Augmented Reality Advertisements within the Realm of Phygital Marketing: Case Studies of Advertising Examples

Sinem EYİCE BAŞEV[1]

[1] Ass. Prof. Dr., İstanbul Gelişim University, İstanbul, Türkiye / seyice@gelisim.edu.tr.

Abstract: Technology has evolved to be a concept of constant development and innovation, significantly impacting both individual and societal life. It has become a fundamental building block that influences personal inclinations, choices, and decisions, and is already present in many phases of human life. Individuals react to technological advancements they encounter in their daily lives, as they are not just consumers in the current era, but also producers. The responses to technological advancements extend to influencing purchasing activities and shopping behaviors of individuals. This study has been developed to analyze the role and usage of Augmented Reality technology, one of these technological advancements, in the transforming field of marketing and specifically in advertising. The evolution of the marketing concept has brought about new approaches, as is the case in almost every developing field. Among these new approaches, the influence of digitalization is acknowledged. Within these definitions, the concept of phygital marketing is included. The phenomenon of transferring real-life actions to a virtual (digital) environment has given way to the transfer of virtual (digital) environments into the physical, real-life aspect. The term "phygital", a combination of physical and digital, can be summarized as the reflection of digital phenomena, especially in the physical dimension, into everyday life. One of the application areas where the impact of phygital concept in marketing is evident is the use of Augmented Reality technology in advertisements, which defines the scope of this study.

Keywords: Phygital Marketing, Augmented Reality, Advertising, Content, Digitalization.

ORCID: 0000- 0001-8936-1985

INTRODUCTION

The advancements, innovations, and transformations in the field of technology can lead to significant changes within the context of human life, as technology increasingly impacts individuals directly. It influences everything from the fundamental aspects of attitudes and behaviors to decision-making processes. Seeing the entirety of technological developments through history, observing their impact on our lives, and tracking every new development underscore the significance of the concept of technology. Imagining a world without electricity is challenging in today's context (Günay, 2017). From such a fundamental starting point to the current state of artificial intelligence, virtual reality, and augmented reality, we can see the extensive reach of technology's influence. Technology is described as human action and productivity. Its etymology lies in the Greek words for "knowledge" and "art." Human nature is significantly affected by being informed, learning, and the emotions evoked by art. At its core, technology encompasses activities built around efficiency and influence. It is defined as "the total of tools and related data developed by mankind to control and change the material environment".

History shows us that technology is always inclined to make leaps. Despite our ways of living and working, we cannot stop progressing forward. Today, technology appears to cause more disruptions in our lives than ever before (King, 2016). We live with technology, sustain it, and develop its applications. In Maslow's hierarchy of needs pyramid, technology now seems like an invisible step. It can be said that technology has almost taken on the role of satisfying basic needs. We find answers to our deepest needs and desires through technology.

In the long term, technological innovations and adaptation to technology have a unifying effect on our lifestyles. The discovery of new technologies accelerates the finding or creation of even newer ones (King, 2016). The world is changing, and this change seems to be continuous. Technology is recognized as one of the most

adaptable aspects of this world change. Technology usage shapes planning and reporting in almost every area, medium, and activity in an integrated manner. Among the areas shaped and influenced by technology and technological advancements are marketing and advertising activities. The emergence of digital marketing as a concept, influenced by the development of marketing, can be cited as an example. The digital concept is broadly defined as the electronic display of data on a screen. It also refers to computer language. The development of computer language (programming language) dates back to the 19th century. Mathematician Gottfried Wilhelm's discovery of an arithmetic system based on the values corresponding to the digits 0 and 1 represents the birth of digital language. In digital language, every symbolic production has a code equivalent, and all actions are expressed through this coded language. Computers and many other advanced technological products include computer language (coding language) (Özel & Sert, 2015; Köse, 2017).

Digital marketing, sharing the fundamental issues and objectives of traditional marketing, differs in certain aspects and is adapting the concept of convergence, which we are starting to become familiar with in the technological literature. The concept of digital marketing continues to evolve. In this context, encountering a definition like "phygital marketing" is inevitable. Digital transformation began with the transfer of actions and functions encountered in real life to the digital universe. Today, virtual universes are being transferred to the physical realm. This exponential integration of physical and digital is explained as phygital. The phygital concept in marketing corresponds to the presentation of new opportunities through technology. In other words, it's a portmanteau word. Conceived as a combination of physical marketing and digital marketing activities, it can be thought of as bringing the characteristics evaluated in the virtual world together with the digital world in marketing. The integration of physical marketing materials with digital media strategies in a more creative way and observing their increased effects on consumers highlights the importance of the phygital concept.

The transformation and evolution of marketing environments have been shifted to different dimensions under the influence of digitalization. Over time, the concept of digital has progressed to encompass the notion of phygital. This process, which involves the digitalization adopting physical environment characteristics, has become related to advertising activities. At its core, marketing is founded on the exchange between buyers and sellers, both gaining benefits from this action. The marketing process, encompassing both seller and customer concepts, involves plans tailored to customer desires.

"Marketing is a system based on the exchange of goods/services between buyers, who have the intent and ability to purchase, and sellers in a real or virtual marketplace. This system not only involves the transmission of product, service, and corporate-related information between parties through a communication structure but also encompasses the production, pricing, distribution of the goods/services as per the consumer's desires and expectations, and reaching out to the consumer through marketing communication practices, including after-sales customer services" (Elden, 2009:). This multifaceted and multistage structure employs various methods. The channels where marketing communication will take place, the strategies to be created, the messages to be developed, and the materials to be used evolve and differ over time.

When looking at the stages of marketing evolution, it's possible to encounter various understandings. From a production-focused approach to a product-focused one, various sales strategies, approaches coming with socialization, and in today's context, an understanding influenced by technology, media, and digitalization can be

observed. Different from how and where a product is used, the act of persuading to purchase a product post-technological developments has diversified. Especially in today's social life, where generational transitions are intensely felt, marketing techniques targeting individuals who will shape the future have taken on a technology-related aspect (Köse & Yengin, 2017).

The Internet and Internet Technologies, one of the unique inventions of our century, have spurred changes in many fields, including marketing. We encounter the concept of "Digital Marketing," which can be thought of as the application and adaptation of traditional marketing methods in a virtual environment. Broadly defined, digital marketing is a marketing method that uses digital environments to adapt all marketing activities. Although it is often described as the implementation of traditional marketing practices through digital channels, when compared to traditional marketing practices, digital marketing has significant advantages. It offers economic benefits, simultaneous interaction with the target audience, updateability, creativity, and innovation, thus exhibiting its competitive features (Bulunmaz, 2016).

At the onset of the digital revolution, efforts were centered on transferring real-life actions to digital environments for a more efficient and effective life. Over time, as digitalization accelerated and became widespread, this situation reversed. Virtual-digital environments have been transferred to real-physical environments, directing everyday life practices (Köse, 2017: 51).

The concept of phygital, which emerges from the correct merging of physical and digital marketing universes within the geography formed between the consumer and the brand, is a new generation marketing method that blends physical and digital experiences to reach consumers in the most effective way. Advertising, as defined by the American Marketing Association in 2007, is: "The placement of persuasive messages and announcements by companies, non-profit organizations, government agencies, and individuals in mass media, by buying space or time, to inform and/or persuade individuals or audiences about products, services, organizations, or ideas."

In our era, many people gain information about various ideas, products, services, or institutions through advertisements and incorporate what they see in their lives and even into their conversations with friends (Elden, 2009: 136). Advertising and marketing can be said to work in an integrated manner. Advertising is considered an integrated marketing tool and directly affects the marketing process. In this context, it is possible to say that advertisements also benefit from changing technological applications within phygital marketing. Thus, it is possible to say that there has been development in influencing consumer behaviors regarding purchasing attitudes. Advertisements are designed on creative strategies and aim to contribute to the efficiency of marketing activities. Changes and innovations in information and communication technology have been reflected in the advertising sector. The use of internet-based developments, applications of transferring virtual environments to physical life, and artificial intelligence integrations in advertisements can be cited as examples. Social media platforms have also seen an increase in recent years in terms of their inclusion in advertising planning and processes. For instance, advertising activities designed using various technologies on platforms like YouTube have been presented to consumers. In this context, it is possible to mention "Augmented Reality" applications, which can be discussed within phygital marketing.

Advertising activities, considered among the components of integrated marketing communication, utilize certain applications at the point where technological developments have reached within the framework of phygital

marketing. Among these applications, the use of "Augmented Reality" technology in advertisements is significant. Advertisements developed and planned incorporating this technology can be analyzed in various dimensions in terms of their content and effects. The study aims to analyze and provide a general assessment of augmented reality applications in example advertisements in Turkey within the context of marketing's evolving and developing dimensions, shaped by ongoing and progressing technological developments.

2. METHOD

2.1. Research model

In this study, within the scope of phygital marketing, the process that began with the transfer of digital marketing to physical environments and the use of augmented reality technology in new media advertisements are aimed to be analyzed in terms of their content.

The transition of the digital environment into a physical dimension and its inclusion in advertisements through defined strategies has been scrutinized both content-wise and in terms of associations. The selected advertisements are those that have been transformed into campaigns within these strategies and benefit from augmented reality technology. These advertisements, which have gained significant importance in the sector and can be evaluated within the scope of phygital marketing, carry marketing strategies in new media and the function of attributing producer-consumer qualities. In this context, they have been incorporated into social media. The contents, messages, and associations of advertisements aiming to reach consumers in physical environments have been examined within the scope of phygital marketing. According to a report published by Nielsen, 10% of online shoppers make purchases as a result of advertisements seen on social networks.

In the field of advertising, examples of advertisements containing augmented reality within the transformation of the digital marketing concept into the phygital marketing concept have been analyzed using the content analysis method. Interpretative content analysis, one of the alternatives of content analysis, has also been utilized in associative dimensions. Interpretative content analysis is used to evaluate the stories of texts and their contents along with the structures of research arguments (Yanow and Schwartz-Shea, 2006). This method can be used to examine the inclusion of a physical message along with the digital environment through augmented reality technology. Content analysis classifies text materials and reduces them into more relevant, manageable data pieces (Weber, 1990).

The selected advertisements for this study are augmented reality-inclusive and have been determined to examine their usage in advertising campaigns organized in Turkey. Considering the advertising activities developed within the scope of phygital marketing worldwide, examples converted into campaigns through digital media in Turkey represent the sample of this research.

3. FINDINGS

In this study, within the realm of phygital marketing, the focus is on the examination of advertising examples in Turkey that employ augmented reality technology, following the process of transferring digital marketing into physical environments. The campaigns such as Eti Puf Music Academy and the Domestos bus stop campaign have been analyzed. These examples encompass an ongoing process across social media platforms and have been selected for their ability to evaluate the marketing concept's transfer into a physical environment.

3.1. Eti Puf music academy

Eti, recognized as one of Turkey's largest 100 industrial organizations and serving in the food sector since 1962, can be considered one of the most significant examples of phygital marketing in Turkey with its augmented reality-inclusive advertising campaign.

As of August 2019, the product known as Eti Puf took the main stage in the campaign, which featured a phygital nature and was presented on social media, YouTube, and television. However, the effectiveness of the ad was enhanced by a virtual application developed for smartphones and supporting campaign representatives. The augmented reality technology turned QR codes placed on Eti Puf products into musical notes, enabling music creation by positioning each Eti Puf product, thus transferring physical environments into a virtual space. The ad film, starting with the sentence "Are you ready to bring out the star in you?" shows how to use the application with a smartphone. A group of young people demonstrates the music creation experience with this application. The concept of experience, fundamental to augmented reality technology, is also the underlying philosophy of the ad campaign. The ad film, continuing with "Everywhere can be your stage," is proof of the impact of phygital marketing on consumer behavior. The slogan "Download the Eti puf music academy app now and turn any place into a stage," along with various stage visuals, highlights the strategy of the campaign and concludes the ad film. Various effects and elements aim to create a cognitive structure that unifies the physical and digital realms. The idea of turning every area and material into an instrument through a digital filter falls within the scope of phygitalization. Supporting the campaign, YouTube content creators and social media influencers were also involved. For instance, Berk Coşkun with 1.54 million subscribers on YouTube and Betül Çakmak, whose subscriber count has recently risen significantly, have participated in this campaign, making people aware of it through their content. This demonstrates the importance of Eti's planning of this campaign on Instagram and YouTube as well.

The physical environment has been transformed into a digital music experience. Consumers, also acting as users, have been included in the process. The phygital marketing quality under augmented reality technology has been established in people's minds through their experiences.

3.2. Domestos bus stop campaign

Domestos, a long-standing player in Turkey's cleaning sector, has presented a phygital marketing example with its 2015 campaign, as shown through its YouTube channel.

Companies testing the collaboration of physical and virtual environments and setting creative strategies increase their effectiveness. Focusing on the concept of experience, Domestos conducted a digital project on the advertising panel of a bus stop in Nişantaşı, Istanbul. The panel, equipped with augmented reality, reflects the cartoon characters of microbial organisms, a long-standing feature in Domestos's ad planning. The front and back sides of the advertising panel create a unity throughout the street using augmented reality, thus transferring the physical environment into digital. The company directly engaged individuals by filming and recording them while they were waiting at the stop. The augmented reality application, creating an effect as if microbes are trying to infiltrate and break the glass of the panel, surprises the individuals. People controlling the stop and expressing their astonishment share their experiences through images. The realism affects individuals of different age groups. The use of #DomestosShield showcases the campaign's social media impact.

The campaign, planned around Domestos microbes, aims to communicate the effectiveness of Domestos against microbes. Individuals inside the bus stop encounter microbes in various ways. The inclusion of digital elements in a physical

environment triggers the experience factor in their minds. Within the scope of phygital marketing, the company's campaign has made a lasting impression and has transferred the physical dimensions of social life to digital, and vice versa.

CONCLUSION and DISCUSSION

Augmented reality enhances the everyday social environment with computer-generated sounds, images, graphics, and GPS technologies to create an enhanced physical appearance. This concept is essentially the transformation and near-real adaptation of reality by the computer. Various methods are available for adding or modifying spatial dimensions in transferring information to the physical world.

Unlike virtual reality, augmented reality doesn't replace real-world environments with computer-generated images. Instead, it uses the real environment as a backdrop, overlaying the video of the real world with text, images, sounds, animations, or three-dimensional objects (Köse and Yengin 2017; Donald and Michelle, 2018).

Using object recognition in virtual reality devices, augmented reality overlays virtual objects on top of real images. In the near future, we may enrich our perception of reality through revolutionary virtual reality. Augmented reality applications offer advanced perception to help us see, hear, and feel our surroundings. Education, design, and healthcare are just a few areas that benefit from augmented reality (Krevelen and Poelman, 2007).

Augmented reality leads to an increase in information encountered through the fusion of the physical and digital worlds. Its impact in education, diagnosis and analysis in health, military simulations, and developments in various applications and games in computer science are some of the areas of application and examples. For marketing, augmented reality applications allow people to quickly and instantly access products and form opinions.

Now, we are closer to the year 2030 than we were at the beginning of the millennium 2000. Technologies we've discovered, such as artificial intelligence, gene editing, nano-scale manufacturing, autonomous vehicles, robots, wearable computers, and integrated data processing, are radically redefining humanity's next generation (King, 2016).

Advertising activities also aim to reach consumers by leveraging discovered and developed technologies. In this context, companies aim to establish a presence in the minds and lives of their target audiences through new media materials. Advertising plans and processes dominated by the idea of creating a physical impact and experience can be said to exist. Companies using this planning that incorporates augmented reality transfer physical life to the virtual universe in their advertisements. Considering the narratives developed in these advertising activities, it can be said that consumers' experiences and the brand's positioning strategies meet on common ground.

Ads developed with the thought of experiencing the product before or after purchase use augmented reality to enhance the effectiveness of informing about the product, idea, or goods/services. The study aims to evaluate the use of augmented reality technology in marketing and its role in the concept of phygital marketing by examining advertising campaigns.

Given the developments and usage in Turkey, it's possible to say that the concept of phygital marketing is experiencing significant growth. The "experience" dimension, more actively used in Turkey recently, and the process of transferring physical environments to digital, create differences for consumers. The concept of phygital marketing could become an essential building block of the marketing process and the defined strategy. Augmented reality technology, which has various applications and is increasing every day, has also become an integral part of the marketing process. For example, in America, IKEA offers significant convenience to individuals designing their

homes. Barbers show hair models and colors to their customers before the procedure using augmented reality-infused mirrors. Augmented reality is used in education, health, military operations, social life information, shopping centers, stores, websites, travel, and cultural areas. This technology has enhanced the physical experience in marketing. Real environments, with virtual effects, allow brands to take significant steps in imprinting themselves in people's minds. Additionally, the 360-degree marketing opportunity provided by augmented reality technology has also contributed to creating a new advertising platform. This implies that advertising will play an effective role in future planning.

The increase in advertisements containing augmented reality in Turkey will expand the scope of work and develop the concept of phygital marketing. The development aimed at enhancing user experience through digital technological advancements in the physical environment will lead to an increase in examples in marketing and advertising. The concept of phygital marketing, still relatively new, will be further explored thanks to new technologies and applications featuring virtual reality and augmented reality.

RECOMMENDATIONS

Based on the comprehensive discussion about the evolution of marketing into the phygital realm and the significant impact of augmented reality (AR) technology, the following recommendations can be offered:

Innovative AR integration in marketing campaigns. Companies should continue to explore innovative ways to integrate AR technology into their marketing campaigns. This includes not just overlaying digital information onto physical environments, but also creating interactive experiences that engage consumers in a meaningful way.

Focus on experience-driven marketing. The emphasis on experience in marketing should be strengthened. By offering immersive experiences, brands can create a deeper connection with their audience, enhancing brand recall and customer loyalty.

Utilize social media platforms effectively. Leverage social media platforms to amplify the reach of AR-enhanced marketing campaigns. Collaborating with influencers and content creators on platforms like Instagram and YouTube can increase engagement and bring authenticity to the campaigns.

Educate and train marketing teams. Equip marketing teams with the necessary skills and knowledge about AR technology and phygital marketing strategies. This can include training programs or workshops on the latest AR tools and trends.

Develop user-friendly AR applications. Ensure that any AR applications developed are user-friendly and easily accessible to the target audience. Simplicity in design and ease of use can significantly improve user engagement.

Measure and analyze campaign effectiveness. Implement tools and metrics to measure the effectiveness of AR campaigns. This can include tracking user engagement, conversion rates, and the overall impact on sales and brand perception.

Explore partnerships for technological advancement. Collaborate with tech companies specializing in AR to stay ahead of the curve in terms of technological advancements. This can lead to more sophisticated and impactful marketing campaigns.

Incorporate AR in omnichannel strategies. Integrate AR technology into omnichannel marketing strategies to ensure a seamless and unified customer experience across all channels.

Tailor AR experiences to customer preferences. Customize AR experiences based on customer preferences and behaviors. Personalization can significantly enhance the effectiveness of marketing efforts.

Stay updated with legal and ethical guidelines. As AR technology evolves, it's crucial to stay informed about the legal and ethical implications of its use in marketing to ensure compliance and maintain consumer trust.

By embracing these recommendations, businesses can effectively harness the potential of AR technology and phygital marketing to create innovative, engaging, and impactful marketing strategies.

Ethics Statement

"This article complies with the journal's writing rules, publication principles, research and publication ethics rules, and journal ethics rules. The author bears responsibility for any violations related to the article."

Author's Contribution Rate Statement: The contribution rate of the first author in this study is 100%.

AUTHOR CONTRIBUTION STATEMENT

All authors have contributed equally.

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CONFLICT OF INTEREST STATEMENT

There is no conflict of interest with any institution or person within the scope of the study.

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