

The changing face of marketing

Succeeding in the digital world

In today's fiercely competitive business world, organizations must evolve in order to remain successful. Marketing is not exempt from such demands and fresh strategies are essential if messages are to have the intended impact.

New challenges

Web 2.0 technology has ensured that consumers enjoy greater interaction opportunities nowadays. The balance of power has shifted accordingly and many individuals are no longer content with being passive recipients of whatever the marketing machine decides to feed them.

On the contrary, the new breed of consumer is more likely to set the agenda and it is up to marketers to communicate effectively with them to obtain valuable insights into their preferences and needs. Engaging in constant dialogue also provides an ideal opportunity for a company to demonstrate an intention to put its customers first.

Shrewd operators realize this and will be alert to the merits of adopting a personalized approach too. Treating people as individuals can help:

- build trust and loyalty;
- persuade consumers to respond positively and connect more closely with the brand;
- provide marketers with greater scope to interact with customers; and
- acquire and retain more clients.

Like charity, however, communication should begin at home. It is vital that everyone within the company acquires the degree of brand knowledge needed to respond appropriately to customer ideas. But this will only happen if employees feel they have a voice and if they feel they have some input into creating a culture that they are happy to buy into. Good communication also enables staff to acquire an understanding of the organization's vision and identity, which is necessary if they are to help shape how the company is perceived by those outside. Better informed employees can likewise speak with greater sincerity about the company and its brands instead of simply trotting out messages they just assume that consumers want to hear.

Marketers who best exploit the resources available to them are the likeliest to succeed. That includes different media types. Today's consumer routinely blends online and offline channels so marketers should do the same. Such integration is becoming easier to implement thanks to technology's increasingly greater sophistication and can ensure that advertising hits the target. Above all, marketing needs to constantly innovate and relevant



utilization of different techniques further aids the quest to appropriately engage with different consumers. This horses-for-courses policy is successfully operated at Novartis, a drugs company whose marketing tactics are determined by the audience in question.

Good companies listen to their customers and act upon the insights they obtain to determine both short and longer term strategies. Customer feedback significantly influences decisions taken about product offerings and marketing personnel enhance promotional campaigns by utilizing the technology available to them. Collaboration is key and everyone involved with the brand has a part to play.

Continuing innovation is crucial to marketing effectiveness. And those companies willing to push the barriers can expect to acquire a more profound awareness of the consumer psyche. Nevertheless, marketing chiefs must not be driven by the desire to experiment to a degree that core brands and activities become neglected.

Which paradigms work best?

The essence of marketing still has to change though. Digitization has transformed the environment but to those raised on a diet of direct mail or telemarketing the consequence was wholly unexpected. It was assumed in these quarters that the digital age would signal an era of even greater intrusion and domination by the marketing fraternity. Instead, scope for individuals to interact via social networking mediums such as Napster, MySpace and Facebook have relegated disgruntled marketers to the fringes of the action.

So what is the answer? Essentially, marketing is now about fitting into this new media environment. This means devising relevant interactive strategies and a recognition that the different roles technology enables people to adopt renders a perception of them as consumers in the conventional sense inadequate.

Among the possible new paradigms to interest marketers are the monitoring of thought and activity. One example here is analysis of the trail left by users of Google and other search engines. Such data can prove informative and provide marketing officers with potentially valuable insights into an individual's interests and needs. Computer users are essentially "always on" and therefore a viable communication target. But this fact is tempered by the knowledge that people can easily control what reaches them through the use of filtering software or other widely available tools.

Given this scenario, the more astute marketer will realize the need to gain acceptance and to become a part of social and cultural life. This can be accomplished by building a presence within peer-to-peer interactivity that includes:

1. *Property exchanges.* The concept originated with mutual file sharing through Napster and has now expanded and become firmly established in both communal and business contexts, correspondingly represented by YouTube and eBay;
2. *Social exchanges.* MySpace and Facebook are perfect example of this concept in the United States. Mark Zuckerberg, founder of the latter, believes that such sites provide an ideal medium for advertisements that are contextually appropriate. From a marketing perspective, instrumental interaction is the most appealing facet of social exchange. Groups are formed based on mutual interest in, for example, products or software and members exchange advice and help those less knowledgeable. Some groups value

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independence, while others welcome sponsorship from manufacturers. This highlights the potential that exists for marketers; and

3. *Cultural exchanges.* Involves the sharing of links, files and images with family and friends using channels that include blogs, emails and networking sites. Marketers can succeed in these environments by making content appear unique and entertaining. When this occurs, individuals can even be unaware that they are consuming promotional material. Unilever showed this with their 2007 ad for Sunsilk shampoo. Its campaign began with the distribution of an amateur video on YouTube. The video contained no references to the brand but introduced a phrase that had become familiar by the time it was included within conventional advertisements for the product.

Since the fundamental aim of marketers is to make brands meaningful, paradigms that allow some involvement in common creation of meaning are deemed most relevant. Thought and activity tracing are arguably less potent as they relate to information, which is devoid of context and therefore of limited value. Identity is also core to socially or culturally oriented exchange and facilitating its construction is another worthwhile marketing goal.

Social networks and marketing opportunities

Marketers should also be alert to the perceived influence of social networking websites. Evidence suggests the existence of third-person effect (TPE) within this context, whereby individuals believe that other users are likelier than themselves to be swayed by recommendations made on such sites.

It is mooted that TPE is the product of a psychological inclination for individuals to consider themselves as smarter than others and less susceptible to external influences. Research has confirmed TPE in a range of media environments including pornography, advertising and public relations. But given the user-generated nature of social networking web sites, the TPE may be even stronger in this domain.

Among the factors thought to impact on TPE are:

1. *Social distance.* Correlation exists between the degree of distance and the extent of TPE. People typically regard those socially close to themselves as equally intelligent and knowledgeable, while considering distant others as naive and more easily influenced;
2. *Expertise.* TPE can be stronger when people consider themselves an authority in the issue concerned. Again the view is that knowledge reduces the likelihood of being manipulated by others;
3. *Ego.* The premise here is that younger consumers of user-generated media are generally more self-absorbed and tend to over-inflate the significance of their own contributions such as blog writing. This serves to further widen the self-other perceptual bias; and
4. *Gender.* Assumptions that gender differences shape communication objectives prompts the belief that social networking may have a greater impact on women than on men. That studies have found women to be more responsive to advertisements than men adds weight to this notion. Gender may therefore determine the extent of TPE, which is likely to be smaller for females.



When considering potential behavioral consequences of TPE, marketers need to consider whether message cues are positive or negative in nature. For instance, earlier research has shown that media content linked to pornography, gambling or violence can prompt an intention to support censorship moves. The idea is that people regard others as vulnerable in these contexts and feel that action is needed to protect them from harmful content.

With messages that are more socially desirable, the reverse could happen. However, strong belief exists that any behavioral consequences of TPE is affected by how individuals perceive others will respond. In cases where messages are non-harmful or mixed, they often deliberately do the opposite. Abstaining when it is presumed that other people intend to cast their vote is one example. This mentality is more plausible within cultures where individualism prevails.

Word-of-mouth (WOM) communication is an important feature of social networking websites. The relationship in this context between WOM and behavioral intention is moderated by TPE. When TPE is high, it will be less likely that the individual concerned will visit or make purchases through social networking sites recommended to them by friends. However, a more positive effect may result when behavioral intentions are other regarding.

Analysts claimed that TPE increases when the media is more popular. In a social networking context, marketers should be aware that the effect might be enhanced further by the creation of links to popular products and brands. The premise here is that heightened attention will increase WOM and consequently TPE.

Comment

The review is based upon: "Interactivity's unanticipated consequences for marketers and marketing" by Deighton and Kornfeld (2009), "The 10 commandments for the modern marketer" by Fernandez (2009), and "Third-person effect and social networking: implications for online marketing and word-of-mouth communication" by Zhang and Daugherty (2009). In the first piece, the authors discuss the impact of interactivity on marketing. They question the relevance of established marketing models within the new environment and consider the merits of different paradigms before concluding that new media that best facilitate cultural exchange and the creation of meaning offer most scope for marketers. Fernandez acknowledges that the marketing role is evolving and proposes that chiefs should re-examine their strategies in order to communicate effectively with the modern consumer. The article suggests key ideas for embracing change that have been implemented by renowned marketers at some of the world's leading organizations. How social networking can impact on marketing is explored in the final paper. The authors discuss third-person effect (TPE) theory, consider its effect in this context and its impact on the word-of-mouth (WOM) communication that is influential on social networking websites. Hypotheses about the relations and the potential impact on behavioral consequences are explored within a study contained in this article.

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