

---

## **Digital Marketing and Digital Logistics in Consumer Communication**

---

Erokhina T.B.<sup>1</sup>, Mitko O.A.,<sup>2</sup> Troilin V.V.<sup>3</sup>

**Abstract:**

*The article discloses characteristics of consumer value of goods; it highlights the problem of choosing target audiences for particular product groups.*

*According to the authors' position presented in the paper, there is no market without marketing and logistics, since it is marketing and logistics that make demand management.*

*The article reveals characteristics of the contemporary consumer and presents the analysis of market needs which allow satisfying customer needs.*

**Keywords:** *Marketing, consumer behavior, logistics, management.*

---

<sup>1</sup>Doctor of Science (Economics), Professor, Professor, Department of Marketing and Advertising, Rostov State University of Economics, Rostov-on-Don, [tb.erohina@gmail.com](mailto:tb.erohina@gmail.com)

<sup>2</sup>Professor, Professor, Department of Commerce and Logistics, Rostov State University of Economics, Rostov-on-Don, [mitkooa@yandex.ru](mailto:mitkooa@yandex.ru)

<sup>3</sup>Professor, Professor, Department of Commerce and Logistics, Rostov State University of Economics, Rostov-on-Don, [profvvt@gmail.com](mailto:profvvt@gmail.com)

## **1. Introduction**

The relevance of the problem of digital transformation of society forms a growing interest in the benefits, risks and opportunities of digital marketing and digital logistics. Since the late 20<sup>th</sup> century the world civilization has been experiencing a new stage in the development of communication processes resulted from the mass distribution of television, especially satellite and cable, followed by the Internet and mobile communications. All this influenced the rapid introduction of digital media. The surrounding reality is transformed under the influence of information technologies, which generate new digital tools. The evolution of digital marketing and digital logistics creates new opportunities for active interaction with a consumer. A modern man has new needs that generate a variety of demands, and the differentiation of goods of one purpose shows only the smallest differences between products, which requires the development of potential buyers to communication.

## **2. Materials and methods**

Traditional methods of a marketing complex do not work in the era of digital society, when annoying online advertising in the internet causes irritation and displeasure, the computerization of society covers only the advanced segment of society. The evolution of marketing has generated a digital stage, a personifying (taking into account previous interactions, the possibility of using neuromarketing, knowledge of analytical information about consumer behavior) real-time dialogue when creating a socio-demographic portrait of a consumer with a view to further working with him. To ensure the consumer value of any product, a strategy is required. It includes such characteristics of the product as a whole as: price, communications, service, i.e., all that makes up the whole set of characteristics of the proposed product. The reaction of buyers to the proposed strategy determines the success or failure of a manufacturer of goods.

The need an individual feels may be hidden, passive, active, or pronounced, but it also happens that this person simply does not feel the need for any product, there is even no abstract thought about purchasing a product. It is difficult to initiate a desire to possess a product and then motivate a person and force to spend money by own desire and even get pleasure from it. However, this is not enough for a consumer to make purchases again and again. Implementing such a model is possible only if forces of the scientific bases of marketing and logistics combined. The technology can reveal the desire to further embody it in a certain form, create a demand for new or improved products with desirable benefits. It presupposes determining its own target audience for each product and directing efforts at this particular consumer segment when creating an “ideal” product, in which there is an interest, and it will be sold to them in the right place. Knowing its target audience, the firm will easily determine the boundaries of the target market.

Information on media consumption preferences form an innovative advertising toolkit, which is aimed at anticipating consumer demand. Marketing processes in the period of intensive informatization of society successfully use digital tools that use all the gadgets that are used in targeting and personification of communicative influence (Firescu and Popescu, 2015; Akopova *et al.*, 2017; Bondarenko *et al.*, 2017).

### 3. Discussion

The mechanism of interpersonal and group communication is greatly simplified due to the rapid development of social networks, supports the existing contacts and easily establishes the new ones, allows easily manipulating the self-presentation of an individual, copies and adapts the real communication existing in society.

Huge blocks of information are transmitted through media channels, a consumer has become more selective when using content and trusts credible channels. Social networks are full of advertising, and it is gradually losing popularity (sociologists' researches report that network users pay attention to only 10% of advertisements). The efficiency of such communication falls. The real preferences of the customer are monitored offline, which makes it possible for e-commerce to take into account information about the features of user behavior. Besides, it allows accumulating information about consumers, automatically proceeding from the specified parameters and distributing them into segments and triggers. Any smartphone is a source of knowledge of a consumer. All calls, written messages, posts on social networks, news a consumer read, videos he/she watched, advertising messages in the framework of loyalty programs and other information – everything is of interest.

Digital marketing communication tools are expanding with each release of new phone models that can grab attention of consumers and expand digital opportunities, forecasting entrance to new markets. Mobile communications have great potential, but the range of digital capabilities available today is impressive:

- e-mail – combining telephone marketing with newsletters;
- SMS – text messages;
- IVR – voice thematic menu;
- MMS – multimedia messages;
- Bluetooth – local radio communication between communication facilities;
- WAP – wireless data transfer protocol;
- mobicode (combination of numbers) – for making payments and receiving discounts;
- QR-code – the image on printed materials, allowing making a quick transition to a virtual environment;
- technology Click To, Flash, Location Based Services (LBS);
- technology for convenient loading of software products;
- bar code recognition;

- the possibility of interactive screens: 3D-mapping, the technology of projection of the image on the object of the environment;
- Augmented Reality technology;
- technology to reproduce the reality of virtual elements, etc.

Increasing the speed of attracting customers in modern market conditions without the use of various media channels is impossible. Digital tools in the marketing environment generate market changes in communication policy, which is endowed with unique opportunities in the context of informatization of society. How are digital, computer and information technologies intermingled and how do they differ? In the late 50s of the last century, the global transformation of the format of mechanical technology into a kind of digital electronics happened. Digital technologies combine big end-to-end data:

- neurotechnology (a set of interconnected neurons: biological located in the brain, and artificial existing as mathematical models);
- “blockchain (block chain – distributed database, registry system);
- POS-terminals;
- automated identification of consumers based on physiological (fingerprints, face recognition, iris image, palm shape, etc.) or behavioral (handwriting or keyboard writing, voice, lip movement, walk) characteristics;
- Artificial Intelligence;
- quantum technology;
- sensory;
- biometric technologies that make it possible to pay for goods by placing a finger (eye, ear) on the scanner;
- wireless communication;
- virtual reality (the world created by technical means transmitted to a person through personal sensations simulates the impact and complex of sensations of reality), additional reality, etc.

Struggling for a consumer, competition emerges with new vigour due to the introduction of digital technologies. The specificity of the product develops and expands the possibilities of digital tools, where digital marketing has significant communication advantages over traditional marketing:

- it makes it possible to come into contact with an innumerable large, non-segmented, diverse stratum of the population;
- information about the product and the company is provided instantly on condition that a consumer is interested and motivated, and the introduction and dissemination of other marketing strategies requires a significant investment of time;
- interactive communication allows entering into a promising dialogue with the user;
- if a consumer showed at least minimal interest in the site, it is much easier to

- influence him/her with the increased number of arguments, which increases the likelihood of making a purchase and diffusing the spread of information;
- marketing research is available using video cameras to monitor customers and track their behavior in the form of demographic and other features;
  - client recognition can be used to create and improve databases;
  - digital advancement technologies cost less than other strategies;
  - the result of the impact and the effectiveness of the impact on a consumer is transparently tracked.

#### **4. Results**

Domestic companies in the sector under analysis need to assess the potential of addition (to their useful products) individually by evaluating two factors: if their product is often bought; is their product is useful in the mind of a consumer compared to competitors' products. If the answer is positive, then it is necessary to start building a promotion based on the concept of perishable products. An increase in the market share will occur due to rising popularity. In other words, it will result from the acquisition of many new customers (of all types), most of them belonging to the category of inactive people who are interested in this product from time to time.

Brands, even if they are differentiated, mostly compete as if they duplicate; however, they differ in popularity (hence, in the market share). Competition and brands growth are largely due to the formation of two market assets: physical and mental accessibility. Brands that are easier to acquire – for more people and in a wider range of situations – have the higher market share (Sharp, 2017). A very important aspect here is both the opening of its own proprietary network and the development of distribution in its region.

And if examples of successful food producers offering perishable goods are increasing, as the number their company stores is growing, then the level of marketing in Russian companies is significantly inferior to foreign companies. Qualitative changes are needed here. They should concern the level of service, branding of outlets and the products themselves. The changes should be more vivid, memorable and with a clear message to a consumer. The level of product quality control should be at the highest level. Product design should take place in a single manner in accordance with the brand book developed earlier. It is very important for marketers to identify the need of the client in advance, analyze the existing offers on the market, offer something more interesting and demanded by the market. Promotions, discounts, gifts for purchases, tastings, life-size puppets, all promotional programs as well as the marketing budget should be developed and applied on a monthly basis. The greater the focus of activities aimed at a predetermined target audience is, the greater the number of customers is, the more customers will purchase the product daily and the more brand-loyal customers will appear. All of

them will ensure stable development of companies operating in this market segment for many years.

Consumers can easily recognize familiar brands. Recognition is based on signals that have the greatest diagnostic value. For example, a steady feature of the chair is four legs and a back, if you remove the back, you will get a stool. Thanks to the features that contain the greatest amount of information, we recognize old friends, even if they are otherwise dressed or changed their hairstyle. The overall picture may change a lot, but as long as the key diagnostic features are present, we are able to recognize familiar objects. Memory does not work on the principle of image identification. A person's ability to recognize familiar objects is based on signals that carry important diagnostic information (Barden, 2014).

Therefore, it is so important to stand out in the mind of a consumer as a producer of useful and tasty products. It is valuable to be associated with the positive emotions that a customer gets on entering the corporate distribution network and communicating with friendly vendors, and not with the lifeless shelves of large federal networks where they mostly sell goods of federal players. The following proprietary networks can be considered as successful trading networks and regional players with perishable products that successfully compete with federal players: VkusVill (Moscow); Agrocomplex (South of Russia, Moscow).

The main competitive advantages of perishable food products include: logistics advantage; emotional advantage; the usefulness of the product; local customer loyalty; constant feedback from consumers; affordable prices; freshness and naturalness of the product; cozy atmosphere (if you have your own company network); demanded assortment; uniqueness; walking distance; great potential of import substitution; large food groups; high turnover. The demand generated by marketing is realized by logistics, the product distribution system shows how these two sciences are intermingled being equal parts. Marketing reveals what a consumer needs and desires, while logistics allows realizing the ideas and satisfying a buyer.

Today consumption is said to change its principles and character itself: first it was enough to have daily bread, now this is not enough. There is a need to consume symbols. The idea of the value of a thing and its value is changing, that is, the product is the face of a consumer, it embodies and creates the image. If a person purchases non-essential goods, this process is usually accompanied by indistinct experiences entailing a whole range of emotions from pleasure to disgust, from delight to anger. When choosing a product, the buyer sees not just a thing in it, but a whole complex of cumulative attributes: taste, smell, color, brand, packaging, and much more – he views the product as a combination of certain qualities and chooses the product that provides the optimal combination available for the amount of money that this individual has.

## **5. Conclusion**

Fundamental marketing technologies are being improved precisely on the basis of the digital component. Thus, being saturated with information flows, the use of digital methods and technologies led to a transition to a new stage in the development of the economy – digital marketing and digital logistics. Customer orientation for logistics is not a study of production capacity, but an analysis of market needs to satisfy customer needs. Marketing unites all stages of achieving the goal by means of planning, production, financing, management, and others.

**References:**

- Akopova, S.E., Przhedetskaya, V.N., Taranov, V.P., Roshchina, N.L. 2017. Marketing Mechanisms for the Development of Transport Infrastructure of Russia and the EU. *European Research Studies Journal*, 20(1), 188-197.
- Artamonova, O.V. 2017. The relevance of using digital-tools in promoting the product on the current market. *Young scholar*, 10, 184–187, available online: <https://moluch.ru/archive/144/40388>.
- Barden, Ph. 2014. *Decoded: The Science Behind Why We Buy*. Moscow, Mann, Ivanov and Ferber Publishing House, 304 p.
- Bondarenko, A.V., Parkhomenko, V.T., Erokhina, B.T., Guzenko, V.N. 2017. Marketing and Logistic Instrumentarium of Activation of Inter-Country Cooperation of Russia and Solving the Issue of Import Substitution. *European Research Studies Journal*, 20(1), 105-116.
- Bouton, M.E. 2004. Context and Behavioral Processes in Extinction. Available online e: <https://www.ncbi.nlm.nih.gov/pubmed/15466298>.
- Christopher, M., Peck, H. 2014. *Marketing Logistics*. Moscow, Technologies.
- Erokhina, T.B. 2017. Forming and development of segment of eco-consumers in modern marketing practice. *Vestnik of Rostov State University of Economics*, 4(60).
- Golikov, E.A. 2014. *Marketing and Logistics*. Moscow, Dashkov and Co.
- Firescu, V. and Popescu, J. 2015. The Costs of Quality: An Important Decision Tool. *International Journal of Economics & Business Administration*, 3(4), 44-52.
- Gourville, J.T. 2006. Eager Sellers and Stony Buyers: Understanding the Psychology of New-Product Adoption. Available online: <https://hbr.org/2006/06/eager-sellers-and-stony-buyers-understanding-the-psychology-of-new-product-adoption>.
- Jeffery, R.W., Epstein, L.H., Terence, G., Drewnowski, A., Stunkard, A.J., Wing, R.R. 2000. Longterm Maintenance of Weight Loss: Current Status. *Health Psychology*, 19.
- Judah, G., Gardner, B., Auinger, R. 2013. Forming a Flossing Habit: An Exploratory Study of the Psychological Determinants of Habit Formation. *British Journal of Health Psychology*, 18, 338-353.
- Kirshenbaum, A.P., Darlene, M.O., Warren, K.B. 2009. A Quantitative Review of the Ubiquitous Relapse Curve. *Journal of Substance Abuse Treatment*, 36, 1.
- Nikolaychuk, V.E. 2016. *Logistics in the distribution sphere*. St. Petersburg, Piter publ.