

Marketing in the New Normal – Changing Nature of Marketing in a Hyper-Connected World

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Abstract

The new normal in today's world includes rapidly changing nature of customer demands, faster paced introduction and obsolescence of products, global competition from non-traditional players, long tail of niche products, shorter product life cycle, need for instant gratification and fickle customer loyalty among others. The global market place is fluid that is aggravated by the pandemic that has disrupted the world – which opens up opportunities for new products and services apart from finding adjacencies in the product portfolios – which demands newer ways of marketing to reach potential consumers. Marketing that worked in a relatively stable world may no longer be sufficient to succeed in the new normal. Moreover, digital technology 'changed marketing from vertical, exclusive and individual to horizontal, inclusive and social'.

Rise of consumer evangelist, demand for uniform and superior customer experience, rise of communities and breaking down of segments and increased use of technology in marketing among others are some of the evolving trends in the market place. Therefore, marketing has to re-invent itself to address the challenges caused by the new normal to stay relevant for the business. This chapter identifies some of the strategies – marketers getting comfortable in the use of technology, understanding concepts like influencers mix and O-continuum, sharpen their narrative skills to tell a compelling story, focusing on consumer engagement and embracing agile best practices among others – that marketers need to adopt to identify latent consumer needs, tailor communication strategies and enable sales process to create competitive differentiation in the market place. Getting the marketing strategy right probably would be the most potent weapon in the market place in the post pandemic world.

Introduction

Marketing has been used as an instrument for creating competitive advantage for the past few decades. Several companies have had success by leveraging the 4 Ps (product, price, place and promotion) of marketing apart from substantial use of advertising and PR to create product awareness and buying decisions. Many of these marketing strategies worked well in a reasonably predictable business environment. However, the VUCA world has disrupted the B2B and B2C markets considerably that has resulted in change in buying centres, rapidly evolving customer demands, shorter product life cycles, unpredictability in deal flow, global competition among others.

Companies need to reinvent marketing to align with the market needs for driving business growth. 'Marketing's traditional four P's – product, price, place and promotion – have evolved into the four C's: "co-creation, currency, communal activation and conversation'.

Also, marketing needs to leverage insights offered by other disciplines like anthropology (to understand the slice of life), sociology (behaviour of crowds), psychology (deeper insights into human needs and behaviour), social psychology (insights into individual behaviour in crowds) and technology (big data, analytics, prediction engine and machine learning algorithms) to get a holistic profile of their customers – their needs, aspirations, anxiety and expectations – from engaging with the product.

This chapter explores how marketing can also leverage the ecosystem of consumer evangelists (a growing breed of neutral advisors), brand advocates, user communities to engage with consumers to spot any weak signals that may be relevant for their business. The emergence of chief marketing technologists in several organizations is in response to the ubiquitous influence of technology in marketing. With over 8000 software products targeted at the marketing officers and the pervasive use of big data and analytics in marketing decisions, it is important for the overall marketing organization to get comfortable leveraging technology to aid business expansion.

Changing nature of Marketing

There are many changes – some profound and some on the periphery – in the area of marketing that are currently witnessed across product categories. The key changes that have altered the face of marketing are listed below.

Consumer evangelist: In most cases, consumer evangelists are innovators or early adopters of the product. In all cases, consumer evangelists have large followers in their social media vehicles and these

followers – who are mainstream consumers - rely on the opinion of consumer evangelist for making purchase decisions. Consumer evangelists are neutral third party opinion makers who are passionate about a particular product or category and who share their opinion with others for the sheer pleasure to make a difference in the life of larger community. Therefore, having a consistent engagement strategy with consumer evangelist – providing advance information of upcoming products, allowing them to try out samples where possible, making them feel special – should be the corner stone of marketing strategy.

Demand for uniform customer experience: Efficiency, effectiveness and experience are the 3 Es of customer value creation. Increasingly, companies are finding that both efficiency and effectiveness levers can be imitated by competition and therefore customer experience has become the mainstay marketing strategy for creating sustainable competitive differentiation. Omni-channel strategies are used by marketers to ensure that both offline and online experience of customers are consistent and they are also uniform across access devices. Consumers want the immediacy of the online channels and the intimacy of the offline ones.

Unearth latent insights on end consumers: Marketers are now turning to anthropologists, ethnographic researchers, psychologists, big data analytics professionals, statisticians and sociologists among others to identify the latent needs of the end consumers. In many cases the actual consumers of the products are different from the ones who are purchasing the products (e.g. products for children) which add an additional layer of complexity. The way consumers engage with the product in real-life setting offers tremendous amount of insights for the marketers. This can unearth latent, unmet needs that still exist, provide opportunities for marketing campaigns and useful inputs to product development teams.

Changing nature of brand advocates: Youth, women and netizens are becoming vocal advocates of brands and products. Especially products like fashion, electronics, music and clothing among others are influenced by the new category of brand advocates. Marketing strategies need to include way to engage gainfully with these advocates.

Rise of communities and breaking down of segments: Traditional segmentation techniques in marketing are giving way to communities of consumers. What was once vertical, exclusive and individual has given way to horizontal, inclusive and social. Similarly, the 4Ps of marketing has given way to 4 Cs (co-creation, currency, communal activation and conversation), Marketers who grew up in the old school segmentation-targeting- positioning (STP) and 4 Ps era need to quickly pivot their campaigns to incorporate the new, emerging areas in marketing.

Human centric branding: The concept is to give brands and products a human like character so that consumers can connect with the brands better. Marketing is no longer providing product information and communicating superior specifications. Humanizing the product establishes an emotional bond with consumers. Human side can be built in six areas – “physicality, intellectuality, sociability, emotionality, personability and morality.”

Consumer engagement: Marketers need to map the end to end consumer engagement journey with the brand/product to ensure wholesome customer experience (eg Disney). Gamification is another concept adopted by marketers world-wide as one form of experiential marketing that enhances engagement (eg Intel). Focusing on end to end customer experience will also reveal gaps in existing services that marketing can feed into those responsible for delivering those experiences.

Messaging on operating models: Market leaders are those companies that excel in one of the three levers of operating model - operational excellence, product leadership or customer intimacy - and be good enough in other two. Marketing should create and own the narrative apart from aligning the entire marketing strategy – pricing, distribution, product mix – to the target operating model.

Short attention spans: The consumers have reduced attention spans and are constantly bombarded with several advertising messages from multiple mediums. Marketers need to cut through this clutter and barrage of messages to get the attention of their target audience. The traditional ways of advertising and ‘push’ marketing is giving way to experiential and immersive marketing.

Increase use of technology in marketing: Rise of social and digital media, increase use of big data and analytics to ‘slice and dice’ the problem that unearths insights, use of short videos instead of traditional channels, user generated content, data visualization, mobile analytics, immersive product experience and netnography skills among others. Significant influence of technology in marketing has given rise to the role of chief marketing technologists in large corporations who are adept at both marketing and technology as shown in figure 1.

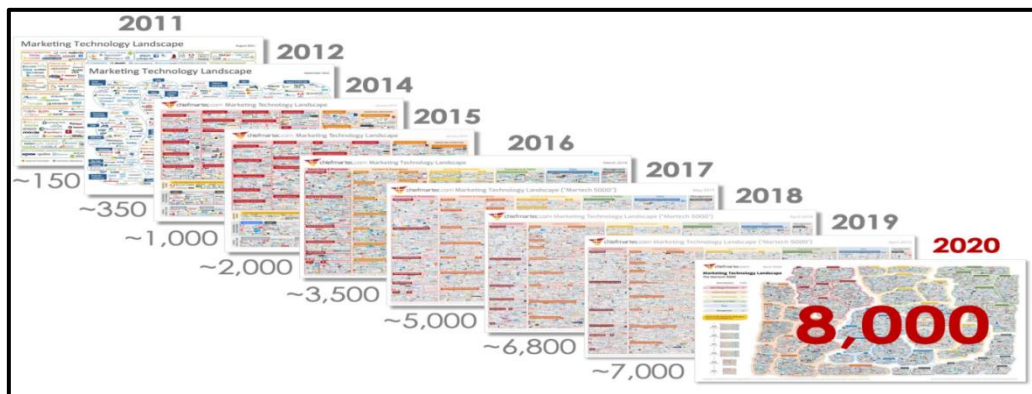
Figure 1: Skills of chief marketing technologists



Source: Scott Brinker <https://chiefmartec.com>

Currently, there are over 8000 software products targeted at marketing officers from 150 at the start of the decade as shown in figure 2 below. The figure is not reader friendly but a representation to show the scale of technology products that are available to CMOs and they need to be technologically savvy to understand the nuances and value these products offer.

Figure 2: Number of software products targeted at the CMO



Source: Scott Brinker <https://chiefmartec.com/>

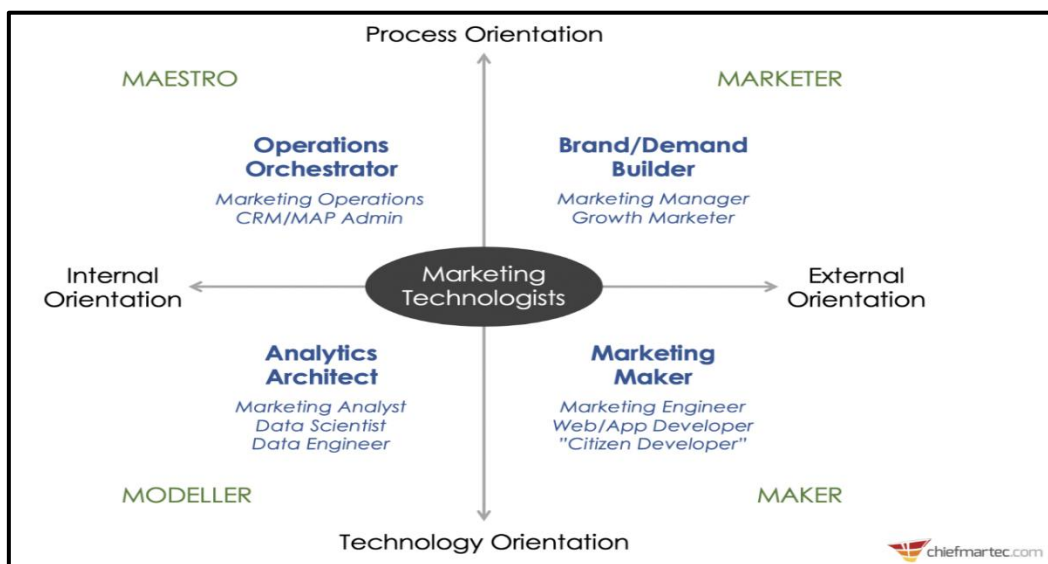
Implications and insights for Marketers

Given the nature and pace of change in the business world, marketing needs to adapt itself to stay relevant and become a source of competitive advantage for companies. Some of the important implications for marketers are listed below.

Getting comfortable with technology: Marketing is becoming both an art and a science. Marketers are expected to wear multiple hats including that of a story teller, data analyst, brand champion, experimentalist, experience designer, technologists, change agent and systems thinker. Deep understanding of technology is a must for marketers as there are over 8000 software products targeted at the CMO in an organization.

The role of marketing technologists will have four facets depending on whether the orientation is external or internal and whether the focus is on process or technology orientation – Marketer, Maker, Modeller and Maestro as shown in figure 3.

Figure 3: Multiple facets of a marketer

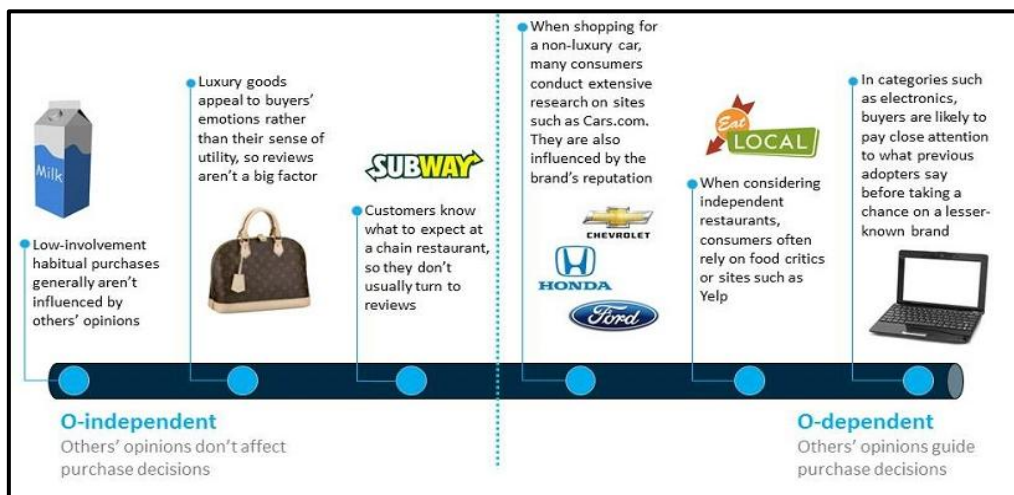


Source: Scott Brinker <https://chiefmartec.com/>

Ensure uniform customer experience: Marketers should ensure that customers have uniform customer experience when interacting with brand properties of the company and across channels thereby reinforcing the brand promise. Consistent and superior customer experience is an important value creation tool and a source of sustainable differentiation for the firm.

Understanding the concept of O-continuum: Customers are relying on reviews and ratings by actual users of the products or by experts and product evangelists instead of just relying on product brochures and marketing. However, the depth of involvement in the purchase depends on where the product is located in the 'O-continuum' as shown in figure 4. If the product is closer to the o-dependent end of the continuum (towards the right end) then consumers will rely on reviews, ratings and other people's opinion. Therefore marketers need to engage with influencers' community if their product is towards the O-dependent side (restaurants, electronics) and branding takes less importance so is celebrity endorsements.

Figure 4: O continuum



Source: Simonson & Rosen (2014).

However, consumers rely on marketing information for those products that are closer to the O-independent side of the continuum (paper towels, habitual purchases). Therefore, marketers need to engage with consumers directly and less with product evangelist. O-continuum also has an impact on communication, market research, communication decisions that marketers make. New age marketers need to understand these and similar concepts to extract maximum value for their budget spend.

Deeper understanding of the emotional need: consumers buy product not just for the functional benefits these products offer but also to satisfy deeper emotional needs (of status, connections, evolved tastes). Marketers need to use anthropologists, sociologists and psychologists as part of their team

apart from technologists to ensure marketers understand the consumer buy process and need evaluation at a deeper level.

Sharpen story-telling skills: Marketing needs to outgrow the need to publish long product information and catalogue to engaging customers using compelling stories that are consistent with its brand promise. Stories help companies and product connect emotionally with customers and aid in recall compared to mere statistics. Also the emotions that the product evokes tend to linger for long time encouraging people to act (either seek out more information or buy and use the product). Story telling works across industries and while it is natural fit for some industries (consumer product goods), it may not come natural for others (Energy and utilities). However, every sector can unearth moving, powerful stories that would enhance customer engagement with the company.

Adopt agile concepts in marketing: Concepts of agile that have become popular due to its extensive use in software development and manufacturing – that includes understanding customer journey, identifying user personas, rapid prototyping, experimentation and pivoting as needed among others – need to be adopted by marketing. The long lead times from product launch to advertising, PR, use and feedback need to be replaced with agile ways of working. Marketers don't have the luxury of time in today's hyper connected world that demands instant gratification. Therefore, fail fast, fail forward and fail cheap must be the mantra.

Conclusion

Marketing has been a force multiplier, an advance listening post for the business by its unique role of being closer to the customers. Companies like Intel (Intel inside campaign), Nike (just do it campaign), Avis rent a car (we try harder), Disney (family fun) and Unilever (Dove beauty campaign) among hundreds of companies that have leveraged marketing campaigns to create an exalted positioning in the minds of consumers that helped them build multi-billion dollars successful businesses. Therefore, marketing has always been leveraged by many successful firms to create a compelling differentiation in the marketplace that helped them stand-out from the crowd. However, pronounced changes in the market place has forced companies to relook at the relevance of their existing marketing strategies and to make necessary course corrections in their approach to capture customer value. This chapter traces some of the important changes – emergences of customer evangelist to leveraging technology – that are happening in the world of business and offers suggestions to marketers on how to pivot their strategies to support growth. The core building blocks of marketing – identifying customer needs, offering a compelling value proposition and continuous customer engagement- will remain the same but the elements of value creations like advocacy groups will change to reflect the new reality – the new normal.

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