

# [The impacts of technology on advertising and marketing marketing essay](https://assignbuster.com/the-impacts-of-technology-on-advertising-and-marketing-marketing-essay/)

The Impacts of Technology on Advertising and Marketing. iTechnology can be defined as an environmental force that refers to inventions or innovations from applied science or engineering research. The influence of technology on advertising and marketing allows advertisers to personalize their messages to consumers. Technology can differentiate a firm from its competitors and gives the firm a niche advantage in the industry. By using technology, marketers are catching consumers’ attention by gravitating to their personal interests. The use of technology in marketing has many advantages, some of which will be discussed in this summary.

While the Internet represents a fairly new medium for advertisers, it attracts a wide variety of industries (including, but not limited to travel services such as Expedia, Travelocity, Orbitz, etc.; and music distribution companies such as Napster, Urge, LimeWire, etc.). Online-advertising has a unique feature of being interactive, and although online advertising is not as popular as traditional media, it offers an opportunity to reach a younger target market, that has learned to develop a preference for online communication. Specifically, Generation Y, which exerts influence on music, sports, computers, videogames and cellular phones.

Online advertising is becoming similar to television advertising, the most popular form of media, with the use of streaming video and audio. As such, this type of media may

be more attractive to Generation Y consumers, due to its entertainment factor. The text references that the most popular locations for online advertising are on the sites of MSN, Yahoo! and AOL.

As such, when targeting online consumers, marketers tend to emphasize customer value creation possibilities, including interactivity, individuality, relationship building and producing customer experience in the new marketspace. Marketers generally benefit from these unique capabilities of the Internet and Internet technology. These capabilities are integral parts of the buyer-seller relationship. Internet technology allows for sophisticated interactive marketing, in which the buyer controls the kind and amount of information received from the seller.

When technology is utilized correctly, it can improve a firm’s ability to serve its customers and gain long-term, recurring, loyal customers. Attracting customers is a primary concept of marketing. Promotion is one way to build long-term relationships and encourage brand and/or store loyalty. The Internet has provided immediate opportunities for personalized promotion activities such as e-mail advertising. Marketers have attempted to utilize interactive technology and integrate media and technology into the overall marketing plan. For instance, technological developments have helped traditional media focus on individual preferences such as the introduction of TiVo and DVR in the television medium and XM Satellite Radio in the radio medium. Similarly, the wireless

communication industry introduced text messaging, and telephones with built-in cameras, among other things. Overall, firms hope these changes will build long-term customer relationships that result in lifetime purchases, rather than single transactions.

While technology is difficult to predict, advances in technology have an important effect on marketing. For instance, the cost of technology is declining, causing customers to focus on quality, service and relationships. An example of this is commonly found in the mobile phone industry. Mobile phone providers often offer mobile phones free of charge or at a small cost to the customer if the customer enters into a telephone contract service agreement with the provider. The firm’s logic is that the customer will later buy upgrades and related products.

In general, the mobile/satellite industry is a great example of the impacts of technology on advertising and marketing. It includes a variety of products, including mobile communication devices, wireless Internet, PDAs, and GPS, among other products. Marketers have succeeded in influencing consumers to want and buy GPS technology (i. e., OnStar, Garmin, Tom-Tom, etc.). GPS technology is a relatively up-and-coming technology, and consumers can find these devices anywhere from their local car dealership to their neighborhood Target store. The cost of these devices is rapidly declining, making them more attractive to the general market. GPS technology has numerous applications, including the ability to quickly determine the optimal route to a particular destination. A

consumer can use a GPS device to locate the nearest retail store, restaurant, gas station, or some other destination. Current devices use an internal search engine to find a particular desired destination, based on the shortest travel time or shortest distance. This technology suggests a new mix of marketing variables for retailers and other service providers. Earlier this year, the Taxi and Limousine Commission passed a rule stating that all New York City taxi cabs must have touch-screen display panels, credit card readers and GPS. The Taxi and Limousine Commission states,[ii]“ These systems were designed with taxi rider and taxi driver input to enrich the passenger experience…”

A notable example of a firm that has had a tremendous marketing effort and successful sales and profitability due to impacts of new technologies is Apple. Apple is[iii]a genuine leader and is on track to emerge as the single most influential, life-changing and powerful company in the technology and consumer electronics universe. In a few years, it could even become the most valuable. Apple and NBC Universal announced the unprecedented lineup of primetime cable TV shows on the iTunes Music Store. Apple built an entire suite of add-ons designed solely for iPods, creating a marketing frenzy or fad. Marketers of Apple’s iPod are able to produce higher profitability and establish brand loyalty with these special add-ons.[iv]The idea here is that once a consumer invests enough money in headphones, speakers, carrying cases, etc., they won’t be quick to switch to a competing, non-compatible product, even if that product sells for a few bucks less.

Furthermore, retailers are likely to reinforce Apple’s brand and create excitement around it because with hit products, such as the iPod, a lot of store traffic is inevitable. Brand reinforcement is a key objective to the growth stage of the product’s life cycle.

In closing, marketing techniques have grown and adapted as advancements in technology occur. Companies will continue to develop innovative marketing strategies for their products in order to stay current with the technological advancements. There’s no shortage on the new ideas and technology to come. For marketers, this presents a huge opportunity to capitalize on. The secret to building better advertising campaigns may be to build a better web site.[v]According to a recent study from the University of Wisconsin-Oshkosh, consumers use the Internet to investigate and supplement the information they get from traditional advertising. As a result, ads that allow consumers to go online to learn more are likely to perform better than ads that don’t provide an effective online destination. Campaigns most positively influenced by the Internet, according to the study are television, radio, magazine advertising, direct mail, and billboards. A good Internet site can improve these campaigns because consumers who see the advertising are likely to evaluate the products and services of interest to them online. Businesses that want to boost the results of traditional advertising need to dovetail their advertising strategies with Internet strategies rather than viewing them as independent channels. While the UW-Oshkosh study shows that the Internet is more complimentary to traditional advertising than it is competitive, some traditional methods of advertising will suffer as consumers go online. Either way, one this is certain, the future of marketing is sure to be a fun-filled innovative sight to see.