

# Some considerations regarding the new trends in marketing approaches

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## *Abstract*

*This paper try to present some new trends in marketing approaches. We consider that, actually, there are two principal axes which outline the recent evolutions in practice of marketing : the customization and the information technology. In accordance with these aspects, the paper discusses the characteristics of the micromarketing and of the interactive marketing.*

*Keywords: marketing, viral marketing, cyber marketing; micro marketing.*

*JEL Classification: M30, M31, M39*

## **Introduction**

We live in a world in full evolution, in a world of fierce competition, in a world where developments in the consumer mentalities, the globalization of markets and many other changes in our ways of life, work, production, consumption, etc., some changes being still imperceptible, make trying to define marketing a real challenge in the beginning of the Twenty-First Century. And indeed, how to delimit in a few words the multifaceted, varied and complex human reality of the professional life of a marketing manager? And, in addition, how to account for the rapid evolution of this function of the enterprise that makes yesterday's marketing so different from today's marketing?

## **Some new developments in the science and practice of marketing**

An easy solution would be to consider that everyone knows what it is about and therefore it is not necessary to propose a definition of marketing or to come with such an endeavor in the context of new global developments. However, our experience in teaching leads us to the idea that our differences, and even the undue criticism on this subject would be avoided if a part of the general public and some non-specialized journalists used this Anglo-Saxon word not only thinking about advertising or sales, or about some promotional techniques regarding the launching

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of a product (*merchandising, tie-ins, related products*, etc.), the financing of sports activities or cinematographic films (*sponsorship, patronage*) and most often with a negative connotation reflecting the idea of a manipulation of the spirit, a deception, a disguised influence or a forced sale.

We claim this while having no intention to deny the existence of certain abusive techniques and even the current development of a so-called „undercover marketing”.

**Undercover marketing** refers to all the techniques used by a sponsor in order to approach the consumer within its environment, without the consumer being aware of the commercial approach; these techniques simply bring the product into a situation as close to reality as possible (*product placement, street marketing, night life marketing* etc.) and involve the consumer in the process of communication (*marketing viral, permission marketing, alterno marketing* ...). Undercover marketing uses tools complementary to classic ways such as: „viral marketing”, „guerilla marketing”, „product placement” on TV or in the films, rumors, „night life marketing”, „college marketing” and „street marketing”.

We cannot proceed to presenting new trends in marketing approaches without proposing a definition of the marketing concept, even imperfect. In the literature there are many definitions given to marketing, one of the best known being the following: „*Marketing* is the process by which companies create value for customers and build strong customer relationships in order to capture value from customers in return” (Kotler *et al.*, 2017, p. 28). In our opinion, marketing represents at the same time:

- **a state of mind** which consists in systematically placing itself on the side of the consumer, whether final or intermediate, so as to meet his needs and expectations, at least better than does competition (Chirouze, 2003, p. 4; Croué, 2003, p. 16);
- **an approach to solving strategic or operational problems**, starting from the collection of information and ending with the planning of actions, their implementation and their control and adjustment;
- **a watchful attitude** towards all the „senders” in the company environment and **a set of varied and continuously progressing techniques** that allow the company to identify markets, even sometimes to create them, and which to penetrate, thus achieving its objectives, especially the growth, profitability and positioning objectives (the market share).

Marketing is necessarily influenced by the environment to which it has to adapt and especially by the evolution of the social and technological environment. Postmodern societies are characterized by the reconsideration of progress, by the

cult of self-determination freedom, by the fragmentation into small groups, by narcissism and the central role occupied by fashion (Badot & Cova, 1992), and firms must take these aspects into account. In this context, some of the recent developments in the marketing field take shape around two main axes: **computerization and customization**.

Thanks to the development of new information, communication and computer-assisted production technologies, it became possible to hyper segment and to personalize and consequently to practice a "**micro-marketing**" or **niche marketing**. If mass marketing aimed to sell a product to as many populations as possible, micro-marketing wants to reach well-targeted and/or small populations. The company's interest in such an approach is to be able to sell its products within profitable market niches, even if they are small. The marketer, who is more and more free from the constraints of scale economies, can adapt more finely to the needs of consumers; however, the latter, in post-industrial society, tend to show an increasing appetite and need for differentiation. While mass marketing uses traditional means of communication (e.g. TV advertising, weekly or classic newspapers), micro-marketing will involve the choice of means of promotion according to the profile of the targeted clientele. For example, the American agri-food company Heinz Co. invested, some time ago, almost half of its advertising budget for a product (Steak-umm sandwich meat) in the MTV television channel with the aim of reaching the adolescent segment; this action allowed the brand to turn the period of decline into an increase in terms of market share (Badot, Legrand, Renaud *et ali.*, 1998, p.281). This trend in the expansion of micro-marketing corresponds to some market developments that are characterized by the following aspects (Badot, Legrand, Renaud *et ali.*, 1998, p. 279):

- more and more demanding and changing consumers;
- a mass distribution capable of imposing a brand in its departments at the expense of another and sometimes even being able of privileging its own-brand;
- products that are often presented in several variations /styles (the Renault Mégane example is very compelling: this French car has been sold over time in three and five door hatchback, cabriolet, coupé, station wagon etc.);
- the emergence of new target means of dissemination of information that allow marketing to achieve the promotion of new products according to the categories of clientele attached to each type of media.

In this general trend of micro-marketing development we can include individualized marketing and relationship marketing. **Individualized marketing**, also called **personalized marketing** or **one-to-one marketing**, designates an attitude and a

series of techniques oriented towards each client or potential client, which is approached individually, in order to propose a personalized offer that meets his own aspirations. One-to-one marketing is not a new concept, but, nowadays, „taking more risks and infusing creativity into personalization efforts”, as well as a touch of the latest technology, „will be key to the success and longevity” (Chandra, 2014).

Individualized marketing is often confused with relationship marketing which, however, goes beyond it in terms of engagement because it uses personalization as a means of loyalty (Chirouze, 2003, p.11).

**Relationship marketing**, the concepts of which are adopted by an increasing number of companies, is based on hyper segmentation and most often on the techniques of *direct marketing* to which it brings something new. Starting from the fact that it is less expensive to maintain an old client than to conquer a new one, relationship marketing aims to attract consumers and customer loyalty through a policy of continuous and personalized relationships that privileges the quality of the contact. Thanks to the development of increasingly reliable, accurate and detailed client files in terms of the information provided, companies can individualize their offer and adopt a less commercial and more personal and even friendly relationship style towards their clientele. From coupons to loyalty cards, companies are very inventive in finding the best way to attract or retain buyers. In mass distribution, consumer credit cards, in the form of revolving loans, are successful and join cards that give buyers the right to discounts. Airlines are betting on miles or on the possibilities of acquiring free flights or some benefits such as car rental. „A large French bank targeted customers who were very likely to leave the bank and offered them an individualized loyalty program” ([www.latribune.fr](http://www.latribune.fr)). Customization, tracking, lotteries are ultra-sophisticated methods used by websites. In few words and metaphorically speaking we could say that they all „adore their customers”.

However, it is worth mentioning a real challenge that personalized marketing has been facing lately, namely: ensuring a balance between the need for information and maintaining customer confidence amid a growing social concern for data privacy (Lindsey, 2019). Thus, a recent research (GetApp Survey, July 2019) on how American consumers relate to personalized marketing shows, among other things, the following data (Warnock, 2019):

- 91% of U.S. consumers feel ads know too much personal information about them;
- 95% of people believe they are tracked online based on past purchases.

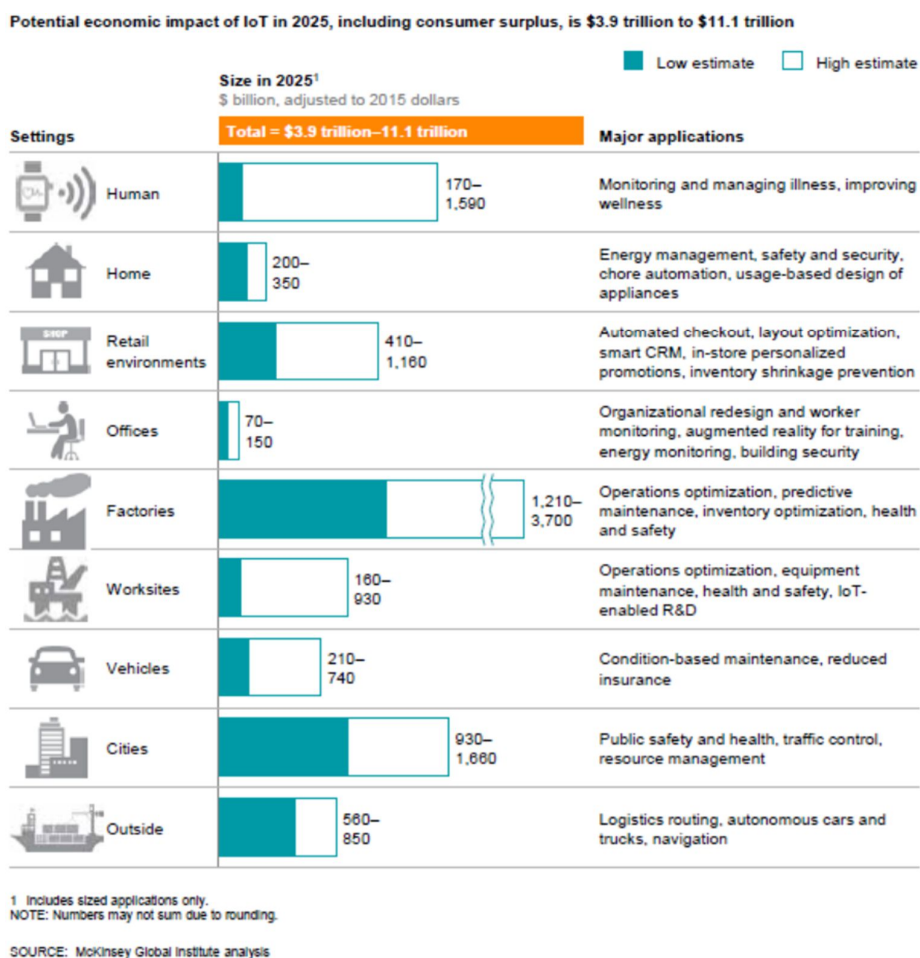
- Many people limit their exposure to advertising and the information they share with advertisers: 52% of consumers report using an ad blocker while online and 29% say they are unwilling to share any personal information with marketers in exchange for more relevant offers”.

Consequently, companies should be careful when investing in marketing personalization.

Another trend faced by consumer analysts today is the emergence of increasingly „individualistic” and „singular” consumers, who hijack the rules imposed by social structures, in order to build their own daily life, their knowledge and their identities, all in an attempt to differentiate themselves from any form of sustainable uniformity. In this context, marketing managers have more and more difficulties in identifying and understanding the marketing strategies of their competitors (producers or distributors), strategies that are increasingly segmented, targeted, personalized and constantly adapted. These new social realities, which change the behavior of consumers and bidders, making them less transparent, have forced those responsible for market studies and marketing activity control to adapt their observation and analysis tools. Thus, we witnessed the emergence of **ethno-marketing** techniques (active observation, as a participant; logbook; photographic analysis of people, places and objects bought and consumed), inspired by ethnography and ethnomethodology, which aims to study micro-segments (even of singular behaviors of purchase and consumption) in a fine and open, punctual and sustainable way.

Another trend that is currently manifested in the realm of marketing is that of practicing an **interactive marketing**. Interactive marketing (Chirouze, 2003, p.339) is an approach according to which the consumer's decision to buy is the result of a continuous exchange of information between the buyer and the seller, this aspect being facilitated by technological developments. Interactive marketing is based on the existence of data banks that are constantly fed through consumer responses, reactions, behaviors, questions obtained through multiple channels: by mail, telephone, optical reading and Internet. Today, the Internet of Things (IoT) offers all marketers numerous opportunities to listen, know and respond to their audience's needs based on their behaviors, allowing the creation of totally different experiences in the connection between the digital and the physical world, experiences that go beyond the very aspect of personalized messages. Thus, the consumer becomes hyper-connected once new devices are added, as happens in IoT, being an excellent source of data for the company's marketing activities, with obvious effects in terms of efficiency and effectiveness. Moreover, according to the

McKinsey Global Institute's Report regarding the „The Internet of Things: Mapping the value beyond the hype”, which attempts to determine how IoT technology can create real economic value, IoT is estimated to have a total potential economic impact of \$ 3.9 trillion to \$ 11.1 trillion per year by 2025 (McKinsey Global Institute, 2015, p. 2) (see Figure 1).



**Figure 1. The impact of Internet of Things (IoT)**

Source: McKinsey Global Institute (2015), *The Internet of Things: Mapping the value beyond the hype*. Executive summary, p.7

One of the most highly developed forms of interactive marketing is **cyber marketing** (e-marketing, web-marketing or online marketing), which relies on both

the Internet (web research, cyber-investigations, e-commerce, advertising on the Internet), the intranet (the dialogue and the exchange of internal information between the members of a company) and extranet (the dialogue and the electronic data interchange - EDI, between the company and its partners, suppliers, sub-contractors, members of distribution channel, etc.).

The companies that deal with market studies „live” in the age of CAPI (Computer Assisted Personal Interview), in which the inquiry has a computer terminal and conducts the interview by using a questionnaire survey from computer’s screen, while directly recording the answers, and that information is processed continuously, and the age of CATI (Computer Assisted Telephone Interview), where the process is the same, except that the interview is over the phone. Thanks to the multimedia dissemination and the massive transmission of digital images allowed by the „information superhighway”, technological progress also makes possible the CTI (Computer Telephone Interview) technique, where there is no longer a survey operator, the computer itself selects the sample, dials the numbers and directly asks the questions, as well as that of the CVI (Computer Video Interview). In recent years, information superhighway have brought a new tool for marketing decision. This is particularly true for international marketing, as the instrument does not take borders into account; the use of information superhighway is possible for market research, especially for global companies with multiple locations. In this regard, one can cite the example of the firm Rhône-Poulenc-Rorer, which tested a drug in the US via America Online. Instead of completing questionnaires, the interviewed consumers responded to the laboratory via the network; the time-saving was valuable and allowed the clinical trials to be carried out very quickly (Croué, 2003, p.263). Information superhighway simplify the market study of the firms whose means are limited; however, offering a product is conditional on knowing that the company exists and its electronic address. Virtual shopping mall (thematic or not) have already appeared, which are managed by distributors or financial institutions. Today, traditional sources of information are progressively integrated with the superhighway and this allows the very rapid collection of information which, in terms of documentary study, traditionally required time periods of several weeks or even months.

The continuous development of the computing and operating power of computers and the improvement of software allow increasingly sophisticated modelling of consumer behavior, product launches, media plans.

Also, Electronic Data Interchange (EDI) is also a current logo, representing in marketing the connection between the computer systems of the various

components of the chain that linking the manufacturer to the distributor starting from the cash registers at the exit. Generally speaking, Electronic Data Interchange (EDI) is „the computer-to-computer exchange of business documents in a standard electronic format between business partners” (<https://www.edibasics.com/what-is-edi/>). EDI comes with a new trend in marketing, namely that of focusing on distribution through the development of so-called „*trade marketing*” or a partnership with distribution. For example, manufacturers can react by strengthening the attractiveness of their brand through product innovation, through sustained communication and / or by agreeing to sell a part of their production in the form of private brands (stores’ brands or retailers’ brands) (Blythe, 2005, p. 156-157). In this way, partnership agreements are developed between producers and distributors, a form of Cooperation called „trade marketing”. In addition, thanks to the electronic data interchange (EDI), the mass distribution can easily know its area of commercial attraction, to retain its customers, to orient its advertising geographically. Consumer surveys, as well as the emergence of distributors' payment cards, allow to big retailers and specialty shops to offer target products to known (or very well-known) customers.

### Conclusions

As a final remark, it should be stressed that today's successful companies, regardless of size or area of operation, have as common elements customer focus and total commitment to the marketing effort. The explosive development of information and communication technologies has given rise to a new economy, filled with novel opportunities for marketers to get to know their customers, at the level of large groups, as well as at the level of the individual, and the general trend is to focus greater attention on the customer, creating stronger, more direct and long term ties with the customers.

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