

Impact of Innovation and Technology in the Changing role of Marketing in past few Years-A Conceptual Framework

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Abstract

Today the innovations in the technology have greatly changed the way we as a global citizen search, receive, interpret and react to any information. Nowadays as a consumer we try to find new and innovative ideas to interact with the companies and its products. Thus we can say that gradually and slowly the role of marketing has changed with the time. But it's not just Web-based companies that are taking advantage of technology and innovative ideas to go for different experiments but now the retailers are also following the same track.

So there will be even better payoffs for customers and their likes and dislikes. In the globally competitive market, now the customers may expect more customized services. Thus we can say that this changing phase will act as a milestone for the companies to inspire new strategies and researches in the marketing. Technology is greatly transforming the innovation at its core, allowing companies to come with the new ideas at great speed and prices.

This paper will focus upon the 3 changing phases –The changes in the buyer and seller relation, why marketing is universal and the various shifts in the marketing and what is the impact of technology and innovation on the role of marketing.

Key Words: Technology & innovation, Changing buyer-seller relation, various shifts in marketing.

Introduction

Today the innovations in the technology have greatly changed the way we as a global citizen search, receive, interpret and react to any information. With the growth of the internet in the twenty-first century, and the rapid evolution of the various devices that allow quick and easy access to its millions and millions of portals, we as consumers are finding new and innovative ways to interact with companies online. So we can say that this is an information age, facilitated by evolving technologies, which have redefined the role of marketing in today's era. But is this belief true? Surely the role of marketing have changed a lot with the time. In the early 1900's the main purpose of marketing was production, in the 1920's it shifted to selling while coming to the twenty first century it had reached the great evolution in marketing. Today marketers are still engaged in developing and managing customer relationships.

Objective

The main objective of this paper is to see the impact of innovation and technology on the marketer in the current scenario.

Literature Review

New products are a substantial part of technological change. They are like new processes, but the knowledge that we have about the effect of process innovation is much wider than about

product innovation. More successful although less formal is the explanation given by Scitovsky (1977) the consumer needs variety in what she consumes simply because she needs novelty to experience well being and comfort. Following his ideas, and merging them with the previous ones, we find useful the work done by Bianchi (1998; 2002). She argues that novelty is a relevant factor in the inputs that the consumer is using to maximize utility. Both Scitovsky and Bianchi acknowledge in their work the research on novelty completed by Berlyne (1974). Although novelty is addressed by Garcia Torres (2009) as an inner search of the consumer, marketing can be deeply related to increases in the consumer's perception of novelty. Ofek and Sarvary (2003), with a similar model, reach a different conclusion; the leader tends to invest more in marketing to maintain its leading position while the follower concentrates more on R&D.

Changing phases in Marketing

Although the role of marketing has not changed due to technology much but the power dynamic in seller- buyer relationship, corporate attitudes toward the marketing function and marketing approaches have been changed by the rapid evolution of technology. This paper will focus at each of these three changes, and their underlying catalysts, which have propagated the new face of marketing experienced by the marketers in the current scenario.

Change in the Power Dynamic

The rapid growth in the internet has been the only most important reason in the change of the power dynamics from marketers to consumers. Through the use of the internet, consumers have gained access to the unlimited data in and around the world – data that is timeless, boundless, critical and verifiable. With just one click of a button we can gain numerous insights about the different companies and their products and services. We as Consumers can compare different products, find reasonable prices that suits us, go through the reviews and even interact with other users about product quality and satisfaction level. According to Tech Target, more than 64% of car buyers use the Internet to research car models, features, and prices. Feeding this need for information, tech giants have created a slew of digital devices, including smartphones and tablets that give probing consumers on demand access to their most sought after desires. Even further, internet users are not just using content, they are creating and sharing with others, allowing for unprecedented transfers of information and knowledge. With the explosion of social media, such as Facebook, Twitter, Instagram and more, consumers can access direct feedback about products – both good and bad – from their network connections. Today we can express our views through a blog or video created by a dissatisfied customer which can become viral in fraction of seconds. A viral video can mount an army of criticism and online hate for a product, even a company. It is been estimated that near about 40% of people are influenced by brands on social media. Consumers no longer believe in the words of the marketer, instead they believe in the words of their communities and their own online network system. This shift is consequently reducing the thinking of brand supremacy and loyalty. Today just by creating a product and pushing it upon customers no longer works, today it is a greatest challenge for a modern marketer to satisfy a customer. Marketer is now ready to listen to the customers and find innovative ways of providing the personalized services. Technology has given way to the rise of the conscious consumer.

Marketing is Everyone's Business

Traditionally, marketing has been considered as one of the four key functional areas of a business (the others being finance, operations and Human resource management). However with marketing's changing role in the 1990's to building customer relationships, there has been a subsequent change in the way the overall function is regarded internally within corporations. Today, marketing is recognized as the glue that binds organizations together. It is a belief that marketing has become everyone's business but how has technology helped? The answer is in the connections. With increased access to information which is encouraged by the use of innovative mobile digital technologies, customers no longer wait for marketers to reach out to them. Today, consumers interested in seeking additional information may reach out to a company, both online and offline. Using technologies, such as Ad Exchange and Demand Side Platform, marketers can ensure that their customized messages are received by those they are intended for.

Two main factors play a very important role here. The first is that customers no longer differentiate between customer service and product as technology has integrated the world, placing the service at every consumer's finger tips. Consumers have an interface with each and every organization, their products as well as services. The second factor says that marketing's role is not only to build customer relationships but is also infused with the marketing functions. With the increasing use of Customer Relationship Management systems within companies that help to integrate and transform the information from these touch points, it to dynamic strategies, it has become even more important for marketing to be diffused throughout every aspect of a business.

The Fundamental Shift

The internet began entering homes in the 1990's. Earlier the Websites existed in vacuums, allowing very little interaction or connectivity to other sites or customers. There is a fundamental shift made from the offline marketing function to the online digital world. The opening-up of the new websites now allow users to create, upload and share content anywhere in the digital world. This fundamental change allowed a shift in communication from being one-way, to two-way interactive dialogues between different users. By far the most compelling change of the approach to the marketing function since the turn of the new century is the shift from Outbound Marketing to Inbound Marketing. Today the marketer knows the advantages of pulling customers toward their product or service, rather than pushing their products toward their customers.

In the last 10 years the users have formed different communities, creating content across different channels and uploading and downloading at alarming speeds. By 2008, Facebook had 150 million users recording uploads of 700 million photos per month; Twitter had grown by 752% to 4.4 million unique monthly visitors and 10% of all internet traffic was video-sharing through the popular social media site YouTube. By 2012, with the increase in internet usage at least one in every two persons owned a smart phone.

Is Technology Really Transforming Innovation?

Yes definitely, the Technology is transforming innovation at its core, allowing the different

companies to test their new ideas and concepts at speeds and prices that cannot be imagined. They can stick the features on Web sites and tell within hours how customers respond. They can see results and feedback and even the number of visitors visiting their website

The result? Innovation initiatives that earlier used to take months to launch and respond can now be started in fraction of seconds.

And that makes innovation, the lifeblood of growth, more efficient and cheaper. Companies are able to get a much better idea of how their customers behave and what they want. This gives new offerings and marketing efforts a better shot at success. Effective digital marketing requires that brands have the ability to adapt to change, and to grasp new opportunities. Being able to innovate allows brands to conceptualize new ideas and put them into practice.

Impact of technology on organisation:

When considering the impact of technology as a marketer, what is most important is to develop relevant options and channels that can be utilized to communicate with prospective or already existing consumers:

- Search engine results
- Social networks
- Banner ads
- Online reviews and ratings
- Blog posts
- Online video content
- Smartphone ad formats
- Tablet ad formats

Impact On Consumer

The average consumer is increasingly exposed to 'relevant' ad materials. Primarily from social networks and browsing behavior, consumers are also being impacted from a privacy point of view.

Some Of The Digital Innovations Changing Marketing In 2016

✓ **Video Innovations**

With all of the recent developments in video — Periscope, deeper Facebook integration, YouTube 360-degree videos the marketer and consumers have found this network more effective than TV.

✓ **Snapchat and Messaging Apps**

Social networking has taken a very personal turn in the past year with the rise of messaging apps and especially Snapchat. For marketers, there's ample opportunity for experimentation. Two years ago, it was really just Facebook. Now we're seeing a real

explosion of social media innovation.

✓ **Smart watches**

Messaging on smart watches is tied directly to the popularity of messaging apps. Personalized interactions with affluent, tech-loving consumers are where smart watches will excel. Many of the initial apps for smart watches are in the categories such as: flight trackers, maps, fitness, music, shopping lists. The Apple Watch is branching out with app integrations for Target, Honeywell and BMW.

Some other examples of Innovation

✓ **Ikea**

IKEA has always had close ties with innovation. Founded in 1943 as a mail-order sales business, the company has grown into a global multinational spanning 46 countries, built on the unique USP, and the momentous commerciality, of ready-to-assemble furniture.

IKEA's products are renowned for the level of detail that is being put into their design – enabling their furniture to be easily assembled, and that too without tools – and equally it's in the detail of IKEA's marketing where the company is most innovative.

In 2013, for example, they launched the Catalogue app, which not only gave users access to the company's inventory, but via augmented reality, actually allowed them to view how items would look in their home spaces. *The app is a great resource for customers in the consideration stage of the buying cycle.*

✓ **L'Oréal-Test It Now Before You Buy:**

L'Oréal understands that providing for digital-era consumers pre-purchase, is just as important as allowing them to sample products at makeup stands and counters. For this reason they designed an app. L'Oréal's Makeup Genius app allowed users to use their phones to do a digital makeover. The brand recruited the same team behind the makeup of “The Curious Case of Benjamin Button” to provide the realistic visual effects needed. Consumers responded positively; the app was downloaded 7 million times.

Conclusion And Findings

But it's not just Web-based companies that are taking advantage of technology to run crucial experiments. Even retailers who might seem to have tremendous logistical challenges implementing rapid experiments across lots of stores can go for this new approach, thanks to the rise of sophisticated tracking systems that make measuring customer behavior more agile and less expensive.

These systems which track everything from purchases at the cash register to how products move through the supply chain allow stores to cheaply collect terabytes of data on their customer

interactions, the performance of products in the field, employee productivity and other factors.

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