

Brand Building with Using Phygital Marketing Communication

Dominika Moravcikova and Jana Kliestikova

Abstract—Internationalization and globalization of world markets, causing an increase in rivalry between competing undertakings, as well as an increase in demands and expectations of end users. The effort of a large number of businesses is to create the competitive potential of a brand. So far from the brand of the 21st century is in a position of competitive advantage, the role of enterprises is search for alternative communication channels to increase interaction from your customers. The article summarizes the theoretical basis of the concept of traditional sales promotion concepts and Phygital as progressive tools of modern marketing communication. The component of this article is also a case study on the use of the concept Phygital and relevant results of the surveys realized by Microsoft Digital Trend in 2015.

Index Terms—Traditional sales promotion, Phygital concept, marketing communications, brand building.

I. INTRODUCTION

As a result of the globalization of markets, end consumers cease to look for differences between the offline and online world. They long for one consumer experience that continuously passes from one world to another. When this is the brand can not offer, may find themselves out of the game. Therefore, the concept Phygital marketing concept can provide a solution in the form of a combination of elements of traditional sales promotion with the elements of a digital brand activation in an integrated complex which is for consumer of the 21st century irresistible.

Phygital concept influences operate not only on the preferences of consumers, but are often associated with psychological effects in the interaction of modern marketing communication, individual interpretation, perception of brand values and products, respectively services. Customer have long ceased to be the object of marketing communications and become its subject. As entities form brands, products or services they are meeting expectations that the portfolio of products and services of enterprises will change to suit their new lifestyle. In a sense it is the voice of marketing communication enterprises and their brands, because it allows the brand to connect with other consumers, events, experiences or feelings.

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II. CONCEPT OF TRADITIONAL SALES PROMOTION AS TOOL OF MARKETING COMMUNICATION

The concept of the traditional sales promotion is gaining attention around 1990. During this period, the first surveys revealed the potential of this instrument in the perception of final consumers. Following the implemented research in the 20th century, the ratio of investment in above the line and below the line advertising has changed dramatically in favor of BTL communications [1].

Currently, the marketing managers are increasingly aware of the importance of marketing communication at the point of sale. It is due to the fact that today the final consumer may, by means of online technologies find out various information about the product or service, its evaluation of individual experience and opinion on social networks.

Another reason why businesses engaged in marketing communication at the point of sale, it consists in a real risk (fall in sales) from a direct competitor, it means retailer, is to sell its own branded products, using increasingly sophisticated methods.

Development in an ambit of support of sales as a marketing communication tool is considered to be significant and very fast. Over the years there has been a rapid transformation of the classical POP (advertising at point of sale) for communication at the point of sale and subsequently the marketing at-retail. Since communication in outlets of enterprises in the form of POP carriers to offer visibility is passed to a multichannel strategies and solutions in line with the development of new developments in the field of sales channels. It follows that the point of sale and internet combine, intersect and appear cross-channel strategy. These policy streamline sales with the synergy of sales channels that are mutually wish to support.

POP in-store communication is a set of advertising media used inside the stone trade, which are intended to influence the purchasing decisions of customers buying [1].

A characteristic feature of POP in-store communication is multimedia, it means communication brand provides the customer through a variety of media types, for example packaging, displays, video screen [2].

A modern tool POP in-store communication in marketing can include visual merchandising, advertising at point of sale, sensory marketing, digital media, or even architectural design and equipped stone stores [3].

At present, the current notion that type of marketing communication is called mood marketing, which is aimed at active on the mood of the final consumer in order to influence their behavior by specific means.

As for the trends and innovations in printing technology,

the 21st century prefers digital printing with higher resolution.

An important role of the modern era plays connection of digital technology with traditional POP materials, so-called. Phygital objects, representing interactive media that connect in real time the physical world with the digital world [4].

Also noteworthy is a unique POP easel, which includes a camera that not only statistically evaluates basic customer properties that display through the LCD menu screen offers tailor, but even this technology can alert store personnel to supplement products. It follows that, on the basis of these measurements to be made this stand can increase product sales by 50% to 100% [4].

III. CONCEPT PHYGITAL

It's no secret that physical experience consumers are engaging and memorable than the digital. Despite this fact, digital technology offers diverse opportunities through expansion of the Internet.

Phygital concept is defined as the connection of two worlds - the physical and the digital. The aim of this concept is to build in the area of marketing communication ecosystem between brands and consumers, respectively between the user and the product. Phygital concept uses the latest knowledge and innovations in communication technologies which are then implemented in the physical environment [5]. Tools of this concept facilitates businesses to communicate with their consumer audience, as marketing communication using Phygital concept is much more dynamic, faster and pushes the limits of human perception.

Phygital concept is often referred to as omnichannel customer experience, it means multi-channel approach to selling a product or service that tries to provide a seamless customer experience process purchases made online, via phone or in-store.

Phygital experience can add value to products or services and strengthening the combination of digital experience and physical improvements. Enterprises can use the so-called. Marketing Automation, t. j. software to automate marketing processes such as customer segmentation, customer data integration and management of campaigns. Marketing Automation enables implementation processes more efficiently, as an integral part of customer relationship management (CRM) [6]. It follows that the concept Phygital is a combination of online, digital and social media marketing communications implemented in the online environment. The following figure is expressed as a graph link between digital, web and social media marketing (see Fig. 1).

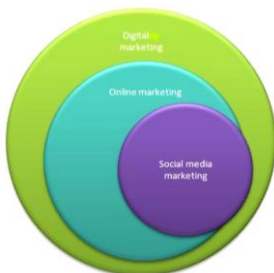


Fig. 1. Relationship between digital, online (internet) and social media marketing.

IV. WHAT IS THE BRAND AND BRANDING

AMA - American Marketing Association defines a brand as a name, term, symbol, design or combination of them intended to identify the product or service and to distinguish them from competitors. [7]

In connection with the term brand can not fail to mention the concept of branding as a brand building process. The role of branding is to change the general to the specific commodities and desired products, respectively services. In the perception of the end customers, branding adds value product for which they are willing to pay.

Branding is made up of five basic components: [8]

- Positioning - Process, which aims to define brand content and place it in the minds of consumers,
- Story - the essence of that component is to create a credible and attractive story related to a product. On this basis, the consumer is interested in becoming a part of it and pay extra for the brand more,
- Design - related component of reconciling functionality, ergonomics, ease of operation and so on.
- Price - component of branding process that allows branded products leave the status ordinary commodities and include it in commodities with a higher price than the price of unbranded product. Higher price thus increasing brand strength,
- Relationship with the customer - the role of brands is a continuous process of inquiry, as they depend on the final consumers, especially in the modern era, when the consumer is in the hands of enormous power. In case of dissatisfaction can through digital or online technologies destroy the reputation of the brand.

It follows that the brand and branding process has a much deeper meaning, as the relationship between the brand and the consumer has the same type of character union. It can therefore be concluded that the offering loyalty and consumer confidence, consumer brand to expect consistent quality, price and care.

The brand introduces for the consumer communication tool in relation to its surroundings. The consumption of a product can be a means, a consumer wants to express something about themselves, their values, beliefs and so on. For many people a symbol of the importance of their social inclusion, serves as a unique identification tool of some fraternities, clubs or organizations [9].

V. BRAND BUILDING WITH USING CONCEPT PHYGITAL

The concept Phygital respectively an enormous amount of online, digital and social media marketing channels is a fantastic environment for branding a product or service. Both because it works as a sales and marketing channel digital-offering businesses the opportunity to meet the needs and expectations of customers throughout the buying cycle. Also, no other channel does not provide a sufficient level of potential consumers [10].

From the foregoing and certain risk, as the number of enterprises using two types of communication channels - physical and digital. Physical communication channels include product packaging, brochures, advertising banners or

loyalty cards. Digital communication is more focused on social media, websites or emails. [10] Danger can arise from lack of communication between the channels, indicating that the brand lacks insight into its customers. Corporate objectives, so that consumers understand how the physical and the digital world of marketing communications cooperation in the process of branding.

It follows that an undertaking is not enough to focus their efforts to the field of physical communication mix, but also the digital, it means raise the standards and reputation of the brand must be done in both areas. This fact could mean a change of enterprise strategy [11]. In particular, enterprises should be aware that what they do online has limited value unless it is supported by instruments in off-line mode.

Modern times caused a further shift from action in the market action in cyberspace (virtual reality, the global reach the internet) [12]. Prudent enterprises expand activities not only the market but also on websites on the Internet. The Internet is used to buy, sell, recruit, the Education (Education, Training, training, training), exchange of experiences, communication, e-Learning (distance learning via the Internet), published experience, blog discussions etc. [13]. In addition to that it is about the transition from marketing which uses one channel to marketing that uses multiple communication channels. Enterprises no longer rely only on one channel through which to reach our customers and provide them with their services. Customers have increasingly prefer different channels, enabling access to business products and services.

VI. TOOLS OF CONCEPT PHYGITAL

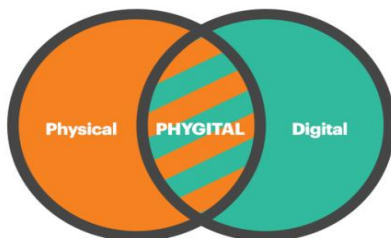


Fig. 2. Cross connection of the virtual and real world.

As it is shown in figure 2, in the 21st century, century of the digital transformation where traditional marketing approach models and tools is enriched with elements of a digital and online marketing world, consumers want the latest technology, in particular individual experiences, more opportunities to interact with the brand of product or service much easier and more effective way [14].

Brands are becoming agile and adapt to changing consumer demand, communication technologies heading to center stage in an unprecedented way through B2C and B2B markets with artificial intelligence (AI), virtual reality (VR) and advanced user interaction reality (AR) [15].

A. QR Codes

In 1994, a division of Toyota created a system of Quick Response, t. j. QR system. This system was used for the purpose of car and its revised management Just-in-time. With the rapid proliferation of mobile devices with cameras and

easy readers, system QR codes was used by virtually all businesses and individuals [16]. QR code is a specific two-dimensional code, consisting of specially arranged small black and white squares (see Fig. 3).



Fig. 3. QR code

Today, the QR codes used anywhere, it is in advertising, printed materials or products. To QR code can encode any message to the length of 3000 bytes, it means nearly 4300 characters or 7000 digits. System QR codes can be, for example, to place the business card QR code with additional information not only about themselves but also direct references to company or private website [16].

QR system is the most versatile method uses the concept Phygital in practice. Read QR codes for common users are using mobile phones with a camera and an appropriate card reader for various platforms such as Android OS, Apple iOS, Windows Phone 8, BlackBerry OS and Java.

B. Augmented Reality

Augmented reality is a combination of the real world with the virtual environment. Thus, the technology to the addition of the real picture, and various text information and graphic objects on the fly. Virtual reality uses a total replacement for real world virtual and in this way the user rips the real environment. It follows that augmented reality is a kind of virtual reality.

Augmented reality technology works on the basis of mobile applications to real-time inserted in the camera image generated content, for example text, still graphics, video, 3D animation, and so on. That is where the camera lens is directed mobile phone, the application detects through continuous evaluation of data obtained from the GPS chip [17].

Elements of augmented reality can be used in practical life in areas such as navigation and Guide service, shopping, television, print media, advertising. An example of application virtual and augmented reality in practice is success of the brand Pokemon Go, which merged the virtual with the real world experience. Currently, there are a number of businesses and services that provide content creation easy creation of custom campaigns using augmented reality and the actual deployment. One of most popular is application Layar (see figure 4). This is the app using augmented reality in several ways. Its essence is geolocation, it is Layar uses your location to prove interesting facts around. It follows that the application can use e.g. Yellow Pages database, allowing the user can view the area businesses, restaurants and cultural attractions. User can using keywords define what those objects are interested, the distance is adjustable from 100

meters to 10 kilometers. Additional superstructure Layar application is database vid fnbyty.sk or viewing films in the area [17].

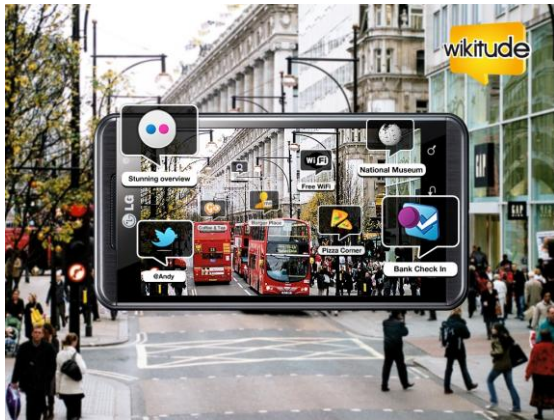


Fig. 4. Augmented reality with use application Layar.

C. Mapping Technology

Mapping technology using a variety of tools and other technologies that can be controlled by gestures using virtual reality. This is a type of marketing communication, which represents the future and focusing on it more and more businesses with a focus on technology.

Use mapping technology is the mapping slipping and simulation of the physical world. It is a tool Phygital concept that has no implementation problems. Practical tools mapping technology are Vuforia (see Fig. 5) and Google Tango.

Many of the world's leading brands such as Coca Cola, Mercedenz Benz, Honda, Nissan, Hyundai and McDonalds, used mobile platform services Vuforia while its customers with a fun and interactive mobile experiences that change the way users see the use of particular products or brands services.



Fig. 5. Logo of Vuforia Service

Mobile platform and services company Vuforia Scholastic, one of the largest publishers of children's books, whose mission is to promote literacy through millions of books for children of all ages.

VII. CASE STUDY OF THE COMPANY SCHOLASTIC

The idea of the company is the belief that independent reading is an important part of children's learning and growth. Finding the right book at the right time can ignite emotional spark for each child.

A. Background of the Case Study

For more than ninety years, the company Scholastic seeks to encourage lifelong love of reading books for children by providing quality and affordable books and a variety of educational products. As one of the leading companies of book distribution channels are Scholastic book fairs, attended

by more than 35 million students and families from around the world.

B. Opportunity of the Company Scholastic

Company Scholastic book fairs are usually weekly events at which children of different ages can not only browse through, as well as purchase their favorite books. Each Scholastic Book Fair offers a range of new books for autumn and spring period and thoroughly covers the latest and most popular award-winning books. Among other things, it offers a planning materials, promotional tools and merchandising display to help educational institutions to create an interesting environment school bookstore. [17]

Scholastic Book Fair continues to search for solutions to capture the real experience that helps parents raise interest in reading books with their children, increases search of interesting book titles and execute their sales book.

C. Solution for the Company Scholastic

Knowing that many families today are digitally connected through smart cell phone with camera, Scholastic Book Fair digitize real-world experience using Vuforia services through applications available for the Android mobile platform and Apple iOS.

Simply by pointing your cell phone camera to scan the book title, application Scholastic Book offers parents access to information on a variety of subjects books available through trade fairs. This is a way to combine physical product with a new digital experience. Among other things, the app allows parents to access detailed information concerning the marketability of book titles for Scholastic Book Fair, the degree of suitability, age, videos, or podcasts. In this way, parents can find recommendations for similar books, create wish lists and purchase the book directly from online book fair. Application Scholastic Book expanding its possibilities of action on the environment and thereby Fair provides parents a valuable resource that helps them decide whether a specific book is most appropriate for their children.



Fig. 6. Book cover in the app of scholastic book fairs.

D. Results of the Case Study

In the first two months after launching the application Scholastic Book Fair, this application has withdrawn nearly

30,000 customers, with 72% of them were with a mobile platform designed for Apple iOS. From the foregoing, it can be argued that parents are looking for affordable, easy to use tools and resources to help them in the selection and subsequent purchase books for their children (see Fig. 6).

VIII. USE OF THE CONCEPT PHYGITAL IN THE REAL WORLD

Managing Microsoft Digital Trends of 2015 on the basis of realized measurements and surveys found that nearly

50% of consumers are attractive to connect their digital experiences with brands with the physical world. It's time to begin to use the brand concept Phygital as ecosystem linking the virtual and real world. The said report also confirmed that brand of products that uses the concept Phygital, caused an increase in sales of these products.

Practical examples can include brand Tesco Homeplus, Diageo, Coca Cola.

A. Tesco Homeplus

Tesco Homeplus has become a virtual pioneer primarily in South Korea. The essence of this campaign was that users could order food online from any location in which currently are found. This imitation of the real world shopping experience resulted in an increase in online shoppers by 76% and online sales by 135%. [18]

B. Company Diageo

Diageo has implemented its campaign with the concept Phygital on Father's Day. The campaign involved alcohol, which was enough to scan a QR code in the form of a bottle of alcohol and a personal message to send it to his father. The company has managed to achieve in this day 100,000 unique downloads QR codes and sales growth of 72% two weeks before the feast of Father's Day.

C. Coca Cola

Coca Cola during your Christmas roadshow was broadcast by Spectacles glasses Snap online transfer. These glasses are paired via Bluetooth to a mobile phone which is installed social networking applications Snapchat. Spectacles glasses are rotated through the integrated camera directly whether the wearer sees, thus allowing the user to shoot short videos and also share them online. Thanks to these innovative glasses to fans on the social network Snapchat watch moments of the stops Coca Cola Christmas truck through the eyes of one of the most famous Czech celebrity - Jonáša Čumrika, aka Johnny Machette and Slovak celebrity - Patrika Vrbovko, aka Rytmus. Their Snapchat story racked for 24 hours more than 16,000 hits in the Czech Republic and almost 10,000 hits in the Slovak Republic [19].

IX. CONCLUSION

Marketing communication, comprising both traditional (off-line) or modern (online) tools, respectively their combination, occupies a leading position within the marketing mix. This is due to the creation and maintenance of consumer confidence in products of each brand.

Many companies are beginning to realize the value of the

digital and online environment as a primary component of their communications platform and begin to use alternative marketing practices that are cost-effective in active participation with consumers. The enterprises believe that the use of digital connectivity to support a deeper customer interaction leads to huge opportunities for bridging the digital and the physical realm. Therefore, traders must ensure that their marketing efforts not only transferred from screen to screen, but also from the online environment to off-line.

In addition to that, it is expected that Phygital concept and its tools will become so popular for its benefits that can save the environment, for example reducing the use of paper, water and carbon dioxide.

Future research should try to understand how this progressive marketing communication tools in general can be combined with more traditional forms of communication.

The aim of this paper to summarize basic theoretical apparatus not only solve the problem but also practical involvement as a progressive concept Phygital a core platform of the new paradigm of brand management. Based on case studies and reports from Microsoft Digital Trends it has been found that linking the virtual and real world, and because of their integrity creates an emotional attachment to the brand customers. Generally, it can be stated that the concept Phygital brought new challenges in the field of marketing communication, it is components measuring marks and measurement of integrated marketing communications.

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