Implication on management of digital communication in automotive industry

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

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

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

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

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

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

Introduction

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

Differently from the past, today often a firm does not sell just a product or a service, but an idea, a value, a lifestyle concerning that product. This outlines the need of constantly new Communication Strategies, that do not make the consumers feel like the brand is trying to convince them of something, but just giving them some additional information they need to evaluate the product on their own and confirm that the brand is a good match for them and what they are looking for. For an industry like the Automotive, this is not as easy for many
reason, beginning with the economic effort needed in order to complete the purchase.
The brands need to re-think the communication strategy and take it to a different level, not
investing only on the traditional Media anymore, but especially on Digital Communication
and BTL activities. Those two spheres allow the brand to advertise the product without a
real advertisement: the possibility of living a branded experience and the word of mouth
spreading on the Social Pages, blogs, forums, is fundamental on the Customer Decision
Journey and it is not made of “real”, “traditional” advertising, but simply of “sharing
information”.
A good launch plan is the most important step in order to support and promote the product.
Sessions of dealers training are crucial to make sure the salesmen are all prepared on the
characteristics of the new model.
Several brand use to invite the press, influencers and bloggers to drive the car before the
commercial launch, sharing the experience with their fans.
One of the phase of the plan is the ‘Reveal’, mostly represented by the participation to
important Motor Show, like Geneva
Above the line activities are all traditional media, based on TV, radio, billboards,
newspapers, magazines.
The key objective of the digital communication is to promote products through contents
spread mainly using the Internet, but also mobile phones (both SMS and MMS), social media
marketing, display advertising, search engine marketing, and any other form of digital
media. The website plays a fundamental role in approaching the prospect.
Social Networks are the stage chosen by the automotive brand to reach the target customers,
gaining their trust and appreciation speaking their same language.
BTL is considered the communication not ascribable to display advertising, for example PR,
Point of Sale materials, Direct Marketing, sponsorships, guerrilla marketing, events. In other
words, it is a series of means based on unconventional methods of advertising, focusing on
one-to-one communication between the brand and the target. This has become increasingly
important given the fragmentation and variety of the multimedia diet of target customers.
BTL activities are appreciated because of their unique and personal ways to reach the
customers, and are varied in implementation, execution and coverage.
BTL activities give two principal benefits: customization and deep impact.
According to the customer decision journey, when the potential customer arrive to the dealer
they have already looked up many information on the Internet, many of them still like to
bring home printed materials to think over the possibility of purchase.
The analysis of literature review to identify factors at each stage of relationship marketing
and focus on digital communication following the evolution of the customer’s decision
process: from the Funnel Metaphor to Customer Decision Journey (Consider, Evaluate,
Purchase and Advocate).
Traditional marketing is based on the funnel metaphor: when deciding to buy, consumers
start with a wide range of brands to choose from, then gradually narrow down the
possibilities as their awareness, interest and desire increase. Finally, when they get to the
bottom of the funnel, they have chosen what to buy and they purchase it. The loyalty to the
brand is then determined by the “aftersale phase”, which can be considered a trial period.
The goal of marketing campaigns is to capture the consumer’s attention as it moves through
the funnel, trying to keep the brand in the shortlist of the possible final choices.
This approach «fails to capture all the touch points and key buying factors resulting from the
explosion of product choices and digital channels, coupled with the emergence of an increasingly discerning, well-informed consumer». The new approach, which gives much emphasis to the importance of Digital communication. The decision-making process has become a circular journey, made of four phases marketers need to try and influence: initial consideration; active evaluation, or the process of researching potential purchases; closure, when consumers buy brands; and postpurchase, when consumers experience them.

Figure 2: Funnel diagram

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

Figure 3: The Consumer Decision Journey
1) **Consider**

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

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

2) **Evaluate**

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

3) **Purchase**

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

4) **Advocate**

Even more important is the postpurchase phase, because it is where the customers’ loyalty to the brand is determined. They have finally made a choice, they have their product in their hands – or they are using the service they bought – and they interact with new online touch points. Marketing needs to work especially towards the so called “active loyals”, consumers who are devoted to the brand at the point that they recommend it, while “passive loyals” are not committed to the brand, they will switch if any competitor will offer them a better deal.

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

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

Setting the personal information as principal variables, it was possible to easily outline the answers of different groups of interviewees thanks to a Multiple Correspondence Analysis. Generally speaking, the Female Interviewees are positioned in the left side of the vertical
axis, while Males are on the right side.

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

Then, the author tried and investigate the behaviour of the sample groups when it came to

the utility of online advertising, Newsletters, Pop-ups and Facebook Carousels. Figure 4: Survey results: Analysis of consumers

(Source: Survey Author Elaboration)

While the Purple group appeared to be the less interested in online advertising and even felt bothered by pop-ups, the so-considered “potential target groups” either didn’t care about pop-ups or thought they are useful, did subscribe the Newsletter at least once and did click on a Carousel on Facebook at least once.
The target groups selected an emotional or fun campaign, and declared they looked up the brand’s website after being exposed to a pop-up, a banner, a TV or radio spot, a press campaign or a carousel. The younger group, on the other hand, declared they did not consult the website, but this seems to be an understandable result since they are hardly the ones actually purchasing the vehicle (parents).

**Conclusion**

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

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

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

**References**

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