



Volume XXI 2018

ISSUE no.1

MBNA Publishing House Constanta 2018



Scientific Bulletin of Naval Academy

SBNA PAPER • **OPEN ACCESS**

Effects of the increasing use of technology upon marketing in the 21st century

To cite this article: Zechia Dana Carmen and Patesan Marioara, Scientific Bulletin of Naval Academy, Vol. XXI 2018, pg. 313-316.

Available online at www.anmb.ro

ISSN: 2392-8956; ISSN-L: 1454-864X

doi: 10.21279/1454-864X-18-I1-047

SBNA© 2018. This work is licensed under the CC BY-NC-SA 4.0 License

Effects of the increasing use of technology upon marketing in the 21st century

Zechia Dana Carmen¹ and Patesan Marioara²

¹Lecturer, PhD, 'Mircea cel Batran' Naval Academy, Fulgerului St, 1, Constanta

²Professor, PhD, 'Nicolae Balcescu' Land Forces Academy, Revolutiei St, 3-5, Sibiu

E-mail: dana.zechia@anmb.ro

mpatesan@yahoo.com

Abstract: Technology is changing the face of the world today. It is one of the most catalysts for today's changes in how marketing is done. However, consumers have great and collective power to 'dictate' what companies do. We can highlight several of the more apparent impacts of technology on markets and the organizations competing in these markets. While change is challenging, it is also exciting. Organizations that are market-driven and learn how to leverage technologies and other competencies can anticipate promising opportunities for growth and performance.

Technology is changing markets and buyer preferences and the rate of change is likely to increase in the future. Technology will continue its pervasive global impact on marketing strategies and program components in the twenty-first century. We can highlight several of the more apparent impacts of technology on markets and the organizations competing in these markets. While change is challenging, it is also exciting. Organizations that are market-driven and learn how to leverage technologies and other competencies can anticipate promising opportunities for growth and performance.

Technology is one of the main catalysts for today's changes in how marketing is done. Easier access to more and more information and the possibility of people to network with each other has put the customer "in control". Until a few years ago, with "traditional" media, marketing was mostly a one way communication (from the company to the consumers). Word-of-mouth was still at low levels and feedback was time-consuming and not necessarily effective. Free market - people choosing to buy something else - was the only effective feedback mechanism.

Today however, consumers have great and collective power to "dictate" what companies do. People value others' opinions. With social media anyone can set up a website and voice their views. Anyone can visit online meeting and promote the voices and opinions of others, and anyone can mobilize a group around a common cause. The global loop is now closed: communication becomes bi-directional. Two-way communication is the most productive way: companies and consumers talking to each other, not at each other.

New media channels such as social media marketing and online advertising/e-commerce are becoming more and more popular, especially among specific market segments such as generation Y and part of generation X.

Social Media Marketing (discussions forums, corporate blogs, community groups, etc.) is a new low cost tool for companies to "damage control" bad news and also to get feedback from their customers (communication becomes a 2-way communication).

New Sales Channels dealing with sales expenses that are cut down when using e-commerce enabled websites. These virtual malls are open 24/7 and have better gross margins than brick and mortar stores (i.e. amazon.com)

Online Advertising as a new media channel used for advertising, has lower costs than traditional media advertising (i.e. cheaper online advertising is said to be the reason why newspapers' revenues from classifieds have dropped and continue to drop).

Informational Websites can be used as ways to communicate the messages and/or drive customers to the stores. Communicating efficiently product value is a way of increasing maximum value for your customers

Online promotions offer new sales promotion tools (i.e. pepsistuff.com, where Pepsi customers can redeem points from bottle caps for prizes).

Companies/Customers can save money by using Internet to compare sellers' prices before purchasing, to train staff or to hire employees. Easier access to this kind of data makes the market research easier and cheaper.

Traditional media channels (newspapers, television) not only face competition from the new, emerging media channels but they are affected by technological changes in other markets and industries. For example, the increasing popularity of personal video recorders that allow customers to "zap" the commercials has affected the coverage of television advertising.

The adoption of technology, specifically the Internet, has empowered consumers who are now able to amass the "perfect knowledge" previously thought to be held by brand marketers. In the past, these marketers would gather this information and then sift it through their "brand filter" to distill the appropriate message, shining a kind light on their offering for their target audience. Today, these same consumers have access to the "unfiltered" information and a marketer's job is forever changed.

Consumers now have the ability to transcend traditional boundaries of geography, time, and communication channel to gather their own impression of a marketers offering. This empowerment has increased their savvy, creating less patient consumers who simply expect more from their trusted brands.

This consumer transition can be viewed as a parallel relationship between the adoption of technology and both the increase of visitor knowledge and the inpatients it has rendered to consumers. Through this transition, consumer reaction to and consumption of traditional communications has dropped. The really unfortunate thing is that marketers have reacted to this by doing more of what was becoming less efficient, trying to beat their message into the minds of their target audience. In turn, this increase in the communications drum beat is further deafening the ear of consumers. This is making the whole issue even worse.

Marketing has always been a field rife with confusion and questions.

Where do I spend my company's money to yield the highest rate of return, how much should I spend and with which companies should I work when making these decisions?

Increasingly, these decisions have become ever more difficult with the advent of so many new technologies. During the last few years we have found that there is one critical area which many business people neglect: the company Web site. The Internet has become the source for information about almost everything.

An Internet user can find high school classmates, apply for jobs, check a bank account and, most importantly to business owners, research companies and their services. It is easier for most people to look up a telephone number or find a company by searching it online instead of walking across the room and looking it up in the phone book.

In many cases, your company's Web site is the first impression many people will get. The quality of the site directly affects the perceived quality of your company. Just as importantly, a well-designed Web site allows other marketing pieces to become even more effective sources of information than before.

A simple business card can now be a gateway: your business card can include a simple Web site address and a potential client can access whatever information you want to share about your company.

While a Web site can offer very specific, up-to-date information, a company's brochure can now feature general information so that its effectiveness isn't lost over time. A brochure can point a potential client to a company's Web site to get the most up-to-date, accurate information. You can easily change information on a Web site; it isn't so easy on a brochure, especially when you may have hundreds already printed.

Expensive newsletters and mail outs can now be done through e-mail, instantly, and at almost no cost. Online video commercials have been used to combat the drop in effectiveness of TV commercials.

A Web site will also allow people who own cell phones with Internet access the ability to find you and your company more quickly. Many people express their concern about Web sites because they've been told that it's very costly to maintain these sites.

However, with today's technology we have the ability to create a system that allows even the novice computer user to maintain a Web site with no costs except those associated with the initial setup.

While some of you may be looking to redesign your current site or want to create a site for your company for the first time, we may think of some things to look for when choosing a design firm to create your site.

- When talking with a design firm, find out about the individual building the site.

What kinds of credentials and certification do they have?

- Make sure you see a large number of portfolio pieces created by the design firm, take your time going through them and make sure that your Web site will be at least equal to the quality exhibited in the portfolio.
- Written testimonials, if available, may provide some information, but don't stop there.
- Get a list of references and call the people on that list.

Watch out for firms using "template" sites created by other companies because your Web site should be as unique as your company.

- Ask if the design firm bases its work on "accessibility standards" and "cross browser compatibility" ensuring that the largest number of people will be able to access and use your Web site.
- Finally, do not let a design firm lock you into a lengthy maintenance agreement. They're expensive and unneeded.

As mentioned before, new technology allows us to maintain our own Web site at no cost.

If we follow these suggestions, we'll be the proud owners of a high-tech marketing tool that will help potential clients make informed decisions and ultimately help our company flourish.

Technology is changing the Advertising Business

It is sometimes difficult to grasp the vastness of the Internet as it links country with country, culture with culture, buzzing metropolis with distant towns. Even more amazing is the fact that something so seemingly endless could become the vehicle through which an entire industry is transformed to become more personalized.

Such is the case with the advertising industry. With access to consumer information that is, in some ways, easier to collect over the Internet, and more sophisticated technology, companies are customizing their ads toward specific audiences, and even zapping ads to cell phones. Web surfers can interact with ads in greater depth, and they can benefit directly from an ad's personalized message.

This technological change, which only promise to become more advanced as bandwidth increases and provides more richly-textured opportunities for advertisers to tell their stories, are fundamentally changing the way advertisers relate to their customers. Customization has serious implications for the marketing business and the greater objective of brand development.

All media have seen a greater ability to send disparate messages to disparate people. The second part of this equation is, knowing the appropriate messages to send. That is derived from the collection and

retention of information about a consumer. A great experimentation is going on with respect to a customer's willingness to be contacted, the results of which have yet to be seen. Good marketers will know "when not to cross a line."

Advertisers will have to nurture their entrepreneurial spirit and put it to good use over the Internet, especially with the arrival of technologies like personal video recorders, which could drop TV ad viewership by as much as 50% by the end of the next decade. As customization software and similar technologies become even more sophisticated and advertisers tap into the vastness of the Internet, they will learn to capitalize on the vastness of its possibilities for directly reaching consumers.

Putting Social Media in its Place

The best place for social media tactics is across the entire continuum of marketing activities. The most effective social media campaigns have been extensions of mass advertising. Furthermore, in terms of activation or conversion, I am intrigued by the potential of inter-connecting search and social media marketing and how this - most direct - of marketing mechanisms can be made more effective by the application of well thought out and integrated social media campaigns. At the simplest level, think about semantics and how the language used in customer generated content can be used to inform search strategies.

All Marketing is a Hypothesis

However scientific we might want to be about marketing, the truth remains that everything we as marketers do is really a hypothesis. At least the smartest marketers will recognise it as such. This understanding leads to three non-negotiables for marketing effectiveness:

1. Use all the data you can lay your hands on derive insights and create your initial hypothesis or segmentation (the better this initial step, the better the overall outcome).
2. Measure carefully those elements that materially impact your initial hypothesis (be careful not to measure everything just because you can - measure what matters).
3. Design all of your marketing materials to be adaptive so that they can change as a function of your testing and measurement of your initial hypothesis (my agency- Rosetta - refers to this as operationalising the segmentation and you would be surprised at how many segmentation studies gather dust on the shelf and are never really tested in the marketplace).

Barriers include the natural class structures that arise in organizations: There always seems to be one function that considers itself and is perceived by others to be the one the organization values the most.

Technology inspires art, and art challenges the technology.

Marketers of course are faced with the additional challenge (opportunity) of integrating campaign data and analytics to both inform the original insight (the higher idea) and then to have that data be used to optimize the execution over time...

The conclusion is: the chosen media strategy and the promotion tools used need to take into consideration and anticipate the emerging channels and trends in the marketing today in order to deliver the advertised messages both efficient and effective.

References

- [1] Baines, Paul, Chansarkar, B., *Introducing Marketing Research*, Wiley, 2002
- [2] Craig Samuel C, Susan P. Douglas, *International Marketing Research*, Wiley, 2005
- [3] Paley Norton, *The Manager's Guide to Competitive Marketing Strategies*, Thorogod, 2005
- [4] Churchili, Lacobucci, *Marketing Research*, 9th Edition, 2009, Cengage, Australia.
- [5] Imms, M. and Ereat, G. (2002) *Introduction to qualitative market research*, Sage, London.