Chapter - 5

RECENT TRENDS IN MARKETING

Over the last few years marketing has changed drastically. In the past the sales executives had the most of information and we as customer were depended on sales professionals to inform and guide us in our decisions, but now the development in information technology has changed everything. Businesses are constantly under pressure to keep up with ever-changing technology advancements. With the majority of people having access to high speed internet, online videos, social networking sites, blogs, product review sites, automated follow-up systems and online advertising, marketers are more focused on making marketing more attractive and interactive. Marketing now is not just selling and promoting products and services but it is all about changing the methods from straight out selling to educating, attracting prospects and customers by adding loads of value to what business offer.

There is a major shift in the Marketing Techniques in the recent past. So the recent trends in marketing are:

1. E-business
2. Tele marketing
3. M-business
4. Social networked marketing
5. Viral marketing
6. Interactive Television
7. Green marketing
8. Retail marketing
9. Relationship marketing
10. Customer Relationship Management

1. E-BUSINESS :

The use of Internet and Web technologies in business – commonly known as "e-business" – has changed how marketers implement and enhance their business processes and interact with their environments. In order to develop a successful e-business model understanding the customer needs in the light of the new environment is very essential.

MEANING AND CONCEPT :

The use of term e-business was coined by IBM in October 1997, when it launched a thematic campaign built around the term. Today, e-business has become a buzz word and most of the corporations are rethinking their business in terms of the Internet and its new culture and capabilities.

Electronic business, commonly referred to as "e-business", or an internet business is generally referred as buying and selling of goods or services through internet. However this definition just reflects one aspect of e-business i.e., trading. *E-business in a broader perspective*

involves the use of information and communication technologies to facilitate and support processes and activities of business. Processes and activities of business includes buying, selling, customer services, advertising and promotion, supply chain management, processing orders electronically and cooperating with stakeholders of business and much more. Therefore *e-business is the conduct of business on the Internet, not only buying and selling but also servicing customers and collaborating with business partners.*

FEATURES :

1. Wider reach in terms of market access.
2. Operational round the clock and across the year.
3. E-business covers all the activities of business.
4. Use of information and communication technologies.
5. Attractive, interactive and collaborative.

NEED, IMPORTANCE AND ADVANTAGES :

1. Helps in presentation of products and services effectively.
2. Provides adequate information about products and services.
3. Eliminates location and availability restrictions.
4. Reduces time and money spent.
5. Expedites customer service.
6. Provides scope for online interaction.
7. Worldwide presence and 24/7 business hours.
8. Makes shopping convenient.
9. Easy to start and manage a business.
10. No need for a physical store.
11. Eliminates market intermediaries.

DISADVANTAGES :

1. Security concerns
2. Lack of personal touch
3. Lacks tangibility as product before purchase cannot be experienced.
4. Lack of clear defined cyber laws.
5. Not suitable for all products & services e.g., perishable commodities.
6. Consumes a lot time for delivery of physical products.
7. Returning goods, replacement and exchanging is a problem.

E-BUSINESS MODELS :

The major different types of e-commerce are: business-to-business(B2B); business-to-consumer(B2C); business-to-government(B2G); consumer-to-consumer(C2C); and mobile commerce(m-commerce).

Business-to-Consumer (B2C) E.g.: *selfcare.sdc.bsnl.co.in/is portal offered by BSNL for customer care.*	In this model transactions take place between consumers and business houses. Here individuals are also involved in the online business transactions. The basic concept of this model is to sell the product online to the consumers.
Business-to-Business (B2B) E.g.: *Professional couriers- Track N' Trace for dealers.*	Business-to-business (B2B) is one of the major forms of commerce and represents business transactions between businesses, such as between a producer, distributors and wholesaler, or between a wholesaler and a retailer.
Consumer-to-Consumer (C2C) E.g.: *Sulekha.com, 99acres.com, shaadi.com, Quikr.com*	In this model business transaction is carried between two individuals using a platform (website) in the form of intermediary. It helps the online dealing of goods or services among consumers.
Business-to-Employee (B2E) E.g.: *Infosys TalentEdge hosts an interactive employee self-service portal called MyNest.*	B2E model an intra-organization web portal which facilitates organizations to provide products & services to their employees. Typically, companies use B2E model to provide services such as salary slips, income tax returns, promotions and recruitment, performance appraisals etc.
Business-to-Government (B2G)	Business-to-government (B2G) is a business model that refers to businesses selling products, services or information to
	governments or government agencies. An example of a business to government company is a firm that offers IT consulting services to a government agency.
Peer-to-Peer (P2P) E.g.: *iMesh, Rapidshare*	It is another model of e-business in which people instantly shares related computer files and computer sources without having to interact with central web server.

2. <u>TELE-MARKETING</u> :

Telemarketing is one of the method of direct marketing of products and services offered by the marketer. ***Telemarketing is a process of persuading prospective customers to buy products or services using telecommunication technology.*** Telemarketing is interactive marketing medium and it helps the marketers to address the prospect customer's questions, concerns, and overcome their objections. There are different methods of telemarketing and each of the telemarketing method includes a different function. In order to obtain the best results, most businesses use telemarketing methods depending on their diverse business needs. To achieve the favourable results, marketers can adopt one or more telemarketing methods separately. The following are different variants of telemarketing.

<u>Tele-Marketing Methods</u> :

❖ Interactive voice response
❖ Voice chat
❖ Voice & text messages
❖ Tele Shopping
❖ Call Centres & BPOs
  ✓ Inbound
  ✓ Outbound
❖ Broadcast Fax

1. <u>INTERACTIVE VOICE RESPONSE</u> :

The Interactive Voice Response System (IVRS) can turn out to be an effective tool of marketing if designed and used in the right way. IVRS has many applications in marketing. It can be used to answer frequently asked questions about products or services through pre-recorded messages through IVRS round the clock. The IVRS enables automatic reading of basic information about product or a service for the callers. The IVRS can also be programmed to allow the callers record their messages or queries about products and services.

2. <u>VOICE & VIDEO CHAT</u> :

After the emergence of internet as a medium of communication online, voice chat programmes and video chat networks were mainly used for personal entertainment like popular dating and to make international phone calls. For a long time, voice chat platforms were besieged by poor technical quality, relatively high pricing for service. On account of technological developments and easy access to this technology at affordable prices, voice chat has become really accessible, affordable, and feature-rich; and better-suited for business-to-business and business-to-consumer correspondence.

3. <u>VOICE MESSAGES OR VOICE MAIL/SMS MARKETING</u> :

Voice /Text message refers to message sent or received using media such as cellular device or using internet. The main benefit of marketing product &services using a voice/text mail or message is that it can generate thousands of ready-to-buy respondents with customer subject to customer's interest in the product, further implement a new promotion in limited time span voice mail marketing can be handy, resulting in an increase in marketing return on investment and voicemail marketing is also cost effective to reach target customers directly, by voice. Voice messages are popularly used by mobile phone network providers such as airtel, Vodafone and idea, etc., to market their product and services.

4. <u>TELESHOPPING</u> :

Teleshopping involves marketing of goods and services by customers using a telephone or using computer aided devices or televisions or combination of these. The main advantage of teleshopping is convenience for customers. The customer can purchase a product without visiting the seller. This saves valuable time, effort and money. However teleshopping suffers from

certain limitations which includes, lack of efficient customer service, problems with the product delivery service, loss of social contact and lack of visual stimulation.

5. **BROADCAST FAX :**

Broadcast faxing involves use telephones and fax machines to send multiple recipients, however it is not popular these days, in the past this method was widely used in developed countries mostly for business-to-business marketing campaign. If a recipient asked to be excluded from future broadcast, then that recipient fax number was placed in DO NOT FAX list. Due to the emergence of a variety of new digital communication methods, the overall use of faxes is less than in the past.

6. **CALL CENTRES :**

Marketing these days is usually done through marketer owned call centers or through an outsourced call centers. Call centre is a centralized office meant for the purpose of receiving and transmitting a large volume of requests by telephone. Call centers are primarily established to administer incoming product support or information inquiries from customers and outgoing calls for telemarketing. Inbound call centre is exclusively handles inbound calls (calls initiated by the customers). In outbound call centre, the call centre employees make outbound calls to customers or sales leads.

Tele-Marketing Pros & Cons

1.	Economical in terms of cost	1.	Telephone marketing is seen as a nuisance by customers
2.	Provides employment (outsourcing)	2.	Risk of exposing confidential data by call center employees
3.	Direct interaction with customers	3.	Hidden costs
4.	Helps in nurturing existing customers	4.	Lack of customer focus.
5.	Brings technology and thus saves time		

3. M – BUSINESS :

M-business is a branch of electronic commerce which includes buying and selling of goods and services through wireless handheld devices such as cellular telephone and personal digital assistants (PDAs).

FEATURES :

1. Any time and any where transaction capability.
2. Services through wireless handheld devices.
3. Wider reach.
4. Attractive, interactive and collaborative.
5. Provides adequate security.

1.	Conduct business from remote locations	1.	Use of limited graphics due to low bandwidth.
2.	Saves time and costs	2.	Expensive to set up mobile infrastructure
3.	Not limited by geographical boundaries	3.	Compatibility constraints of mobile devices
4.	Customized services can be offered	4.	Security of data and transactions.
5.	Helps in maintaining competitive edge.	5.	User interface is not friendly.

M-BUSINESS APPLICATIONS :

- ❖ Mobile ticketing
- ❖ Mobile banking
- ❖ Mobile stock trading
- ❖ Mobile utility payments
- ❖ Mobile marketing
- ❖ Mobile retailing
- ❖ Mobile auctions
- ❖ Information services
  - Weather updates
  - Traffic info
  - Stock trackers
  - News services etc.
  - Local maps
  - Learning and training

4. SOCIAL NETWORKED MARKETING

Social media marketing has gained momentum in the recent past, companies not just using social media to market product and service but to pinpoint the right candidate for a job and this is prompting a wave of change in corporate hiring.

Social networked marketing is a process of use social media to persuade customers which involves a set of activities like creating content that attracts attention and encourages readers to share it with their social networks.

5. VIRAL MARKETING

Viral marketing is a new tactical strategy which uses people as a medium to promote product or service. A good example for viral marketing is the form of text messages and email. Viral marketing also involves use of social networks to promote & increase brand awareness or to achieve other marketing objectives such as sales, understand customer needs etc.

Viral marketing has become a buzzword these days and definitely has a place in the

business world today for various reasons such as: it is more effective ways to market on the internet, cost effective, and with a good campaign marketers can take advantage of the viral characteristics and potential of social media and the search engines. As people are constantly searching, following and networking; make this clear trend work for marketers.

6. INTERACTIVE TELEVISION

With inception of organized digital cable service & interactive television, marketing in India can change the picture of business, however interactive tv marketing is well established in countries like USA, UK and Australia. Interactive television has created the possibilities for marketers that are endless. The majority of us now have cable or digital TV and with this comes the ability to interact with our TVs, programs and watch or re-watch what we want when we want, even pause live TV. Interactive television (iTV) marketing describes a number of techniques that allow customers to interact with television content to shop and transact using Interactive Digital Television.

7. GREEN MARKETING

According to the American Marketing Association, green marketing is the marketing of products that are presumed to be environmentally safe. On account of increasing global warming and other ecological disorder a need for environment friendly products and services has arisen and marketers these days either due to government pressure or as a social responsibility has taken up green marketing i.e., marketing products and services based on environmental factors or awareness. Green marketing is not just producing environment friendly products, it also includes decisions relating to the entire process of company's products, such as methods of processing, packing and distribution. This concept also applies to marketing of services example: eco-tourism, green capital, etc.

CHARACTERISTICS :

1. Products naturally grown
2. Products are recyclable, reusable and biodegradable
3. Products contains natural ingredients without preservatives
4. Products are made in a way that they do not damage or pollute the environment
5. Products packing is eco-friendly.

NEED, BENEFITS & IMPORTANCE :

1. There is growing interest among the consumers all over the world regarding protection of environment.
2. Our quality of life is increasingly impacted.
3. To fulfill the obligation of social responsibilities towards society.
4. To comply with governmental policies and pressures.
5. To be ahead of competitors, green marketing can be used as strategy.
6. Effective & efficient use of natural resources can attained through green marketing.
7. Helps in reducing costs on account of recycling.
8. It helps in accessing the new markets where environmental standards are given prime importance e.g., developed nations.

9. Employees feel proud for being part of environmentally responsible company.
10. Customers also feel satisfied by using green products as they contribute to nature.

PROBLEMS AND CHALLENGES :

1. Firms may use green marketing to mislead the customers by means of giving false information.
2. Educating all the customers about use and need of green products is difficult.
3. Environmental policies are not uniform throughout the country and across the globe this makes standardization of products difficult.
4. Green marketing involves huge capital investments in adopting environmentally friendly technology and SMEs may not afford this.
5. Established companies fear alienating their base of mainstream consumers by appealing to the green consumer.

8. RETAIL MARKETING

A retail is an intermediary in the marketing channel who connects producer to consumer, retailing is the last stage in the distribution channel. It is not necessary to have intermediaries like wholesaler, distributor and retailer, a producer can directly the product to the customer, however this method of distributing products and services to end consumers is inconvenient, expensive and time consuming as it involves plenty of activities such as warehousing, storing, etc. And therefore to this job a retailer is required.

Retail comes from the old French word 'tailer', which means to cut off a piece or to break bulk.

According to Philip Kotler :*Retailing includes all the activities involved in selling goods or services directly to final consumers for personal and non-business use.*

A retailer or retail store is any business enterprise whose sales volume comes primarily from retailing. Therefore retail marketing simply refers to the business of selling products and services to consumers and it includes all the activities such as promotion, advertisement and customer service that assist in selling products or services directly to consumers a medium such as stores, internet, malls, kiosks, vending machines or other fixed locations.

CHARACTERISTICS :

1. A retailer mainly focuses on building customer relation and not just selling products.
2. Retailer is last stage in the distribution channel and therefore direct interaction with customers is possible.
3. Purchases goods in large quantities from the wholesalers and distributors and sell in small quantity to the consumer.
4. Retailer develops personal contact with the customer and customer centric.
5. Sales promotions are offered at this point only.
6. Location and layout plays a vital role in retailing.
7. Retailer deals in general products or a variety of merchandise.

FUNCTIONS & ROLE :

1. Procurement and assembling
2. Warehousing and storing
3. Grading and packing
4. Selling
5. Assumption of risk
6. Financing
7. Supply of market information
8. Advertisement and communication

9. RELATIONSHIP MARKETING

In the present competitive business environment one of the prime objective of marketing is to create an in-depth and accustomed relationship with not just customers but all the stake holders of the business who directly or indirectly affect the success of the firm's marketing activities. *Relationship marketing includes a set of activities and strategies aimed at developing customer loyalty, interaction, managing trust and long-term engagement with all the stake holders of the business.* Stake holders of business includes – customers, suppliers, distributors, retailers, shareholders, government, employees and other marketing partners.

NEED, BENEFITS & IMPORTANCE :

1. Builds trust & Loyalty :

For a business it is important to note that acquiring a new customer can cost more than retaining an existing one and therefore it becomes invariably important to retain the existing customer, customers who are continuously acknowledged, interacted and reminded of presence of brand are less likely to switch over to other brands. Making those customers feel recognized, known and appreciated can go a long way toward locking up their loyalty. And, it's also a great way to get them referring others.

2. To regain lost customers :

Despite of implementing proper retention strategies, some customers will inevitably break down for various reasons such as better offers and service from competitors. However this doesn't mean the customer is lost permanently, marketers can win back these once-valuable customers by implementing certain relationship marketing strategies such as sending greeting cards, offering special discounts, better service and offers brochure etc.,

3. Builds reputation and brand value :

Relationship marketing is about establishing long term relationship with the customers. It includes understanding customer needs throughout the lifecycle and providing the goods and services accordingly, by building a good relation with customers, marketers fulfill or exceed

customer expectations and provide not just a product or service, but an experience. By doing this a marketer maintains a long - term customer relationship which leads to enhanced brand image and value.

4. Create Business Opportunities :

Satisfied customers are ready to pay more for services/products if there are adjustments in pricing because they are loyal to you and trust your services/products. Further word of mouth from satisfied customers about the brand influences other customers at the time of buying a product for the first time or when products are relatively expensive. People are more likely to buy a product or a service when recommended to do so by a person they know.

5. A tool to gain competitive edge :

Relationship marketing is more than another sales tool for increasing sales and market share. It's a powerful device for retaining key customers as well. The goodwill generated through improved consumer interactions will help the marketer to stay ahead of their competitors. Gaining competitive advantage through customer satisfaction and customer retention.

10. CUSTOMER RELATIONSHIP MANAGEMENT (CRM)

Customer relationship management (CRM) is a business strategy intended towards understanding, interacting, anticipate and respond to the needs of current and potential customers using technology to organize, automate, and synchronize business processes.

In other words CRM describes the strategy that a company uses to handle customer interactions.

The e-CRM or electronic customer relationship management concept is derived from e-commerce. (e-CRM) involves use of hardware and use of new web-based technologies to handle customer interactions.

NEED & OBJECTIVES :

1. To facilitate marketing and sales process.
2. To provide better customer service.
3. To attract new customers and increase revenue.
4. To cross sell products more effectively.
5. Lowering operations cost by using CRM technology.
6. To create better and consistent customer experience.
7. Understand customer needs better and maintain long-term relation.

IMPORTANCE & BENEFITS :

1. CRM strategies helps in winning customer loyalty and confidence.
2. Aids in providing personalized products & services to customers.
3. Acquiring better knowledge of customers and their buying habits.
4. Profiling of individual customers is possible & this helps in segmentation.

5. Can be used as an effective tool against global competition.
6. Developing better communication channels.
7. CRM system will also help in expanding business operations.
8. CRM helps in coping with the increased numbers of customers & data.

SCOPE & CONTENTS :

1. Companies adopting & initiating CRM.
2. Customers, suppliers and other marketing channel partners of those companies.
3. Vendors of CRM software: E.g.: Oracle, SAP
4. CRM application service providers or software service providers.
5. Vendors of CRM hardware and infrastructure.
6. Management consultants.

STEPS IN CRM IMPLEMENTATION :

1. Develop CRM strategy
2. Building basic framework for CRM initiatives.
3. Need specification and partner selection.
4. Project implementation
5. Evaluation of performance.

THE ROLE OF CRM CUSTOMER RELATIONSHIP MANAGEMENT :

CRM (Customer Relationship Management) is the newest and the most innovative innovations of recent time in order to provide better service to customer. CRM is always a helpful tool for the management and customer service stuffs which cope up with customer concerns and issues.
CRM involves accumulating a lot of data about the customer. And when all the data of customer are being captured, it is then used to facilitate customer service transaction by making the information needed to resolve the issue or concern readily available in order to deal with the customers. Thus, it results in satisfying more customers, which means more profitable business and more resources available to the support stuff. In addition, customer relationship management system is a great help to the management in deciding on the future course of the company.

11. SEARCH ENGINE MARKETING :

Search engine marketing (SEM) is a method of marketing on internet which includes promotion of websites gaining traffic from or visibility on search engines in search engine result pages in the form of paid placement. SEM includes search engine optimization, pay-per-click advertising, and other techniques for making your site and content more visible to internet users.

How Search Engine Marketing works?

Search engine marketing helps in promotion of product, service or brand, website by making it more visible to possible clients/customers using search engines. As most online sales start with a web search – therefore visibility of product, service or brand, website of marketer helps in attracting the prospective sale.

1. SEO/Search Engine Optimization – This is done by developing web pages by relevant content , this is to help it gradually rank well in the 'natural' search listings for a particular keyword; successful SEO will increase your site's ranking in the natural search results listings.

2. PPC/Pay-per-click – It is a strategic marketing model in which the marketers bid to exhibit their ads on searches for a particular keyword or phrases and pay only when some clicks through from the search page to the marketers website. This can be regarded as an outstanding and very cost-effective marketing model that can bring a guaranteed listing at the top of the search engines – but required quite a bit of research and testing to get right.

3. The effectiveness of search engine marketing success depends on the back office team which collects data of customers from websites and therefore the office team should make sure that when they get all this traffic it can be converted into the required sales/newsletter sign ups/brochure requests, etc.