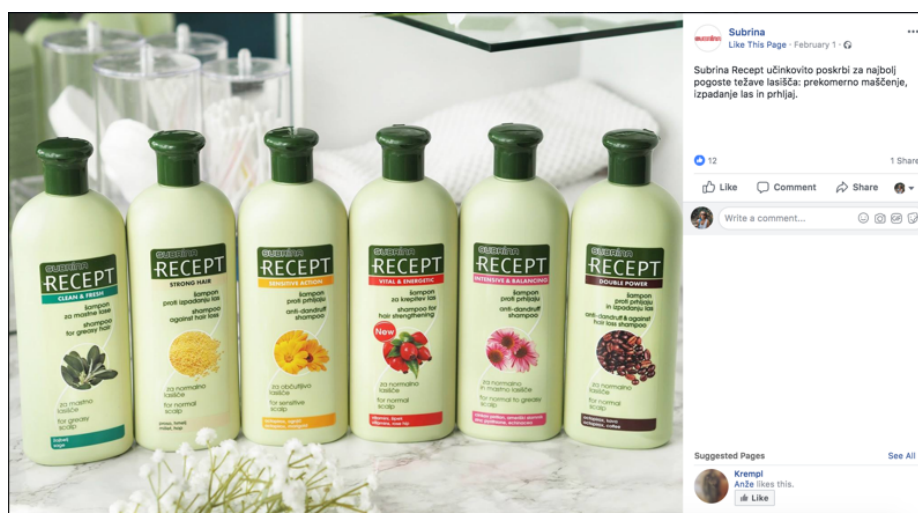
- a) Student
- b) Employed
- c) Unemployed
- d) Self-employed
- e) Retired

29. Including yourself, how many people are in your household?

- a) One
- b) Two
- c) Three
- d) Four
- e) Five or more

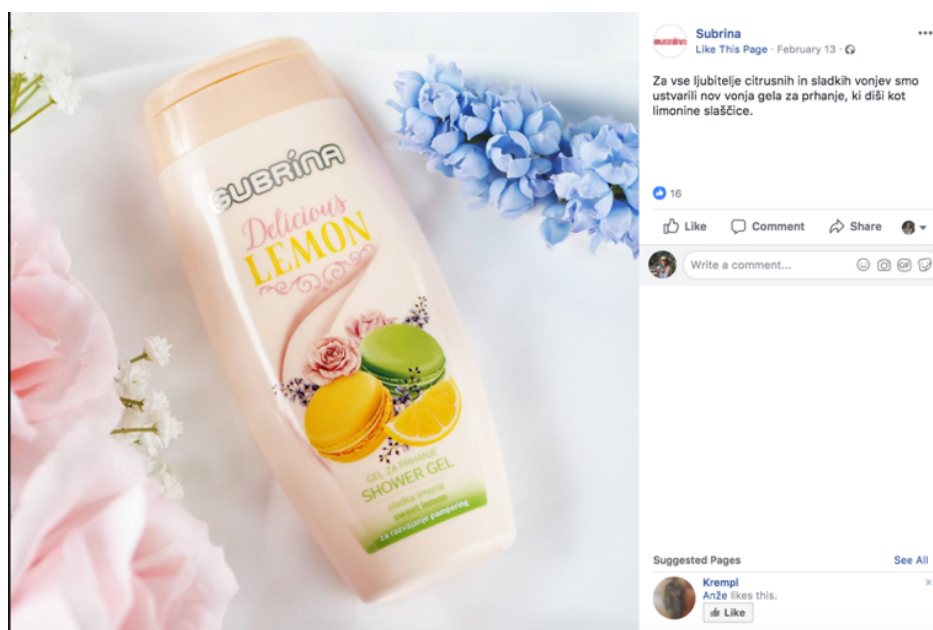
## Appendix 4: Subrina social media content

*Figure 1: Subrina social media post*



*Source: Subrina's Facebook page (2018).*

*Figure 2: Subrina social media post*



*Source: Subrina Facebook page (2018).*

*Figure 3: Subrina social media post*



*Source: Subrina's Instagram page (2018).*