

The Future of Marketing in 2016:

Trends in the New Digital Age



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Abstract

There have been some significant changes in marketing in recent years. The share of digital/mobile in the overall media ad spending share is increasing year over year. The research firm eMarketer estimates that budgets for digital advertising will surpass in 2017 the budgets spent on any other traditional marketing initiatives (TV, print, radio, outdoor, and directories). Marketing is also moving away from a product orientation to a social / mobile orientation. Whereas marketing campaigns from even a decade ago were focused on loose metrics such as GRPs for TV audience measurement, or Arbitron numbers for radio, advertisers' ability to track visitors' movements across the web, and (with the growth in mobile device adoption) advertisers' ability to use location data entail better tracking of responses to marketing messages and the ability to connect with the customer where they are.

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Big data analytics enable the rapid processing of information from disparate sources. The resulting insights allow marketers to see trends quickly and act on opportunities before their competitors do. Data is collected from visitors' movements across the web, across apps downloaded to browsers and mobile phones, and from customers' location information on their mobile devices. Wearable devices, such as the Apple Watch, fitness trackers, step counters and other health monitoring devices, and various mobile apps

that present tracked data together with users' age and health information can also offer actionable information to marketers.

Companies like Facebook and Google not only enable companies to target customers based on their location, Likes and message content (updates, messages, sharing activity) but also extend that targeting across their advertising networks outside of these properties, a process called remarketing. A Google user may visit an ecommerce site, view products but not complete a purchase. If that ecommerce site has a remarketing agreement with Google, it will *still* be able to reach people who have visited the website or used its app (if available) and not purchased anything. These visitors will see ads for that company as they browse websites that are part of the Google Display Network, or when they search for terms related to the company's products or services on Google. A similar service is also available on Facebook – which explains why, when friends discuss a product among themselves on Facebook, they will sometimes see ads appear for that product, sometime later, on their wall feed and elsewhere on the web.

Customers are defending themselves against intrusive advertising. On the regulatory front, legislation is in place against companies sending unwanted communications to web users. These laws prevent infringement on privacy and enforce respect of customer consent. In Europe, the General Data Protection Regulation (GDPR) is in place; in the US, Controlling the Assault of Non-Solicited Pornography and Marketing Act of 2003 (CAN-SPAM) has been active for over a decade; and in Canada, the Canada Anti-Spam Legislation (CASL) was finally enacted a little over a year ago.

On the personal front, web users defend themselves against intrusive advertising by downloading and installing apps such as AdBlock and AdBlock Plus on their browsers, and using apps with similar features on their mobile devices. But advertisers have been intruding into that protective shield – some ad blockers now offer a 'white list' of 'approved' advertisers! These still can be blocked if the user knows what advanced settings to push. And ad networks continue with the cat and mouse game of defeating ad blockers on some pages, and accessing the viewer nevertheless.

And this is not the only challenge for advertisers: with the proliferation of mobile devices using two major operating systems and a myriad of screen sizes, these new platforms and new formats also challenge agencies' designers.

In summary the overall trend in marketing is moving towards a personalized experience for targeted customers, rather than a mass-marketing spend. Big data analytics enable brands to better understand what customers may want now, and may want in the future. Mass media is still used to bring awareness to new brands and new products, but now marketers have tools to generate interest and the desire to purchase by using more sophisticated tools when the customer provides consent.

1. Data as the driver of real-time strategy

Today, data is not the sole purview of direct marketing. Now, all marketing is driven by data, information that describes all aspects of your market relevant to your brand. Every strategy must have good data at its core in order to be implementable, actionable, measurable and successful.

2. The business of the future will be data-driven

To realise the full profit potential of your database and your market, you need to leverage all the information you have about your customers at your disposal, including:

- Behavior, channel preferences and usage patterns.
- Each segment's specific product and services usage.
- Technology adoption and automation.
- Lifestyle, life-stage and revenue-cycle behaviour.
- Industry-relevant information.

- Your own trend data criteria.

3. Customer buying journey and mapping

Professional customers research before making any purchase. So, our goal is no longer to drive an immediate sale, but to use all available technology and data to empower the customer to make a purchase. You need an integrated sales and marketing strategy that offers useful customisation that enhances your customer's experience of your brand. You need to tell a story they can connect with, on the channel and medium they prefer. We call it an Omni Channel strategy.

4. Customer service is selective service

This is one of the hottest and most severely neglected trends. It's about only giving your best customers the best service and surrounding them, not with products, but with personal attention that rewards their loyalty. Remember that efficiency isn't a service; it's a given. Service excellence is where you gain the competitive edge. Service also has a price, so make sure you price your service at a level your customers can afford.

5. Speak 'customer'

'Customer' is the new language to master. Statistics show that 67% (and increasing) of US sales are now influenced by word of mouth. Customers are the storehouse of your profits, so surround them with the channels they want and integrate them directly into your brand story. Navigate the co-creation of your brand with a mix of channels that places the customer at the center.

6. The blending of direct and brand marketing

Direct and brand marketing are complementary strategies and approaches that have a greater overall impact when combined with a coherent, Omni Channel media strategy. Together, they blend into a coherent operation to drive sales, enhance awareness, build relationships and increase profitability.

7. Investing in your customers

You should have a profit and loss account for each of your customers. They invest their money and time in you, and you invest value. Use data to identify your most profitable customers and invest in them with personalised, targeted communication and loyalty offerings.

8. Measure your marketing efforts

Know what you want to measure and why, and then incorporate your findings back into your strategy, evolving it on a continual basis.

9. It's all about 'me'

Customer lifestyles are creating new challenges for brands and marketing. They are focused on 'me' and increasingly demand a 'have it all' lifestyle. We need to figure out how to stay relevant, be noticed and be loved by our customers by placing them, rather than the brand, at the center of our focus.

10. Marketers as guardians of privacy, preference and permission

Our responsibility as marketers to balance profit and effectiveness against our customers' best interests is intensifying. The lines are drawn and the outcome of the battle between the 'right to privacy', the 'fight for permission' and the 'drive for relevance' will define how we proceed as marketers and as guardians of privacy.

11. Environmental concerns drive investment

Heightened political and societal pressure to 'go Green' will require both marketers and service providers to adopt and publicise environmentally friendly process enhancements.

There are many more up and coming trends to be aware of, and they shift and evolve on an almost daily basis. The key is knowing which ones are relevant for your brand. As far as I'm concerned they all boil down to one thing – using data to gather key insights into your customer and then using those insights to make him or her the focus of your marketing efforts.

Marketing is the evergreen go-to solution for any manager to increase the revenue from his product or services. Although from time to time the modes of marketing have evolved, the importance of marketing for a firm to sell its product and services remains consistently high. Books on marketing define it as “identifying the needs of consumer, developing products/services to satisfy those needs and promoting/advertising these developed products to consumer”. Hence, a marketer has to understand consumer insights; design products based on those insights and then go back to the consumer to promote those products.

Although the first two steps remain somewhat constant through time, it is the third factor of promoting/advertising is what which constantly evolves. The main reason for this evolution can be attributed to the rise of digital media, which is transforming the way in which marketers promote their product. The traditional banners/flexes are being replaced by Google banners and advertisements, which are the banners of the digital space. Earlier, marketers used conventional television as the main medium for promoting their products and services using advertisements. But recently this trend has been subjected to serious reconsideration and companies are investing heavily in social mediums like YouTube to reach their target audience. It is this new trend that this article is trying to analyze.

In the new digital age, customers are empowered with tons of data on their fingertips through mobile and social media. Users search through ratings and feedbacks of products before buying and it is in this exploration phase the importance of marketing comes into picture. It is imperative for any marketer to present his product when the customer searches to satisfy his needs and desires on internet or mobile. The Massachusetts based Hub Spot Inc. terms this new marketing technique as “Inbound marketing”. According to them, inbound marketing refers to marketing activities that bring visitors in, rather than marketers having to go out to get prospects' attention. Simply inbound marketing means being at the right place, at the right time.

Companies have to make sure that they are able to present their products/services to customers when they want those products. In this new terminology, the traditional way of customers finding the right product suitable for them is termed as outbound marketing. In Outbound marketing, company is the initiator contrary to inbound marketing where customer is the initiator. According to most marketing managers, the main issues they are facing with outbound marketing are tracking the return on investment and increased presence of ad blocker softwares.

Based on a survey done on marketing managers about inbound marketing, CRM Daily cites that “nearly half of the companies that implement inbound marketing efforts see a 25 percent greater return on investment (ROI) on those programs than companies that do not”. The survey also found that inbound marketing channels can deliver up to 30 times the campaign conversion rate of traditional outbound direct-mail campaigns. They even say that inbound marketing is easier to track, has a higher ROI, and lower overall costs than outbound marketing. The easier tracking is achieved by the new digital analytics techniques offered by companies like Google which help marketing companies to track the conversion rate of customers. Also, the conventional method of calculating cost for each displayed advertisement has been replaced by pay per click, pay by conversion mechanisms which increase the ROI for companies. Hence marketing managers are tempted to cut their costs and increase conversions by shifting from outbound marketing to inbound marketing.

Hubspot Inc. defines inbound marketing as a four step process. The first step involves attracting the customers to your website or making them know about your product. Marketers use techniques like

blogging and social media publishing for this attraction. Inbound marketing techniques makes sure through these techniques that customers are presented with product details when they search for those. Blogging presents a new platform for marketers to write about the specifics and advantages of the products. Social media has been another revelation of the past decade with people spending chunk of their time in platforms like Facebook, Twitter interacting with friends presenting vast avenues of opportunities for marketers. The major impetus for this trend can be the increasing usage of internet and mobile phones, which in turn raises the opportunity of inbound marketing. The widespread use of mobile phones and mobile internet connectivity also allows marketers to perform the traditional outbound marketing by catering their promotions to specific segments and provide information based on the browsing pattern of the users. This provides marketers with a better-informed tool for their Segmentation – Targeting – positioning exercise.

Once a user has been attracted towards a particular product or service, the second task of a marketer is to make sure that the customer is provided with a delightful experience and thirdly he ends up buying the product. In digital marketing terms, marketer has to generate leads by gathering customer information. For generating leads, inbound marketing uses methods like user information forms, landing page customization, call to action buttons etc. These methods tempt the user to provide his information and explore more about the product, providing the chance for the marketer to close the action. Once the leads are generated, the next step is to make sure that the customer ends up buying the products; meaning the process of buying is closed. Closing encompasses a wider aspect which includes converting the customer into a long term loyalist and building engagements with the customer. For this, inbound marketing proposes methods like customer relationship management (CRM), which helps marketers to get in touch with customers at the right time, and Email marketing, which allows personalized messages to customers, is used. As part of building a long-term relationship and continued engagement, marketers have to make sure that customers are kept have a joyful experience. The fourth step of Delight aims at this function. Inbound companies continue to engage with, delight, and upsell their current customer base into happy promoters of the organizations and products they love. They use techniques like surveys, social monitoring and push messages to maintain this engagement. Post consumption surveys also helps companies to capture customer insights about the product they have consumed and their feedback and opinions about the product. These details can be used for development of products and deliver results based on customer needs, which keeps the customer delight and engagement intact.

Although inbound marketing is the way forward for companies, it should be combined with outbound marketing for proper customer penetration and engagement. The traditional marketing techniques of TV, Radio and print advertising along with digital techniques of social media marketing and email marketing will make sure that customers are informed about the company's portfolio and increases brand awareness among them. The inbound marketing comes into play when the customer decides to purchase an item and it makes sure that the product is visible to the customer to consider. it has techniques to make sure that once the customer finds the product how that interaction can be converted into a long term engagement and relationship. So, an effective marketing campaign should include the combination of outbound marketing as well as inbound marketing. It is up to the discretion of the marketing manager to design this marketing mix taking into consideration the campaign's priorities and end results.

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