

Marketing in digital age flashcard



The Internet is a global landscape impacting to culture and commerce, including communication among people as well as humans reaction to the world. In historical periods, the Internet only communicated 1% of the information flowing through two-way telecommunication networks in 1993, then it became 51% by 2000, and more than 7% of the telecommunicate information by 2007 (History of the Internet, Wisped). Today, it continues to grow and driven the way people doing business, looking for information, entertainment and shopping online.

Combine with innovation of technologies such as smart phones, tablets that makes online activities more convenient, organization is facing with many opportunities and challenges in term of the proliferation of the internet and information communication technology. The report will examine the impacts of information age to modern life and current marketing environment as well as marketing situations that marketers have to cope tit in order to help organization exist and develop.

II. THE CHANGING LIFE IN DIGITAL AGE 1. What is digital age? Digital age is a historical term of human-being known as an information economy changed from traditional industry through the digital revolution. During information age, the digital industry creates ability for individuals explore their personal demands, therefore the process to making decisions for transactions is easier and the costs for both producers and customers reduce significantly.

Figure 1: Percentage of Internet adoption in American from 1995 to 2011
Developing tit a fast evolution of technology as well as of educational life style, the Digital Age also sharpens modern society as a global

communication and networking. People all over the world currently are connected easier than ever, information from different countries is sharing faster than ever and products from manufacturers are delivered more convenient than ever. 2. PESTLE impact 2. Political and Legal One of the benefits of Digital Age is creating an open world for global communication and international trading, which also threaten political problems to every country. Each nation has different legal and regulation that organization or personal must to imply whenever access to digital industry. Moreover, the way to control public communication related to politic in local and global is a difficult situation of government while the speed of viral information on the internet is out of control.

Followed by the same reason, people should consider to ethical issues of living in information industry while personal privacy and copy rights are underestimated in information age. 2. 2 Economic The recession has influenced to the world economic for over five years. According to the development of digital age, some of industries related to information technology are recovering faster than others including high-tech industry, service industry, telecommunication etc. Otherwise, the more technologies are applied in organizations, the more workers are reduced, it causes the problem of increasing unemployment. . 3 Socio-cultural There is a fact that the young generation nowadays prefer to communicate with a machine because of high-tech products. Friends have tends to text or chatting via internet instead of face-to-face communication, people have tend to search information online rather than discover from friends or teachers, traditional newspapers are replaced by social web, contracts are signed via video

conferences. All those things create a modern life with lot of information and fast transactions, but there is some argument that missing traditional culture of human-being life. . 4 Technological & Environmental The development of an industry based on technology will bring about evolution of technological innovations. The appearances of smart phones, tablets, software, high- tech personal computers or social media in recent years show that technological has been developing due to digital age. The point is that some countries are always creators, some are always followers depend on development of economic. In addition to, the inventory of new products should be concerned impacts to environment including energy, electronic etc.

III. MARKETING IN DIGITAL AGE 1. Digital marketing In order to exist and develop in digital age, organizations must have a good enough marketing strategy called digital marketing. Wisped determines digital marketing is marketing that makes use of electronic devices such as personal computers, smart phones, cell phones, tablets and game consoles to engage with stakeholders. It applies technologies such as websites, e-mail, APS and social networks. It could be a combination of traditional and digital marketing channels in some cases.

Picture 1: Digital marketing media There are many channels described in digital marketing media, the key and most important tool in order to have a successful strategy is an effective website which will be linked directly or indirectly by customers. 2. The change of customer behavior There is a question for marketers in digital age whether customer behavior change and how different. Giles Rays Jones of Interactive Marketing Trend said “ There is no retreat mystery about how digital consumers think and what they want.

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These consumers are doing exactly what people have been doing for thousands of years – communicating with each other.

The fact that technology is enabling them to communicate with each other faster, over distances, over mobiles, and in AD world is being perceived as something dangerous, unique and extraordinary, something that need to be controlled and pinned down. People talks to each other – they always have. They are talking the same languages and saying the same things. They are just not necessarily sitting in the pub talking to one or five people, but doing it online to 5 or 5, 000” Doing analysis the model of consumer buying process understand the digital consumer Picture 2: AID model 2. Awareness – A. I. D. A to In recent years, the number of internet user is increasing not only in young people but also in older from urban to rural. By the time they get familiar with using internet, they become more comfortable with the medium, they will use it more efficiently and more effectively. It means that in digital age at the first stage of consumer behavior – Awareness, marketers should deliver quickly what they want because it could have no second chance. In the past ten years, consumers have limited search engine such as newspapers, advertisement etc. In digital world they get information on demand from multiple sources simultaneously including website, mobile APS, social network. According to Strategy Analytics, between 2008 and 2017 there will be more than 350 billion smart phone and tablet APS downloaded. This translates into an estimated \$57 billion globally in paid downloads by 2017. Table 1: Demographic of Internet user in American in 2013 2. 2 Interest Online consumers talk to each other a lot, especially when they feel interested in products.

Last time, they just look at the image on magazines and asked references from friends, nowadays they look for comments from online community about their wanted items via blogs, forum, Facebook etc. , Figure 2: The trend of social I-consumer (www. McKinney. Com, 2013) 2. 3 Desert The next stage after interest, a sale promotion will keep consumers' desire. Thanks to digital world, consumers have ability to compare the price of the same products from different suppliers which was difficult in the past ten years.

They have more opportunities to choose the suitable one with affordable price which is struggling tracteries between marketers. 2. 4 Action Before digital age, consumers have only one choice getting the products in the store. The technology of online shopping shortens the distance between organization and customers absolutely. Some people keep traditional way of collecting items in store, others would like to have it with one-click online and waiting for delivery when they know exactly what they want.

The added value of no delivery charges or return policies will be considered in competition of different suppliers. The below figure presents the trend of checking online before buying of consumers in mentioned tags 3 and 4.

Figure 3: The trend of multivitamin buying (www. McKinney. Com, 2013) 3.

The change of marketing strategy The digital age creates internet-empowered consumer groups that changing their behavior, marketers face with the change of traditional marketing strategy to be adapted in the new world. 3. 1 Marketing Mix Picture 3: 7 As Marketing mix model 3. . 1 Product

This is the soul of an organization which totally relates to technology in digital age. “ A product that delivers tangible benefits and fills a real need in the marketplace – something that leaves the customers with a genuine

perception of value – gives arresters the scope they need to do their Job effectively’ (Domain Ryan, Calvin Jones – Understanding Digital Marketing, 2012). New innovations will bring creator the benefit of the pioneer while consumers have a tendency to follow the trend creating by technological inventory.

Apple is the best model for a successful company that creating a trend of fashionable and high-tech smart phone – ‘ phone. But the opposite side of technology is also learnt by Apple. The Apple pod has, perhaps, been the most iconic act of discontinuous innovation of the 21st century so far. But 0 years after its introduction it, too, is about to disappear. Sales are in decline, and the focus is now on the so-called “ converged media device”. The pod paved the way, but the process of continuous innovation claims everything over time. 3. 1. Price This is the internet time and people are shopping online so pricing must be transparent. In order to be competitive, organizations do not need to set up the cheapest price, it must be suitable with added value. As mentioned point in the change of consumer behavior, people in digital world have the power to check, compare and decide on purchasing. Figure 4: The trend of mobile migration (www. McKinney. Com, 2013) 3. 1. 3 Place In digital marketing, the P stands for Place does not keep the meaning of stores, it is now totally the internet where over two billion people are connecting all over the world.

Figure 5: World Internet Users by regions in 2010 (Wisped) On the platform of internet, the battlefield of purchasing was set up in different categories which are predicted focus on fashion, furniture and office suppliers in the new trend of 2014 in European countries. Figure 6: The trend of the second “

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Big Bang” in E-commerce (www. McKinney. Com, 013) As a new category in digital world, the competition between Hungriness and Justas in food service in I-J is also an interesting case study.

Hungriness with the objective to become the leader in food supplier website has been investing and improving their website base on understanding customers’ desires, therefore Hungriness is going to be the winner in the battle with Justas this year (Marketing week, 2013) 3. 1. 4 promotion Sale promotion in both online and offline activities is the effective way getting attractions from potential customers among numerous online users and variety products.

There are different channels viral the message of promotion including optimizing website, applying Search Engine Optimization (SEE) and Pay-per-click search advertising, releasing a press in public online media, sending e-mail marketing, promoting on social network such as Faceable, Twitter or launching an application on mobile. Gourmet Burger Kitchen (KGB) is a typical example of applying mobile technology into digital marketing strategy. Their campaign is discount 30% price for students who downloaded APS of KGB and got an account. Picture 4: KGB application on mobile 3. . 5 Process, People, Physical evidence People is living in the world of digital revolution and the incredible growth of social media, therefore the rest 3 As of Marketing Mix theory must focus on social networking. The process before or after purchasing, comments of current customers or physical evidences of every product in digital world are Judging by emerging communities on forums, Faceable, Twitter or blobs. Marketers should accept and learn the

way to take advantages of these situations if they do not want to eliminate of the market.

Figure 7: Percentage of Facebook users by continent in 2012

3. 2 Marketing Communication

Another theory of traditional marketing must be changed when applying into digital marketing strategy is 5 stages of Marketing Communication. Picture 5: Marketing communication model

3. 2. 1 Advertising

Marketing plan used to be easier to reach target customers. There are just few TV channels, some radio stations and handful of top magazines in each market. Now the market not only has too many social media especially YouTube to advertise but also is facing with impacts of internet-empowered consumers' reactions.

According to the Marketing Week, touching consumers' emotions is the key point of Facebook's most popular YouTube ads. Ben Law, senior product manager at Palpatation, says: "The big one is that emotive and being able to connect with the audience. That's what drives engagement, drives people to share the content and talk about it with their friends. If you are missing that emotive connection there is no reason to share it or repeat view." A good video on YouTube will be shared faster and cost lower a TV ad, otherwise the content is unlimited length. Milliard Brown's report shows that the longer content the better result on YouTube.

On contrast, it is also not difficult to manage the brand because of rival's action on YouTube. Marketers must have ability to control and manage the bad situations. Figure 8: Percentage of length of most popular videos in 2013

an advertisement to massive consumers sometimes occur misunderstanding raising negative comments. The cases of Southern Comfort which was understood of obesity promoting and Lynx which followed aficionados of the eponymous sexual fetish in 2012 (Marketing Week, 2013) were lessons for marketers.

The spread of negatives impacts on Twitter and there social networks challenges the result of their whole campaign and damages the image of their brands. Fortunately, their marketing departments were creative teams, they did immediate reaction in taking opportunities to promote the new positioning by engaging in conversations on social media as well as to showcase the humor and personal tone of the brand. Figure 9: Percentage of social media Union users in 2012 (Lubricators survey, 2012) 3. 2. PR & publicity One of the benefits of social media is promoting and creating celebrities or famous organizations without a giant marketing budget. All they need to do is produce a liable content which can gain a number thousands of followers via social media. For instant, the case of Justine Bibber who is discovered on Youth, now the popular Twitter account with more than 45 million followers. In addition, organizations like Cataracts, Coco Cola and Nikkei try to shorten the distance between them and consumers by platforms such as Mainstream, Pinsetters or Tumbler.

Talk Talk, meanwhile, sponsors for one of the biggest show in I-J – The X-factor – using Youth and their website as components to marketing with the purpose of promoting the brand name and increasing the number of users. Picture 6: Youth usage on smartness and desktop (The Guardian. Com, 2013) Moreover, marketers have creative abilities to combine traditional and digital <https://assignbuster.com/marketing-in-digital-age-flashcard/>

marketing tool to breakthrough an event to PR, as the case of Xerox at the Drupe print fair in Dusseldorf (wry. Timekeeper. Co. UK, 2013).

In the largest trade show of print world, Xerox was mentioned to be the shining exhibitor with a high-flying campaign via social media cafe and acrobat performers. The idea was create a comfortable environment to chill out, drink coffee and view the trending topics via Twitter from the Xerox visualizes. Then those people would have naturally informal conversation about Xerox and understand the way social media could help their business development. In other case of famous brand name – Apple, it is believed that their PR strategy is a typical experience of applying DRIP model into the campaign.

The ‘ phone has been being desirable smart phone of a youth generation because of not only the valuable brand name but also the high-tech innovation. The most successful result of Apple is making their customers proud of themselves when using ‘ phone and eager to waiting for every upcoming new version. Picture 7: DRIP model Figure 10: Market share of smartened in the U. S in 2013 3. 2. 3 Direct marketing Living in digital age can sometimes feel frightening because of lacking privacy in the world where Google seems to know everything more than ourselves.

Unfortunately, digital age is also the world of information and database, marketers could get benefits when control them. Figure 1 1 : The trend of mastering database (www. McKinney. Com, 2013) The information of customer could be collected via website and smart phone APS base on cookies software which drives marketers to perspective database of

consumers according to their online habit. The next step is sending e-mail marketing or mobile message to customers which are channels of direct marketing.

They are known in some case by customers as the unexpected spam, but they are still important components for digital marketers, particularly in maintaining the relationship marketing with existing customers. The situation of Amazon. Com, the largest online retailer in the world is an example. The larger they become, the bigger databases of customers grow. It raises a problem that they have to create a store for their Oracle databases. In 2011, they changed the way of backing up majority databases from ape back up to using Amazon Simple Storage Service (Amazon SO).

This innovation give Amazon. Com several benefits on the way to develop and expand, including reducing the complex and time-consuming tap capacity planning, decreased capital expenditures, available store for immediate data, faster process than tape driver, freeing up valuable resources, strong data security. It could be an experience for other organizations to deal with their databases. Personal selling and Sales promotions: These two channels of Marketing Communication theory have the same objective with the 2 As – Promotion and Place – which was mentioned in part 3. F the report. ' V. CONCLUSION People is living in a new world of technological innovation – the digital age – which bring out many differences in human reactions, communications changed, customer behavior changed followed by the change of marketing environment.

Marketing world has presented numerous opportunities in the explosion of social media, the speed of communication, the new methods of relationship

marketing as well as the information industry. There is a fact that brands can no longer expect to escape from both positive and negative side of public relation in digital world.

It is the way nonusers communicate today and no point being scared of social media. The challenges of communication control, information management, brand's image influence are obviously true. Marketers, meanwhile, must take advantages from these challenges to become insightful ideals for their own responsibilities in an organization. Digital age is only suitable for marketers who willing to learn, dare to take risk and challenge themselves. The internet and information communication technology are keep growing with the competitions in technological innovations, which will make the digital work become more and more dynamic and competitive.