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Marketing Mix revisited in a Digital Era

Digital Communications and Case Study Examples

Introduction

Often, today's world is characterized by digital connectivity and globalization. This has assisted for boundaries of space, time or even political or geographic constraints to be removed, allowing communication style and cultures to merge (Winer, 2009). More importantly, it can be argued this new model of communication amongst subjects of society is impacting the dynamics in the relationship amongst companies and individuals – consumers are empowered and want to be involved in all steps of various marketing processes (Smith, 2011). A power shift has occurred, caused by the abundance of information the Internet provides and the saturation of alternatives, causing major socio-cultural and socio-political movements to influence buying (Labrecque et al., 2013).

Yet it is not to say businesses have lost their upper hand entirely – they must now operate and in a strategic, carefully-thought-out way through correctly evaluating the correct, most effective way to capture attention through promotional material, place it accordingly in a non-

obtrusive way and influence behavior subtly (Berthon, Pitt and Watson, 1996). The following essay will discuss the changes digitalization has brought to the marketing mix and the practice of marketing by illustrating key points with examples from the industry. It will further provide understanding how digital communication can be successfully established amongst subjects in the market today and how content can be managed effectively. Following a secondary research and analysis of literature and cases, it will be argued that marketing has been profoundly impacted by new era, and subsequently the lack of response has led to a skills gap in academia and industry.

Digital Era & Its Impact on the Marketing Mix.

Companies' most important task in terms of marketing is affirming their social presence through showing influence, which according to Short et al.'s (1976) paper can be done through increasing intimacy and immediacy in the communication. A technique that companies utilize to achieve this is Omni-channel marketing, through which the journey of the consumer is professionally guided by the marketer. It is informed and accurate across all touch points, showing the brand symbiotically (Killian and McManus, 2015; Bhalla, 2014).

Another change companies are making is the personalization of the marketing mix. Previously, marketing messages were aimed at a mass audience, unfiltered and linear, whereas today the approach is highly interactive and allows the consumer's personality to be considered (Hoffman and Novak, 1996). The following table illustrates how the digital era has impacted the communication mix through changes, experiences and tools used:

MC tools	Digital era impact
Advertising	<ul style="list-style-type: none"> • Magazines' customizability • Moving pictures in LED outdoor displays • Higher quality sending and faster, more targeted and less costly access via digital TV and radio • Internet ads through websites, banners, pop up, social networks, email marketing, viral marketing and etc.
Sales promotion	<ul style="list-style-type: none"> • Creation and use of customers database via IT tools and then suggest more effective sales promotion offers to most likely customers
Personal selling	<ul style="list-style-type: none"> • Capability of online connection between company's representative and central office in sales meeting • Ability to show the company's website and catalogue by computer in sales meeting
Public relations, Events and sponsorship	<ul style="list-style-type: none"> • Faster and most effective sending the firm's news to reporters by email and other e-channels
Customer service	<ul style="list-style-type: none"> • Facilitating customer service in web
Direct marketing	<ul style="list-style-type: none"> • Identifying customers tend to get brand message, by making database • reducing the waste of cold call costs

Table 1. Impact of the Digital Age on the Communication Mix (Ekhlassi, Maghsoodiand Mehrmanesh, 2012)

Integrated communication and instant receipt of consumer feedback is something digital marketing has been recognized for at an early stage, as traditional marketing, for the most part failed to achieve such results. Moreover, although a lot of models were proposed within the first few years of research in the field, Parsons, Zeisser and Waitman's (1998), illustrated as Figure 1 below, remained relevant until this day.

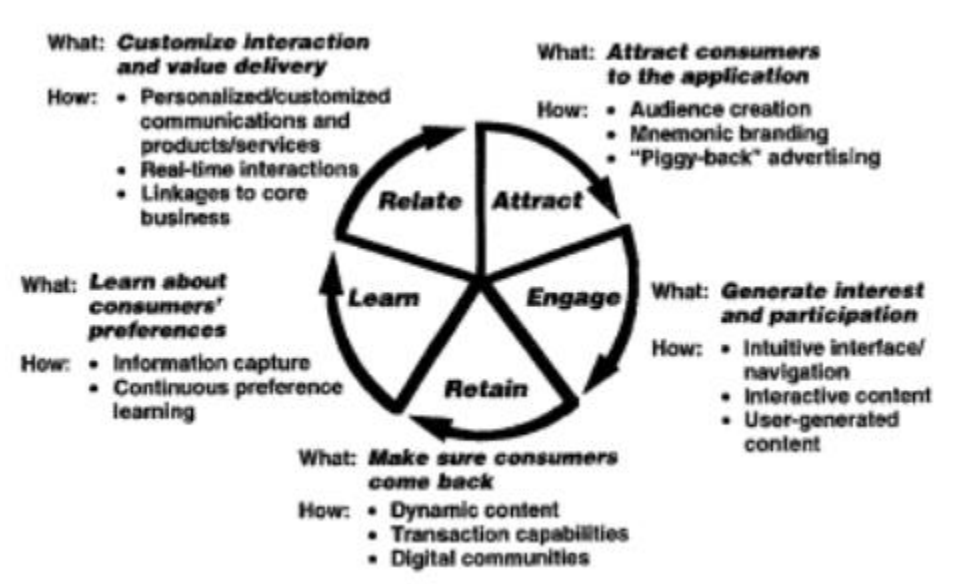


Figure 1. Digital Marketing Framework (Parsons, Zeisser and Waitman, 1998)

Firstly, creating a memorable and relatable brand is a key challenge. The good product is no longer a competitive advantage, as consumer demand has risen to include social, cultural and ecological conditions of the businesses prior to supporting them economically through their purchases (Pomering and Dolnicar, 2009). Secondly, engagement is key, especially on social media platforms. Companies are becoming increasingly aware of the requirement to provide a space for consumers to collaborate with each other and share insights and tips and incorporating this in their platforms. An example of this is ASOS, who developed a side section to their online shop, dedicated to beauty tips, styling advice and fashion journalism, as well as a marketplace for consumers to exchange goods and communicate amongst themselves, transforming the space into a pleasurable experience, regardless of whether a purchase has been made (McCormick and Levitt, 2012). The desired outcome is customer retention and increased brand loyalty, which further aligns with the agenda on the model above (Figure 1).

In terms of learning from consumers, technology substantially assists with this, as technology allows the recording of vast amounts of consumer behavioral data to be collected, retrieved and analyzed at the command of the company, if appropriate tools are used. With development of intelligent software, companies are now able to understand natural language and gain insights from semiotic analysis of social media threads, allowing them to make predictions of future behavior, based on historic data (Pang, and Lee, 2008; Fan and Gordon, 2014). An example company, specializing in AI (Artificial Intelligence) marketing is Echobox (2017), who use Narrow AI and prediction to optimize performance of content on social media platforms, promising to double referrals, resulting in an elimination of the need of an editor prior to publishing (Carley, 2017).

Finally, personalization is achieved through targeted communication and advertisements, assisted through geo-tracking of location and analysis of online behavior through usage and interest tracking. For example, Starbucks has equipped their mobile application with this technology, which enables push notifications for users, when there is a coffee shop nearby through tracking the location of the user through Twitter or Facebook (Schmitt, 2009). This is found to tackle the challenges of annoyance caused by mass audience communication and unfiltered sales propositions, and acknowledge the consumer desire for convenience through precise positioning (Constantinides, 2006).

Digital Communication and Content

There has been a combination of factors that have impacted the rise of online communication as a preferred B2C tool, namely (1) the global recession, which has encouraged companies to cut costs, (2) globalization of products and services, and (3) the mass accessibility

to technology, causing a rise to social media (Kirtis and Karahan, 2011). With this switch of the purpose of Internet use (no longer information seeking, currently pleasure) the nature of the communication online has changed. Companies are seeking to establish relationships with subjects online through providing worth-while content, that can be educational, inspiring or used to form a bond amongst the fans of the business and its online space (Killian and McManus, 2015). Successful brands are no longer interested in immediate gains or RoI (return on Investment), but in facilitating their presence in the lives of consumers. A practical application of educational content and effective positioning, both to form a trust relationship with parents and subliminal positioning with children is Barclays' Code Playground – a site designated to teach children to code and prepare them for the challenges of the digital world, such as protecting privacy or developing cyber security solutions (Gilliland, 2017a). Although this product has no real relationship with the core offering of the company, it has a profound effect on the brand, allowing positive association and emotion in the users of the service.

To advance and bring together the points made within the two parts of this essay, an example of how communication and feedback is integrated in the marketing mix is the use of online consumer reviews, which as argued by Chen and Xie (2008) is essential for successful building of brand equity. Literature findings suggest electronic word of mouth can be used strategically to educate and inspire purchases, correctly time and place the reviews at a stage of the information gathering, where most efficient for prospective consumers and as a tool to reach a wider audience through brand ambassadors and mediators in a forum-like online product community (Chen and Xie, 2008; Park and Kim, 2008).

To illustrate this concept applied in modern-day marketing, an example of a campaign for Slack can be illustrated. Although it is a paid workplace messenger service, they promoted themselves and allowed word of mouth to spread the message that it charges a 'freemium', meaning an unlimited number of people can use it for free, prior to paying for an upgrade (Gilliland, 2017b). What further assisted the success and subsequent natural growth of paid users is the fact the company invested in enhancing the user experience as opposed to pushing sales, increasing loyalty and referrals.

Implications & Conclusion.

An argument can be made that the rate of progression of technology, causing the change of consumer behaviour and in response of that the marketing industry attempting to keep up to date with those changes, are both exponentially and rapidly changing, whilst academia is moving at a comparatively slower rate, limited by the functional constraints of bureaucracy. The cross-disciplinary nature of marketing in the 21st century requires an aptitude in technological advances and how they are applied in the industry for better targeting, business intelligence and data analytics (Royle and Laing, 2014; Wymbs, 2011; Slater and Narver, 2000), but research illustrates education fails to match industry requirements.

To conclude, it has been illustrated that marketing has been fundamentally transformed through the presence of digital technologies in daily lives. The consumers have changed their desires, causing companies to re-evaluate their communication models, subsequently shifting the nature of strategic marketing planning. Highly technological solutions, such as intelligent software is now being used to enhance companies' understanding of the consumer, as well as for better targeting and personalisation of sales proposition. Simultaneously, an effort to provide

engaging, educational content is made, aimed at increasing loyalty and retention amongst the audience, as well as a community that is expected to continuously attract new members through positive word of mouth and personal referrals.

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