Contemporary issues in marketing

In an era of Super smart-phones, high-speed internet, and convergence of digital media in day to day life, it is important that traditional marketing techniques to evolve along with the digitisation of advertising, sales promotion and brand management. Marketing has moved on from basic advertising and sales promotion, to a more personal and customised approach towards customers, delivering a whole new level of involvement and experience to the consumers.

Marketing is the " The management process responsible for identifying, anticipating and satisfying customer requirements profitably."(The Chartered Institute of Marketing) Marketing requires constantly adapting to the changing consumer needs, and satisfying them in a way that is better than the competitors, in a profitable manner. In today's highly evolved and competitive business environment, it is indispensible to employ the aid of technology in marketing, the fact that technology has a transformational impact on the marketing is done cannot be ignored. Technology is changing the way companies interact with their consumers; marketing is becoming more focused on technology to increase the sales and returns on investment (ROI). Stephen Diorio shares his views on technology and marketing, " Over the next ten years, rapidly changing technology will impact most aspects of sales and marketing strategy and management," (Diorio S. G, 2002)

Google is one of the best examples of companies that have successfully employed technology in their marketing strategies. The firm started up as a small search engine in 1998 and today has an estimated worth of more than $35 billion, employing more than 20000 people. In the further sections, I will

be discussing how google uses technology in its marketing operations, and the specific areas in which they are employed.

Marketing Research

" Marketing research is the systematic gathering, recording, and analysis of data about issues relating to marketing products and services." (McDonald. M, 2007) Marketing Research helps a company determine, whether its current portfolio of products is satisfying the consumer needs, and what improvements can be made in new products, and whether consumers will accept a new product or not.

Google is well known for its search refinement and optimisation over the years, it has consistently been successful in understanding what consumer is searching for, and putting up relevant advertisements on their search results. Let us discuss what technologies google uses for its marketing research:

Anonymous Data statistics collection:

Google analyses data that it receives from its search engine like the search keywords, location of user, age group, etc. And uses the data to deliver more optimised and local search results to the user, providing a more precise and effective way of advertising. The data that Google collects is anonymous and is used for demographic classification only. Also if there is a bug or error in Google's search, it sends an error report to the company, so they can work on fixing it and improving its results in future. This is a very effective marketing research technique is it does not involve much cost, and is based on reliable data that is generated on the company's own servers.

This market research method is an example of excellent consumer involvement; the data collected is with express permission of the users solely for improvement purpose, and Google's privacy policies clearly states that it is collected anonymously with no storage of the user's personal information. Also there is an option for opting out of the research for anyone who does not want their data to be analysed.

(Source: Google Privacy Policy)

Google Analytics:

Google analytics is Google's web analytics solution; it generates insights into its websites traffic, total number of visits, subject of interest, location of users, etc and other statistical data which in turn the increases the effectiveness of marketing by identifying and analysing the preferences of the consumer and the product that they are searching for. It helps Google create better targeted and strategically placed ads. Google also offers the analytics solution to many large corporations and companies helping them place their ads at strategic locations and increasing their return on investment or ROI.

It delivers sophisticated data to Google regarding its website traffic, and its gain/loss of market share against its competing companies. The technique is an entirely new approach compared to traditional marketing research methods like surveys and seminars, as this is totally computer generated research based on raw data collected from real life users, and also it is more mathematically correct and precise. Analytics can collect data from tracking

mobile devices, location based website tagging and comparing the relevance of search terms to actual results.

A very recent example of this tool's utilities is when it surfaced that 'Bing', Microsoft's proprietary search engine was copying Google's search results and algorithms, and Google was able to discover this scam with its analytics tool. Amit Singhal from Google stated in his press release, " Some Bing results increasingly look like an incomplete, stale version of Google results - a cheap imitation," (BBC News, 2 February 2011)http://blog. hubspot. com/Portals/249/images/search. referrals. png

Insight Search:

This is an interactive tool that Google uses to compare various search terms that are similar, and based on consumer interest, it suggests the best suited keywords and terms that must be used to increase advertisement revenue, it is a highly technical tool primarily working on elaborate programming algorithms, which is unique to Google. An example of this is given below.

If Google is to place an advertisement for an automobile manufacturer, with the help of 'Insight search' it will be able to predict the message that best resonates the ad. For marketing a new car model it shall know what feature must be highlighted like fuel efficiency, safety, good looks, etc. With Insight search as we can see the most apt search term will be car safety as consumers clearly show more interest in that criteria over the othersC: UsersChiragDesktopinsights_96693_en-time. jpg

Source (Google insight Website)

Google Insight uses an advanced intelligence algorithm called 'MYSql' that filters the search results and provides suggestions that are more feasible and more likely to capture consumer interest; this reduces the amount of junk advertising and also offers more refined search results. This is a good tool for marketing research as it decreases the chance of misplaced advertising, which is Google's largest source of income.

Marketing Communication

" Marketing Communications are messages and related media used to communicate with a market. Marketing communications is the " promotion" part of the " Marketing Mix" or the " four Ps": price, place, promotion, and product." (Clow. K, Donald. B). It is essential for any company to reach out to its consumers effectively, thus marketing communication is very important for successful business.

Google has a very technology oriented approach for its marketing communication; it promotes its advertisements and promotions in entirely non-conventional ways, let us examine the methods Google uses for its marketing communication purposes:

Ad-Words:

Google Ad-Words is Google's main advertising program and the prime source of income for the company. Ad-Words triggers advertisements based on the words that a user is searching for, it delivers relevant ads on various websites where advertisers want to place their ads. Ad-Words operates on the Pay Per Click (PPC) model, where Google gets paid for each 'Click' that an

ad generates, and advertisers have to pay Google for the number of times their ad is clicked on.

The main features of Ad-Words are that it provides a non-geographical mode of advertising, it can place an advertisement on any website and not just its search page, which means that consumers have a ready accessibility to a plethora of products and services from the comfort of their homes. And for the advertisers, this is new and highly technological approach compared to traditional advertising methods like Hoardings, TV advertising, Radio advertising, etc, also it is interactive in nature.

The most differentiating feature of Ad-Words is that the advertisements are customised for each and every user, It does not bombard the consumer with irrelevant ads and distracting pop-ups, it delivers the exact results the person is searching for, in simple and convenient text-based banners. For example: If a person is searching for Holiday trip to Bahamas, then Google brings up the advertisements of travel agencies that offer the cheapest and the best deals for holidays to the Bahamas, and also other holiday packages to similar locations.

This is nothing short of a revolution in the advertising industry; in 2010 Google's revenue from Ad-Words advertising was US $28 Billion.

(Source: Investor. google. com)

Click To Call:

The Click to Call service offered by Google is a marketing communication initiative that was started in 2007 by Google; through Click to Call,

advertisers are allowed to put up their phone numbers on Google's website, and users can click on their advertisement to call them, Google connects them to the advertiser and the calling expenses are paid by Google. This is similar to Pay per Click advertising, but offers a whole new level of interaction to the advertisement.

Google has also integrated this system of Click to call function on their new Phone operating system 'Froyo', whereby consumers search a map for a nearby outlet and by tapping on it can directly call the advertiser. This is a considerable innovation in marketing communications. (Source: Google ClickToCall official webpage)

Google Checkout (Online Payment Integration):

Thinking one step ahead of just searching for products and services online, Google integrated the Search and Buy process, with the help of Google Checkout, Consumers can save their bank account details on Google's secure web servers, and when they are searching for something on the web they can simply buy it and make the payment for the product with the click of a button, and the product is delivered to their doorstep.

A consumer simply has to sign up with Google Checkout and register their details once; after that whenever they want to buy something with the help of Google Checkout they just have to click on it and verify their identity with security options like passwords, etc to prevent fraud. Also Google checkout comes pre-installed on smart-phones with Google operating system 'Android' making it even more accessible.

For example: If a person is searching for Dan Brown's Book, 'The Da Vinci Code' on Google, it will return the search results, and the person can simply click the 'Buy' button on the website from their computer or phone, and the payment for the book will be made and it will be directly delivered to their specified address. This simplifies the process of online to a great extent.

At the moment the products that are supported with the online payment systems are Books, CD's, and Media files, Google mobile handsets, and software. As more traders sign up for Google Checkout the product portfolio will expand and provide more options to Google users

NFC Marketing:

This is one of the latest technologies in marketing, also known as NFC or Near Field Communication; it uses special radio frequency waves to communicate with devices like smart-phones, pda's, etc. NFC can be used to 'tag' places and objects with RFID tags that can be read by other devices by simply tapping on them. NFC can also be used to make payments with a smart phone by just swiping the device over the RFID (Radio Frequency Identification Device) Reader, this renders the need to carry around cash and debit cards useless. Google is integrating the NFC chip into its smart phones, and is setting up NFC Hotspots all over large cities, to implement the new technology. This can be considered a breakthrough technology for the coming years.

According to Claire Swedberg of RFID Journal, " Google has been testing an RFID-enabled service aiming to link local businesses with customers. The

service, known as Hotspot debuted in November 2010." (Swedberg. C, 23 February 2011)

New Product Development

" New product development (NPD) is the term used to describe the complete process of bringing a new product or service to market." (Ulrich. K, Eppinger. S, 2004). NPD is the preliminary step in developing a product or service, it involves a series of steps in order to introduce a new product in the market. NPD is essential to keep up with the changing technology and market trends. http://t1. gstatic. com/images? q= tbn:

ANd9GcTgI2lqnURK33cJWjLaFAQlzQaU0rxXHSClOyJk_LUQ6xL68R7Ebg

Google is a company with a large number of products under its portfolio, to name a few we have, Google Search, Google Mail, Google Maps, Google Checkout, Google Ad-Words, Google Documents, YouTube, Books, Android operating system, etc. Google has developed a number of successful products over the years. This is because Google insists on releasing products that are more appealing consumers, and has been able to remain successful by launching the products in market before the competitors, mostly in the form of Beta testing and pilot projects. Let us take few examples of how Google integrates the latest technology into some steps of its New Product Development process:

Idea Generation:

For most organisations the process of idea generation involves Brainstorming sessions, and SWOT analysis, but Google takes a new technological approach for idea generation. Every year Google holds the 'CodeJam' competition at its

head-quarters in Mountain View, California. In this competition it invites new engineers and programmers, in order to identify top talent among them, the participants have to solve arithmetic and structural problems, and also they are asked to come up with new ideas for products and software. This is an innovative and technical way of generating ideas, and many of Google's services like the 'Android' operating system are a result of this.

(Source: codejam. google. com)

Prototyping:

Prototyping involves producing a physical product prototype. Google is running a pilot testing programming for its new Google Chrome OS, to run the operating system Google has made the 'CR-48' laptop, to test its efficiency and compatibility with hardware. It is allowing application developers and daily users to use a prototype laptop given out for free, and provide usage information to Google, so that it can perfect the product for a full featured launch in the market. (Source: Chrome Os Pilot Programme Website)

The advantage of prototyping products is that it provides a real life test result of what is expected from the product, and as a wide range of users test it, more information can be collected regarding the product. If the prototype receives good reviews, then the product can be considered feasible for a market launch.

Beta Testing:

Google's main competitive advantage comes from the fact that it always launches new products in the market before its competitors; this is because

it always releases its potential products in 'Beta' stage. And if later on if any rectification is needed in them, it rectifies them and makes the final launch, this is advantageous as by the time the final product is launched; it already will have a consumer base and will be accepted quickly by the market.

Beta testing is the testing and improving of unfinished software, Beta testing is very useful when the programmers of the software want to receive a meaningful feedback. This is because when unfinished software is put to actual use, any bugs and errors that it may have can be identified and sorted.

Google runs a project called 'Google Labs' (www. google. com/labs). Under Labs Google runs unfinished products not yet ready for a launch. Some examples of such products are 'Google Transliteration', which allows users to type phonetically in any language using an English keyboard, And 'Google Wave'(www. wave. google. com) which is Google's real-time social network initiative, it allows consumers to update and connect with their in real time by sharing messages, pictures, videos, and file sharing, etc.

Many of Google's most successful products like Google Mail (Gmail), Google Documents (Docs), Calendar, etc are products of Beta testing that got successful reviews and are widely used and accepted today.

Commercialisation:

Commercialisation is the final launch of the product in the market; it involves the final production and promotion of its products. Proper use of technology is very important for the successful commercialisation of a product. 'Android' is Google's highly successful and competitive smart-phone operating system,

the commercialisation of the operating system was highly technological and advanced in nature, and compared to the other smart-phone platforms, like 'Windows' and Apple's 'IOS', it was well advanced.

Google commercialised the operating system by venturing with Taiwanese phone company 'HTC' to produce a Google branded phone, the first of its kind, which became highly successful. Also the handset was advertised and can be ordered from Google's search page. It was the first time a internet search based company entered the smart-phone industry. And the rest of the manufacturers like Samsung, Sony Ericsson, etc followed suite with their android handsets.

The real technological breakthrough was when Google delivered 'OTA' or Over the Air Software updates for smart-phones with their operating system. No other company has used 'OTA' to update a phone's software before, it was basically used to update subscriber settings, but Google made the use of that technology to deliver and optimise the smart-phone software, which was widely appreciated by customers worldwide. This is a good example of commercialising a product with the use of latest available technology.

Conclusion

Business Leaders today have realised that looking beyond the conventional ways of marketing and adopting the new technology is the mantra of successful business, in current business environment. Firms like Google that constantly aim for the refinement of technology are the new market leaders.

Companies have become re-inventive in the way they manage their people,

and in the use of technology. Thus we can say that Technology has had an

huge impact on the functioning organisations and the process of marketing.

Bibliography