
Importance of Integrated Marketing Communication in the Digital Promotion of Products and Ideas in Private and Public Sectors

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ABSTRACT

Marketing communication is not limited to the implementation of promotional activities of a product or a message, it requires an integrated approach using various practically applicable and ever-expanding ways of marketing communication to be implemented through various communication channels for addressing the target audience more precisely. It is the integrated marketing communication (IMC) activities that help increase the organization's competitiveness and result-oriented efficiency both in private and public sectors. In response to changes in the external environment, organizations can use IMC as a strategic management process that helps to facilitate the transition from tactical advertising components into a single strategy. Purpose of the article: The purpose of the research was to study and assess IMC in the context of digital marketing and its influence upon product promotion. The object of the research is integrated marketing communication. The subject of the research is the influence of IMC upon product promotion. The study is based on scientific papers published by Latvian and foreign scholars, general and special literature, and periodicals. To attain the goal of the research, the following qualitative methods of economic research were used: case study, grouping and profiling, evaluation, market investigation, research and observation, and comparative analysis. The hypothesis set prior to the research aims at increased loyalty of the target audience as a result of IMC; however, it is not widely used and has spillover setbacks particularly in public domain. The research question therefore is to detect what are the key impact factors' peculiarities in IMC efficacy and its impediments. Findings: The research confirmed the hypothesis that IMC in the context of digital promotion facilitates consumer loyalty, but just up to a critical point of digital intervention's negative aspects; also, IMC for digital promotion has a growing trend, but is still a relatively little used type of communication in the marketing communication strategy of organizations. The results of the research are of both theoretical and practical value.

Keywords: Integrated marketing communication, Digital promotion, Digital marketing, Consumer behavior, Public communication, Government communication

INTRODUCTION

More and more products, services and processes worldwide get digitalized due to infrastructure development and mobility, and technological supply

facilitates access to them, thus creating value for consumers, bringing more options – convenience, price, quality, also benefits of social nature, such as access to / availability of certain products or services etc. (DESI, 2020). The future change of consumer habits and lifestyle and the development and growth of digital technologies are just some of the factors that apply to all industries including public administration (European Commission, 2020, OECD, 2016, Pasquier, Villeneuve, 2018), civil participation, public co-production (Lember et al., 2019, Putans, Zeibote, 2021), government communication (Marland et al., 2017). Furthermore, in the nowadays also polarized world and widely open information market, in which majority of users are both, consumers and producers (Ritzer, Jurgenson, 2010), the public communication and promotion of policies in a smart IMC way is not only a matter of efficiency, but rather the necessity of public service provision and legitimacy. IMC significance relates also in the context of governance and performance of emerging business environment models. E.g. platform society and sharing economy, in which, on the one hand economic activity peers seem to be much closer to one another, while on the other hand the message needs to be delivered through a comparatively bigger market crowd (Eckhardt et al., 2019). Similarly, in the governance part of the same the various government institutions follow on many sharing economy aspects such as public safety, just business environment, taxing and many others (Meijer, Torenvlied, 2016, Mori et al., 2021).

The Usage of Integrated Marketing Communication Nowadays

IMC may be implemented from two different perspectives: marketing and management, as well as impact. The marketing- and management-oriented IMC concepts are based on planning and implementation matters – the management (governance) process, organizational and personnel aspects, with an ideology that organizations need to structure, plan (at the level of the product/service being offered) and gradually implement their communication activities in a single consistent manner. In other IMC concepts that focus more on stakeholder relationships, IMC are perceived as an integration of marketing and public relations where the process is oriented towards the customer and/or impacting the public's behavior and the success (achievements) of the company or organization (Schultz et al., 2004, Bruhn, 2017, Esch, 2011, Kliatchko, 2008, Shimp, 2007). The main reasons that still spur the development of IMC and their use are the Internet and modern technologies. Especially, in the context of changes in the consumption habits and the demand structure, there is full independence in the society when it comes to obtaining and using information. As a result of digitalization and the development of technologies and the Internet, there naturally emerge new IMC distribution channels and opportunities to address the target audience. For instance, the rapidly growing use of influencer marketing, implemented on social media, helps reach the audience of a certain segment, but consumers, believing and following influencers due to the coherence of their own and influencers' values instead of institutions and authorities, often end up in the networks of disinformation. Hence, effective IMC requires identification of

consumer insights – who, what, where, why and when (Rogala, 2021, Juska, 2018, Campbell et al., 2020). At the center of IMC is the person, but the information market is saturated and it becomes necessary to stand out / differ / be brief and unambiguous in communication, so boundaries between the conventional IMC activities tend to disappear – activities are merged and combined to better reach the target audience.

Digitalization may be one of the ways to reach the target audience quicker and less time and resource consuming, and may streamline the execution of various tasks (Sohnemann, 2020). The use of digital tools in marketing when promoting products and services has developed very rapidly over the last decade both in private and public sectors (Dirlik, 2020, Clark, 2021). At the same time, there is still disproportionately narrow and undersized, but emerging debate in scientific literature and to that matter also in public communication about the risks, the unaddressed concerns and the negative aspects of digitalization, particularly in the public sector. The major and most often mentioned negative aspects vary from technical such as digital skills, infrastructure accessibility and algorithm malfunction to social and legal such as public integrity, citizen privacy, increased opacity and inequality, citizen marginalization in terms of access to a public service to political and democratic for society at large such as risks of remissive civil participation, technocratic automation and bureaucratization (Lindgren et al., 2019, Trittin-Ulbrich et al., 2021, Lammi 2021).

Impact Factors of the Digital Promotion

Digital services, through changing the consumer habits in respect of technology use, are capable of strengthening the competitiveness of organizations and building a closer link between organizations and their customers. Consumers increasingly want a quick and pleasant digital experience that matches their wishes, at the same time making it possible to improve and innovate digital services in future (VARAM, 2020). Furthermore, the development of social media gives rise to new IMC types and scientific challenges. The increasing role of B2B, B2C and G2C communication and the relationship with customers, employees and the public is affected by dynamic changes in the e-market. In this context, one can conclude that the activities to be used in IMC and the channels to be used to deliver information vary depending on the business market where sales transactions take place between companies or deals are struck between a company and a final consumer (Davidavičienė V. et al., 2017). While the digital promotion tools present vast communication options – i.e., companies and organizations can deliver information in a short, concise form, save time and occasionally also money and build a positive corporate image, there are also negative features – a loss of control over communication, risks of disinformation etc. (Bormane, 2018).

In the authors' view, scenarios of digital skill development need to be included in the development strategies and guidelines of several industries in order to raise the level of digital skills and use of digital services in the society. However, there is a number of key factors to consider: 1) positive – Latvia has a relatively high number of e-government users when it comes to partially

automatically filled forms, online services etc., the Internet coverage is approximately 93% (above the EU average of 87%); 2) negative – low digital skills of people where Latvia ranks 17th among 27 EU countries. A relatively high share of people does not use modern technologies, around a half lacks knowledge and basic skills, the relatively low Internet coverage in the region does not help towards digital literacy either, and in terms of integrating technologies in companies the country is ranked 23rd among 27 (DESI, 2021). Lastly, a key role is played by generational differences and ability to adapt to digitalization, (Chivers, 2021), intolerance, abundance of information, lack of consistency in the communication strategy of companies, organizations. Although the Latvian state has made the digital-only services available at customer service centers to those who do not use the Internet (OECD, 2021), it is not only access to the facilities that matters but also the specifics of each industry. One of the critical peculiarities of the IMC and digital promotion within the public sector is the notion of target audience coverage and profiling. Unlike the private sector, the public or government institution cannot set their market audience, but have to address and take into account the whole society and their various demands and needs to pursue the democratic public interaction and economic wealth (DePaula, 2018, Putans, 2019). At the same time, it is expected to keep the same efficiency and client-orientation (Putans, 2016) as evident in the private sector. Besides, the public sector is legally and socially more accountable to the society than the private sector is to their market target audience, and the public service or message needs to have also more personal relevance (in public sector this often means trust) than in private sector. Still, the research shows that “even high levels of perceived personal relevance do not attenuate the effect of symbolic brand elements. This means that the boundaries of persuasion and manipulation through branding are wider than expected” (Alon-Barkat, 2020).

Methods and Tools of Digital Promotion

In terms of functionality, researchers have identified three types of digital services: informational, transactional and interactive. Informational digital services give online access to information possessed by an institution or organization, they include various consumer information and interaction channels as well as services. Transactional e-services replace going through administrative procedures in person and the customer is notified of the completion and result of the service, and human work is replaced through digitalization. Interactive digital services enable the consumer to participate in the process of various digital services through, e.g., taking questionnaires and tests, expressing their views or asking questions (Kvasnicova et al., 2016).

By exploring the scientific literature and conducting a case study, market investigation, and comparative analysis, the authors have collected digital promotion tools that are suitable in various public and private sectors including production, trade, tourism, catering etc. (see the list below). The digital tools can be adapted to the purpose of marketing communication, including in the public sector. Given the fact that marketing communication in the public sector is routinely related to society's trust, research shows that

the most adequate means of IMC for the public sector are public relations, direct marketing, promotion, and public advertising (Gavrilechko, 2019, Antoniadis, 2020).

IMC digital tools for promotion of products, services and messages to the market and society (Bormane, 2018, Škiltere et al., 2018): 1) Information about products / services, its structure, online shopping / servicing opportunities available on the company's/organization's website; 2) Smart devices' applications that provide information about products / services; 3) The barcode and QR code that leads to information about the company, organization, product, service, instructions for accessibility use and disposal. QR code integration on product packaging, menu, urban environment; 4) Creating social groups on social media, using social media – stories, recordings, short videos, podcasts, involvement of consumers / companies in product promotion, evaluation etc.; 5) Mass involvement in the creation and promotion of new products / policy actions (competitions, gifts, amusement activities, public events, charity initiatives etc.); 6) Use of gamification in rewarding consumers / users, digital tokens to credit consumer or employee achievements, motivation programs; 7) Linkage of loyalty program to budgeting, payment options; 8) Product purchase / delivery dispensers, incl. self-service tills, ticket dispensers; 9) Integration of virtual adviser (chatbot); 10) Online video consultations, events, webinars, informational lectures, discussions, audio guide narrations, 360 degree tours, digital maps, informational virtual stands, event schedules, routes, recipes, user guides, instructions, 11) Open data instruments allowing the client, consumer, citizen to ascertain about the integrity of the product or service offered.

The majority of these tools are suitable for IMC use in both private and public sectors and are considered both trendy and efficient in digital promotion of products and services. However, it is important for the message content and process to be consistent. Also, in often cases when a service or message, idea is of whole public concern (e.g. public health, education, environment) it is important that governments channel the support message, e.g. “people may not trust flu vaccination messages fully if governments are not in agreement about their importance or the funding of them” (Ohlrogge, Suggs, 2018); public communication is also crucial in times of crisis (Bakker et al, 2018), and furthermore, even if the public institution or government were accountable for the crisis, still the research has found (Page, 2019) “a significant difference, with a government entity's responses perceived as more appropriate and resulting in more positive behavioral intentions than identical responses from a private business”. Therefore, in many cases public and private IMC needs to be aligned, which is another important reason also for public administration to use similar communication methods and tools as the private sector does. Another, joint aspect of IMC efficiency is the need for well-planned communication strategy.

CONCLUSION

IMC is currently one of the major efficiency- increase-system elements in business and governance performance, including that of digital promotion

of goods, services, messages, ideas. It strengthens customers', clients' and citizens' loyalty and cooperation with the service provider. It may yield an immediate effect and feedback, but the loss of control over communication, the digital divide and the digital culture substantially affects the motivation of companies to integrate technologies in the promotion of products and services. Although slightly more recognized, but still not widely used to its full potential in the private sector, it is also strongly emerging in the public sector. One of the core advantages of IMC for the public sector is the certain embedded civic trust (despite its low or high level) in such service providers as government and public institutions. A few of the core setbacks of IMC for the public sector are increased legal, social and financial accountability, wide scope thus complex covering and profiling of the target audience, data privacy and civic political participation issues. A critical joint aspect of IMC usage and digital promotion is the necessity of clear communication strategy, determined goal, well-planned tactics, means and channels respective to the message and to the target audience.

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