

A MARKETING REALITY AND ITS IMPLICATIONS

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Abstract

Marketing situations involve a larger commitment in accepting the challenge of creative thinking, progressing through knowledge and understanding towards reciprocal trust, converting emotions into transactions and the relationship based on these transactions into an emotionally and loyally connected one.

Communication is essential though, being considered the broker of the relationship that takes place in a dynamic environment and it involves liveliness and adaptability in offering the right answers to all those affected by the activity of the company.

Of course marketing situations differ, and the enterprises that are preoccupied with the essence of success understand better and better the importance of strategic alignment of relationships among all those who have key-interests (shareholders, employees, clients) in an organisation and the power of these relationships to strengthen and improve their reciprocal value and through this the performance and profitability and even the relational landscape as a whole, turning clients into real brand promoters, thus multiplying the marketing effort. This marketing reality thus involves a larger commitment in accepting the challenge of creative thinking, progressing through knowledge and understanding towards reciprocal trust, converting emotions into transactions and the relationship based on these transactions into an emotionally and loyally connected one. Which presumes the recognition of the strategic relations which the client desires, concentrating efforts on that well targeted client and to whom an offer is made in proportion to his known demand so that he resists the offers of the competition. Communication is essential though, being considered the broker of the relationship that takes place in a dynamic environment and it involves liveliness and adaptability in offering the right answers to all those affected by the activity of the company.¹

1. Witnesses to the dawn of a new day in marketing communication

The trial to encourage a behaviour which is specific of the adequate finalisation of a marketing action, namely to make people look where you want them to and to buy what you want them to, is a real challenge. Andrew Byrne said that: “Specifics sell. Generalities don’t.” Experts claim that people are more willing to conform to an undetermined social standard when they presume they are being observed.²

On the base of the increase of scepticism towards official sources of information audiences tend to be more and more influenced by the use of new instruments, methods

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¹ Purcarea (2006, p. 99).

² Carrabis (2006).

and vehicles, being today the witnesses of the dawn of a new day in marketing communications: in all the elements of the marketing mix “social media” can be utilised creatively and thoughtfully, becoming influential in the critical areas due to the conversation that niche individuals, communities and audiences authorise and encourage action. More and more companies are incorporating the “social media” into their communication plans, thus supplying a conversational medium for the delivery of information. What matters is its quality though¹, its dependency and the processed data as a result of an adequate search for the latter to understand the relevant market, the way in which clients think about the products and services and how they associate the multiple brand terms and how they move through the purchasing process.²

In fact, online communication – whose specifics are continuous improvement and advancement – can support the building of the brand and generate sales individually and simultaneously. It is considered that testing the new approaches (Customer e-mail, Really Simple Syndication, Branded desktop applications and Instant Messaging, Mobile communication, Online media marketplace changes, Multichannel marketing coordination and marketing-mix analysis etc.)³ includes “smart segmentation and targeting across platforms”.

2. Complexity, flexibility and emphasis on new practices

The increase in pressure to create and communicate information about goods/services and the company is obvious. The business environment is complex and demands the increased flexibility of entrepreneurs. In the opinion of the experts flexibility is the capacity to achieve a leap in the mastery of complexity (temporal dimension is indispensable to any approach of complexity), a good complexity being that which can be mastered to produce an economic advantage, immediate or not.

As one cannot ignore knowledge management nor innovation in the area of capitalising on the unique capacity of the Internet to transport messages cheaply and quickly from person to person, the preoccupation to identify and involve those who can offer the necessary expertise, being influenced to share their knowledge and arming oneself with relevant information to leave ignorance behind. This process involves proper listening and an adequate reaction to the messages of more and more Internet “consumers”, monitoring the information and the opinions offered “freely” every day, amplifying the positive messages and reducing the negative ones. It is the case of earning respect by speaking openly, earning trust by promoting clear values and offering the power to express themselves to those who are dissatisfied and bringing errors to light, by promoting the honest battle for higher standards.

For our companies, the strongest challenge at the moment is emphasis on new practices which allow the increase of the speed of adaptation to change as an opportunity and continuous correction, by transferring knowledge in the matter regarding what works effectively and what did not work properly. Which implies using adequate strategies (according to the level: functional, business, corporate) and effectively and properly

¹ Stewart (2006).

² Balzer (2006).

³ Perlstein (2006).

implementing them on time. How? The answer could be “simple”, namely: identifying the action levers as against the established competitive objectives, drawing up the action plan (accompanied by the backup plan), operating with stratagems, following models, controlling the process, evolving along the path of the ensured perspective via steps.

3. Knowledge, education, innovation: a more proactive marketing style

The process of knowledge makes up this construction in the mastery of the complexity whose segments are made accessible to the capacity to understand through proper training on which the result of the knowledge process depends. Without knowledge through education innovation suffers in the context of harsh competition, business promoting accelerated change in education. Education is the most important instrument of the company for adaptation to change as an opportunity (the strategic vision of training also stimulates the feeling of belonging; creating new knowledge and competencies, the capitalisation of this knowledge presumes: an inventory of existing competencies, the foresight management of vital competencies, defining the strategic knowledge of the company in its competitive environment, creating new knowledge starting from intangible resources etc.).

Knowledge and creativity are considered key factors in the “new society,” in which comparative opportunities are offered. In the economy of knowledge, ingeniousness and dynamism, innovation and technology are considered essential levers. The internet has offered marketing people new innovation opportunities, accessing their target clients more easily, relying on new research instruments and measuring their needs, improving the marketing operations which are better researched and measured in turn. There is a noticeable growth, thus, in the awareness of the fact that the internet and new technologies have created a global network in real time regarding information on prices and products¹.

Kotler and Keller² show the fact that the internet has become an effective instrument in all things, from gaining information freely and directional export lines, to carrying out market research and offering clients, which are many time zones away, a sage process to order and pay for products.

On the 11th of March, 2006, on the occasion of a traditional online – dialogue with students of the Management-Marketing Faculty of the Romanian-American University involved in a marketing project (TENSMASHER), we began from the fact that economic problems can be fixed with a good policy, a good policy being informed by education. Education offers the capacity to adapt to change, emphasizing of course the reality that confirms progress in passing from the Ford-Taylor development model to the “Innovation-Mediated Production” one, as it was called in “Locating Global Advantage: Industry Dynamics in the International Economy”, Edited by Martin Kenney with Richard Florida, Stanford University Press, December 2003, in the context of the increase of the application of knowledge in the production process, on the foundation of the minimization of the differences between physical and mental work (the fundamental change reflecting the technological-economic paradigm of the industrial organisation).

¹ Purcarea (2005).

² Kotler, Keller (2005, p. 675, 680).

This new reality is appreciated as being marked by two elements: an increasingly more sophisticated living environment; a constantly evolving work market. As such, students will have to develop the capacity to learn new abilities and to assimilate new knowledge, to think independently, to exercise the right judgement and to work in a team, adequately perceiving the sense of the new situation which they are facing. The existence of an alternation of the identities of the clients between two extremes (the traditional buyer and the online one) forces a more proactive marketing style.

The dialogue followed a debate – which took place in the Romanian-American University on Thursday, March 9th, 2006 – regarding the globalization of education in the context of globalization (on the occasion of a visit paid to the Romanian-American University by professors Mohamed Latib and Galen Godbey from DeSales University, Pennsylvania, SUA). As discussions also continued after the debate, we reminded that in the context of globalization the following are evident: structural changes which take place in the production and distribution processes; the growing application and integration of information technology and communication in the key business processes. The activities unfold at a dizzying pace, the marketing ones, for example, being able to take place at a global scale with niche tactics. In the context in which new technologies allow easy use (Internet, World Wide Web, IDSN, EDI, ATM etc.), the Internet “boulevard” is already a marketing channel – different of course – stimulating the adoption of always new strategies and innovating tactics, full of teachings, which we must study with the necessary judgement. In face, it is considered that the speed of marketing on the internet accelerates the understanding of that which is happening on the market, there being the opportunity to make a quick diagnosis.

4. Invisible marketing and the preoccupation for “client engagement”

Transparency, explicability, personalisation are already reference points for the stage of development of marketing in virtual space due to current technological support. It is considered, even, that new technologies place marketing in the situation of becoming invisible, the result being a closed-loop business (the relationships which clients want are built by new instruments such as blogs, podcasts, RSS etc.) where an increase or a decrease of marketing expenses can be directly connected to income and profit.

In the past two years, the best enterprises in the world began to invest powerfully in creating maps capturing and reflecting a complete view of experience in terms of client, becoming reference standard for clients in terms of the success obtained thanks to the initiatives connected to the client. This practice, known as «Touch Mapping¹» (a Customer Relationship Management instrument), allows the delivery of specific maps in a combination of substantiation of the data, of visual wall maps and scenarios regarding the client. These can be improved by presenting recommendations to change the behaviour of the enterprise and its partners. The company can improve its performance by: capitalising on new data and intuition regarding the life cycles of the clients and the profiles of the clients; the creation of a vision and a platform which will lead to improvements appreciated by the client (communication and commitment of the worker

¹ Quaero (2006): “«Touch Mapping» can be key to improving your behavior toward your customers”.

in the enterprise with the products and services of the enterprise); behavioural changes concentrated on the most valuable clients; interaction of the representative workers with the clients, direct and indirect marketing contacts, customer service, their expectations and the answers offered etc.

The collection and utilization processes of the data regarding the clients – in the perspective of drawing the map – depend on the contact point with the latter and include marketing, sales and service planning and operational activities. Clients always prize the way in which the enterprise and its partners approach dissatisfaction, inefficiency and opportunity. It is something that can make the difference as against the competition, stimulating the engagement of the client.

Thus we notice that the “machine” made up of the engagement of the enterprise worker and the engagement of his clients can significantly influence the performance of the enterprise. Opinions expressed in the spring of this year even prove¹ the fact that “engagement” has entered the list of traditional marketing activities and an increase in demand for evaluations connected to Return on Investment (ROI). The latter in the context in which engagement – defined as the result of marketing activities and advertising which substantially increase the power of the brand in the eyes of the client (if it has been measured adequately in can really forecast sales and profitability) – is used more and more to allocate marketing budgets.

Why is this phenomenon possible? Because in reality people feel more than they think, while “models” (traditional marketing and research, according to the critical conclusion of a study coordinated by the Advertising Research Foundation, built testing systems for advertising on “accepted” models regarding the way advertising worked) demanded and expected too much thinking from customers. Today’s marketing people, brand manager are more preoccupied with customer engagement rather than finding them, the difficulty lying in the fact that the recognition of the need to engage a customer and the actual measurement of the real engagement are two different things. And real engagement is the consequence of the marketing/communication programme which produces and increased level of perception of the brand as meeting and surpassing customer expectations (“brand equity”), while customer expectations are generally based on emotions.

5. Increasing the application of a contextual marketing: the very rapid growth of the ability to follow behaviour in the media

In a large editorial published by the prestigious “Harvard Magazine”², deputy editor Craig Lambert quotes, in context, Economy Professor David Laibson (whose research explores the fundamental tension between “grabbing the available reward in the present and being patient for rewards in the future”), which explains the evolution of behavioural approaches, pointing out that: there are large behavioural regularities which include things like self control and imperfect social preferences, as opposed to pure egoism; people find, for example, that financial transactions connected to investments are

¹ Passikoff, “Rules of Engagement”,
www.chiefmarketer.com/rules_engagement_02132006

² Craig Lambert – “The Marketplace of Perceptions”, <http://www.harvardmagazine.com>

unpleasant and generate confusion and are happier with the idea of doing them tomorrow. Lambert quotes another Economy Professor, Sendil Mullaintham, who shows that economists and other people engaged in political debates like engaging in disputes regarding large problems at a macroscopic level, the practical details of execution (how the shapes should look, what is in the brochures, how they are communicated) being given to the support personnel, even though this work is central; that is why these design choices must have the same amount of intellectual energy dedicated to them as to the choice of a policy in the first place, behavioural economic science being able to help us sensibly design these choices, which represents a large empty space which needs to be filled both in policy as well as in science. On the other hand, Eric Warner of the Russell Sage Foundation – also quoted by Lambert – draws attention to the fact that in behavioural economic science the choice depends on the way in which the decision maker describes the objects, there being a vulnerability to the way in which choices are described. In Lambert’s opinion: the eclipse of the hyper-rational Economic Man opens the way for a model of a wealthier and more realistic human being on the market, where the brain, with all its classic instincts and vulnerabilities can be both a predator as well as prey; the models of behavioural economic science can help in the design of a company with more compassion for the creatures whose strong and weak points evolve under much simpler conditions.

We cannot omit the fact that advertising uses more and more behavioural targeting technology as an integral part of online campaign strategies, either. This means the increase of the application of a contextual marketing, as the ability to follow behaviour throughout the media increases greatly, sales people accepting technology and better accessing and understanding the people who visit their web sites. Of course the problem of that demarcation line between what is not and what can become bothersome from the point of view of observation remains to be further clarified, according to the perception of the one under observation in terms of a possible threat. This is where the explanation arises of the confrontation of ideas regarding: offering more control to the consumer; the contextual relevance based on realistic behaviour models of the consumer; the possibility of dynamic and automatic analysis of the available content of the messages in the perspective of a more intelligent internet; the evolution of the relationship between purchasing behaviour online and offline, in the context in which, for example, retail outlet locations are considered more and more as another media channel.

6. Marketing, the art of building a brand: we must never forget anyone

A year ago, Philip Kotler¹ attracted our attention to the imperative of “the development of better abilities in innovation, differentiation, branding and service, in a work Marketing,” recommending the development of a stronger marketing: holistic, strategic, technologized, financially oriented. The “father of marketing” emphasizes, among other things, **the need to resort to a lateral marketing, conceiving new product and service ideas**. In Kotler’s opinion marketing is the art of brand building, what is not is a brand is goods and then the price is everything, the only winner being the low-cost producer.

¹ Purcarea (2000).

He also showed that one of the shortest definitions¹ of marketing is the profitable fulfilment of needs, the commercial world is no longer what it was, though, and more and more marketing people acknowledge the need to have a more complete, cohesive approach which goes beyond traditional applications of the marketing concept. An approach that attempts to acknowledge and reconcile the sphere and complexity of marketing activities in holistic marketing (development, design and implementation of programmes, processes and marketing activities which acknowledge content and interdependencies) whose components are: relational marketing, integrated marketing, internal marketing and marketing of social responsibilities. Marketing management means, according to the same authorised opinion, the art and science of choosing target markets and winning, preserving and increasing the client base by creating, delivering and communicating a superior value to the client. The latter has, in many cases, undefined preferences, which are ambiguous or even conflicting.

That is why Kotler considers participational marketing as a more appropriate concept – compared to permission market (which presumes to a degree that what is desired is known) – taking into consideration the possible need for assistance of customers who are “in training” and the expression of their preferences, because marketing people and clients need to work together to discover how the company can better satisfy its customers. On the other hand, the mentor of the father of marketing, Peter Drucker says that the purpose of marketing is to know and understand the customer so well that the product or service is suited to him and sells itself.

But customers respond differently to the image of a company and a brand, the identity (the way in which a company identifies itself, self-positions itself or positions its products) and the image (the way in which the public perceives the company or its products/services) requiring their distinction. The key to branding, emphasized Kotler (who reminded of the “Y&R” model of brand strength in Bucharest: vitality and stature) and Keller, is the perception by customers of the differences between the brands of a category of products. A branding strategy identifies which elements of a brand (name, term, sign, symbol, design, a combination of the previous) the company chooses to apply to the different products it sells. To follow multiple market segments often multiple brands are required (the basic principle in designing a brand portfolio being the maximisation of market coverage, so that no potential customer is ignored.)

We note the increase of the existing preoccupation with virtual space for the adequate building of a brand². When the launching of a new brand is intended naturally one tends to think of it as the producer wishes it to be, namely a stable and successful presence on the market. For the latter one must take into consideration the life cycle of the brand and the profile of the consumer. If, for example, we are talking of new brands which rely on advances in the extension of a new product, then it is considered that it is recommended to take into consideration the opinions of large “influencers” such as “innovators.” The latter are those customers who always wish to be first to try out new experiences, having a very different life concept versus others (even as against those who adopt a brand early, not only against the majority or the last to adopt a brand) and so very different lifestyles, including from the point of view of media consumption habits.

¹ Kotler, Keller (2005, pp. 5-6,13,16-17, 285, 300-303, 320-321, G1).

² Bates (2006).

We attend numerous trials to clarify the way in which brands can enter the digital zone to meet the needs of the generation which “bathes” in an environment saturated by the media. Interesting evolutions are emphasized in this sense also by a recent opinion poll confirming the fact that young consumers, who research marketing messages, include key influencers and early adopters of technology¹.

Here are, for example, a few questions which are waiting for adequate answers, in the situation of a launch of new brands: How will the target market change in the first 12 months from the launch of the new brands? How can the change of the profile of a customer who must be reached be shown on a map? How can one reach the “innovators” first and commit them, as a base for building the brand?

A brand which benefits from the value given by a considerable accumulation of psychological force is hard to attack, especially when it was introduced favorably, a strong expectation for it is always created and benefits at present as well of a special atmosphere, maintaining a constant dialogue with the customers. In fact, present in Bucharest, in May 1998, with the occasion of the work of the International AIDA Brussels Congress (organised by the Romanian Distribution Committee – CRD, affiliated to AIDA), William S. Webb, the Director of the London Institute of Distribution Management, again drew attention to the fact that: “the legitimacy of the brand depends on consistency and continuity, otherwise clients cease to believe you.”

One must remark in this context, for example, that one of the ten commandments of global branding covered by Kotler and Keller lies in avoiding shortcuts in the building of a brand. In building a brand on new markets it is recommended to start from the “bottom”, both strategically (building awareness before brand image), as well as tactically (creating sources of brand equity on these new markets.)

Kotler and Keller² underline the need to build a creative marketing organisation, the capacity for strategic innovation and imagination coming from the assembly of instruments, processes, abilities and measures which will allow the company to generate more and better ideas than their competition. This on the base of assuming social responsibility because the success of the business and the continuous satisfaction of the client and other affected parties are closely connected to the adoption and implementation of high leadership standards of a business and marketing.

We began from the essential role of communication, considered the broker of a relationship that takes place in a dynamic environment and implies vivacity and adaptability in offering the right answers to all those affected by the company’s activity. A relational marketing strategy can produce an infusion of set singular concentration, which is distinct of the capabilities and the huge advantage on the market giving the ability to exceed the innovation of the competition, to motivate people who matter most for the clients and to organise achievement of basic results for each customer. It is necessary to resort to integrated marketing because non-integration means sale at a loss, inconsistent image, confused customers etc., respecting rules concerning: passing for payment; achievement possibilities; stimulation; processing; observation; emphasizing the emotional side of the brand; raising the barrier of profit and loss declaration and... the fact that we must never forget anyone.

¹ Geraci (2006).

² Kotler, Keller (2005, pp. 704, 706).

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