

NEW AGE MARKETING

(Impact of technology in reshaping marketing practices with reference India)

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ABSTRACT

Economic Times, 28/03/13, Front page: “Hindustan Unilever Ltd forays into digital advertising space in a big way: In FY13, HUL is expected to triple ad spends in online and digital spaces, taking their share to 7% of its total ad spend. In FY14, this is expected to cross 10%. In HUL's media spend, online is now number two, after television.”

For many of us, mobile phone is the first thing we check every morning, and that we are more on the internet than on television. The reality is that consumers in the digital space have moved on much faster than companies have.

Within our circle of acquaintances and family, is there anyone devoid of a mobile phone?

Our bank accounts are linked to ATM, debit – credit cards, mobile and internet. We no longer line up to buy travel tickets or pay our utility bills. Our kids are adept at online shopping; from books, old guitars to mobile accessories. We have seen resolute advertising even by learning institutions on www which targets different age groups, but technology driven prospects.

With consumers no longer confined to print and television, a gradual transition is witnessed on mobile, internet, e-commerce experiences by way of out-of-box marketing concepts.

Enhanced, responsive and edifying technology coupled with rapid change in consumer behavior has distinctly affected the way marketers relook, reshape and redirect their marketing efforts. Contemporary, functional, fashionable and innovative products, services and concepts amalgamated with first-rate customer services are rudiments for marketing success. The well crafted marketing buzz and hype of Apple iPhones during pre and post launch is a cursor of changing marketing dynamics.

It becomes pertinent to study the impact of technology in redefining practice of marketing.

Hence the generation of idea for the article: New Age Marketing.

New Age Marketing (Impact of technology in reshaping marketing practices in India)

Marketing is all-pervading and omnipresent, whether it's a restaurant, hypermarket, high end mall, neighborhood grocer, movie or b-school. It impacts all and sundry, ubiquitously; from deprived to affluent, from Mumbai to Manhattan.

However, with the advent of globalization and new technologies; the pace, race and face of marketing has changed drastically. Internet, www, e-Commerce, online shopping, mobile, superfast gateways, hardware and software up gradation have changed the entire landscape of marketing. New breed of consumers are irrefutably tech-savvy. Their reliance and usage of technological tools have changed the dynamics of demand and marketing. Standard operating procedures now have profound influx of new technology, ideas and convergence of creative marketing techniques. It is a matter of pure survival for the marketing function to adopt and adapt to the changing face of consumerism due to new age technology.

Changes in reshaping marketing practices are manifold and ever developing in an explosive market due to two primary reasons: (i) shift in underlying technology, and (ii) relentless innovation in a technology. Technology influences are reflected in how companies effectively brand and market their products and services. The success of brand building in today's world is attributed to the union of experience and communication. Seasoned professionals are nourishing triumphant brands by emergent channels of communication, building new streamlined processes for managing brand campaign, and collaboration among campaign participants. Communication technologies and database management tools have enhanced the marketing service value.

Technology is changing the ways of doing business with more emphasis on connectivity and responding to the customers for their special needs through websites and other sources of communication. The world is becoming more universal with impacts of media making the brands global and acceptable due the popularity created at larger forums of connections.






Today we've got billboards that can ascertain our ages and genders, movie trailers that can change in real time depending on who the viewer is, and mobile apps that can detect what commercial is aired on TV and sending viewer's related coupons on their phones. There is no doubt technology is ushering in some fascinating new ways of connecting brands with consumers. In fact, to say technology is rapidly evolving doesn't even fit anymore.





These factors have prompted marketing professionals to give greater impetus on new age marketing tools like mobile telephony, internet, online advertising, digital media, b2b and b2c, search engine optimisation, DTH etc.

Customer insight techniques such as database analysis, segmentation and modeling offer b2b companies the ability to transform their understanding of their customer base, and therefore the

ability of their marketing activity to meet its objectives. This knowledge bank is designed to help marketers extract maximum benefit from customer insight.

Technological facts and figures instrumental in reshaping marketing practice in India are:

-  **Mobile telephony:** India has world's second-largest mobile phone user base with over 929.37 million users as of May 2012. The Industry has grown over twenty times in just ten years, from under 37 million subscribers in the year 2001 to over 846 million subscribers in the year 2011. By May 2012 the country had 929 million mobile subscribers, up from 350 million just 40 months earlier.
-  **Internet:** India has world's third-largest internet user base as on 2011. The report by Internet and Mobile Association of India (IAMAI) and IMRB said, "The number of claimed internet surfers has seen a growth of 16 per cent over last year. This number was estimated to grow up to 150 million by December 2012. It has the world's third-largest internet user-base with over 137 million as of June 2012.
-  **Broadcasting:** Television is the most penetrative media in India with industry estimates indicating that there are over 554 million TV consumers, 462 million with satellite connections. However, only the government owned Doordarshan has license for terrestrial television broadcast. Private companies reach public using satellite channels; both cable television as well as DTH which has obtained a wide subscriber base in India. In 2012, India had about 148 million TV homes of which 126 million has access to cable and satellite services.
-  **Next generation networks (NGN):** The hyper-competition in telecom market, which was effectively caused by the introduction of Universal Access Service (UAS) license in 2003, became much tougher after 3G and 4G competitive auction. About 670,000 route-kilometers (419,000 mile) of optical fibres have been laid in India by the major operators, including in the financially non-viable rural areas and the process continues. With the deployment of the NGN, users may subscribe to many concurrent access-providers giving telephony, internet and entertainment services.
-  **Online shopping:** Online shopping is gaining recognition in India, with a report from ComScore Inc. showing that 3 of every 5 internet users now shop online. The report is based on online audience measurement data from ComScore Media Matrix. It states that 27.2 million, i.e. nearly 60 percent of online population in India visited retail sites in November 2011 which is an 18 percent increase from 2010. 16.5 percent of the total online population visited deal or coupon sites which show the increasing popularity of these sites. The increased online visibility of retailers through marketing campaigns and the awareness of people about the sites make the people shop through web.

-  **Social media:** Growing popularity of social networking sites like Facebook and Twitter has impelled some companies in India to spend 30-40 per cent of marketing budget, amounting to about Rs 1,200 crore, through digital media platform this fiscal, an ASSOCHAM study has found. The study, which surveyed about 1,400 people, including directors, chief executives, chief financial officer's and managing directors observed that majority of start-ups and leading national and international companies operating in India are embracing the social media to expand their business. About 75 per cent of the participants said that they have doubled their spending on social media this year. Almost all respondents said that their dependency on traditional print media for advertisements has reduced. Facebook, Twitter, YouTube, LinkedIn, Orkut, Hi5, Friendster and BigAdda are some of the popular social networks used by companies, it said.
-  **E-commerce:** India may be behind the curve on the numbers from countries such as China and USA, but they are growing fast, and when they reach the 200-300 million online shoppers, we can safely assume that there will at least be as many e-Commerce players in India as there are in China. New age marketing professionals will explore that in 2016, 80% of the e-Commerce shoppers will be available to be nabbed by e-Commerce sites. And they are going to come from predominantly two categories. First, from Tier-2 and Tier-3 cities as the logistics and connectivity there improve; and second, young people who get jobs / pocket-money and start shopping online.
-  **Payment card market:** Innovations in terms of offerings and technology in payment card industry has brought transparency, ease, and security in the use of these cards. Increasing trend of online shopping and other benefits, like reward points and discounts, offered by merchants as well as bankers attract customers to shop using payment cards. India has witnessed tremendous rise in middle-class households and shift in the spending pattern of consumers that has boosted the growth of Indian payment card market including credit, debit, and prepaid cards. The number of debit cards issued by banks grew around 33% in FY 2010 against FY 2009, and is estimated to have touched around 227.8 million cards by the end of FY 2011. There has been a huge growth in the number of payment transaction using debit and credit cards.
-  Sceptics in India had not anticipated the incredible growth of: www.snapdeal.com, www.flipkart.com, www.ebay.in, www.homeshop18.com, www.naaptol.com, www.letsbuy.com, www.yebhi.com, www.bagittoday.com, www.junglee.com have lead to new dimensions in marketing approach.

Due to influx of technology, new age marketing tools are being developed at reshaping strategies:

- ➔ **Old Customers, New Strategies** – Existing customers are embracing new technologies hence new look at consumer behavior and buying patterns. Take the

case of online booking of travel and leisure tickets. In 2012, HUL launched a massive India-specific initiative, BE Digital, which draws a complete digital road map for premium brands such as Tresamme, Sunsilk, Lakme, Close-up and Surf, for which the target audience online is high.

- ➔ **New Customers, New Strategies** – Young, upwardly mobile generation of consumers who are more or less technology dependent. Example is ‘Har friend zaroori hota hai’, an advertisement from Airtel, a leading telecom operator to attract teenager and young group for VAS (value added services).
- ➔ **New Experiences** – Redefined technologies like touch screens, 3D, even 6D offer awesome consumer experience. Product innovation, advertising and branding go hand-in-hand for generating new experiences. Online advertising, search engine optimization, interactive TV, DTH, pop up’s, are new age marketing tools. Today if we have to shop for ‘paneer tikka masaala’ or ‘old guitar’, it better be posted and available online. HUL created Tresamme Style Studio, a digital-styling website loaded with 100-odd videos on hair styling, a webcam mirror that lets women style along in real-time, and a tool that lets women test new lengths and looks on their own hair virtually.
- ➔ **New Product Selection** - e-Commerce sites are using data, analytics and the power of big data to figure out what could appeal to these new customers. A powerful recommendation engine that understands the “aspiration” dimension may be the need of the day. People from Tier-2 and Tier-3 cities may not be sure what they’re looking for online, and consequently don’t know how to go about it. So one aspect of new age marketing is also making consumers more aware.
- ➔ **New ways to connect** – Think local, act global. Localisation is one of the top factor that is driving e-Commerce in India. A simple and streamlined shopping experience on the mobile phone is another area that can create differentiated experiences, as many people’s first experience of the internet will be from their phones – For both young people and for people from the tier-2, 3 cities. e-Commerce sites should be able to create new and interesting shopping experiences to have a chance with the new generation of online shoppers.
- **Social Media Marketing (SMM)** has evolved as a fascinating new age marketing tool and the way marketers look at SMM in devising over-all marketing and advertising strategies. One of the earliest to incorporate was TATA Docomo and their marketing mix became quite exultant in getting heard on social media. On a conservative estimate Facebook has 60 million subscribers in 2012 making India top three user country

globally; up from 8 million in 2009 - 10, which is a mind boggling figure (Head of Facebook India Kirthiga Reddy said on-line advertisement spends in India was growing at 25 per cent year-on-year). Even corporate colossal Hindustan Unilever Ltd. (HUL) brands such as Axe, Pond's, Rexona (now Sure), Cornetto and Dove already have strong digital footprints due to a fairly large fan base for some of their brands, by creating interesting applications, having engaging games on their Facebook pages and collaborating with YouTube. Mahindra Homestays – an effort by Mahindra Holidays & Resorts to organise and market the growing home stay industry in India is actively involved in numerous social marketing initiatives. Capital Foods produce Ching's Secret was one of the first to launch ready-to-use oriental sauces and noodles in the market. Today, Ching's Secret has more than 7, 20,000 active fans monthly, out of 7, 65,000 numbers of total fans are on social media platforms like Twitter, Facebook and Youtube. The company has allocated 60 per cent of its advertising budget to digital marketing. HUL's AXE deodorant has a new variant and application called 'Googli' on Axe's Facebook page. Googli has emerged from insights gleaned on Axe 'Angel's Club', a 1.5 million strong Facebook community. In 2009, digital media spends in India was Rs. 700 crore. It was Rs. 1,100 crore in 2010-2011. Facebook advertising in India was close to nil in 2009-10. In 2010-2011, it was Rs. 100 crore.

Some of the fascinating leaps in marketing technology which augments further reshape in marketing practices are:

- ❖ **Eavesdropping Applications:** Companies are starting to play around with advertising through new applications that can tell what show we are watching on TV or listening to on the radio, though it is in conceptual stage currently. IntoNow, has a fingerprinting technology that can listen to and identify what is on TV, and let people check in to a show or advertisement.
- ❖ **Mobile: Codes and Spot Targeting:** Quick Response (QR) codes are the little black-and-white pixilated squares commonly found in print ads, on products, displayed on TV, and even stitched into fabric. If you have a phone with a camera and the right kind of reader app, you can scan a QR code to display text, contact information, or open a web page. People are also scanning UPC bar codes—especially the ones found on products we find at a grocery or pharmacy for product pricing and information.
- ❖ **Smart phones:** In addition to smart phones giving consumers near-instant access to marketing or product information and digital content, they also are empowering businesses to do local spot targeting that only advertises to people near a certain geographic location. For instance, a movie theatre could broadcast show times to only those smart phone users within a mile radius who happen to be doing things like playing Angry Birds, listening to Slacker Radio, or other similar activities.

The question is no longer whether marketers must reshape their marketing practice and mix due to technological influx. The pertinent question is, are the reshaped marketing practices good and innovative enough?

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