

Advanced Knowledge for Senior Marketers | January 2014

THE KNOWLEDGE

DIGITAL CUSTOMERS ARE REVOLTING

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SYNOPSIS

We have collectively created the monster of '*Digital Marketing*'. A relentless business focus on new technology is evident both in thought and in action – indeed, in professional marketing activity, digital is often perceived as something separate and discrete from marketing itself. The focus is moving away from 'substantive marketing', (as defined by customers' needs), to something 'trappings-led' (as defined by technological innovation). Commercial efforts seem guided increasingly by what technology can do and not by what customers may wish to do with technology. In the process, marketing orientation is at risk of being lost. Due to an often misplaced digital engagement, firms increasingly risk a very public revolt by customers. There is a need to think differently about how to make digital work for marketing.

DEFINITION

Digital Marketing is the marketing of products or services using digital channels. Digital marketing extends beyond internet marketing and embraces devices such as mobile phones (both SMS and MMS), tablets and new activities such as social media marketing, display advertising, search engine marketing, and any other form of digital media.

CURRENT THINKING

Mass customisation is here. Firms can now exploit the capabilities afforded by digitisation and on-line networking to provide unique content of direct relevance to individual customers and to learn from those empowered customers through real-time user-generated content (UGC). Digital marketing, combined with other traditional marketing practices, has emerged as the effective new way to do business and the pressure, both peer and self-imposed, for firms to adopt such new technologies is immense.

It would appear however, given the speed of its development, there are few meaningful insights to and limited understanding of the challenges surrounding digital / social adoption processes within companies. In a *Marketing Week* study conducted last year, the promotional channels deemed most important by today's marketers were the digital media of web-site, search, social and email. Those channels perceived as least important were the traditional media of TV, radio and outdoor.

However, for all the enthusiasm displayed by practitioners in adopting digital and social channels in business, the research also indicates that practitioners are actually weak in how they deploy such new technology in a marketing-oriented way – so while digital is recognised as important, marketers appear ill-equipped to capitalise on the opportunity.

IMPLICATION FOR MANAGERS: THINK CONTEXT, CONTENT AND COMPETENCY

It is proposed that issues around a more effective digital adoption process can be understood at the levels of *context*, *content* and *competency*.

Context simply refers to the 'setting or circumstance' in which a firm operates. The firm *context* may be variously defined at the levels of industry, market or a firm-specific context. With respect to industry level one might consider issues of structure, (e.g. oligopoly, monopoly, competitive), to be a useful delineation while, at market level, the nature of the business sector, scale and positioning, environmental profile or the nature of customer segment(s) would likely inform the firm's response very specifically. At firm level the size and scale of the entity provides a useful contextual discriminator. In short, thinking 'context' brings forward very specific distinctions indicating 'how **you** do business' which underpins any understanding of the way digital might meaningfully add to the value proposition on offer.

In terms of *content*, the firm will live or die online based on the relevance and quality of content provided. Companies may find opportunity to enhance their customer relationships through the on-line provision of added-value information relating to, for example, pricing, product descriptors, user reviews, other customer feedback forums and product / service endorsements.

Social media facilitates naturally the generation of User-Generated Content (UGC) where users can contribute their own perspectives of the value proposition on offer. Indeed, with the right organisational culture,



customers can potentially play a role along-side the business in minimising relationship costs and can help the provider create a more innovative, entrepreneurial and profitable association based around co-creation. The third area, which is an important consideration for all firms, is that of *competency*. To what extent is there competency within the firm's marketing team to integrate and manage both push and interactive communications through new media such as Facebook, Twitter, and Youtube? Where a digital competency gap is identified, the creation of a digital marketing post in the company can actually prove a disservice to the organisation. In such cases the perception that 'digital is different' is perpetuated and inculcated within the culture of the company. In so doing, digital marketing efforts can become separated from 'traditional marketing' and this artificial separation can create disconnected customer communications, bring branding challenges and creates issues around managing customer relationships effectively.

So the potential causes of digital misalignment in business are multiple. Internally Digital Marketing is the concept senior managers often fear to question. However, as marketers we must take the time to actually think less about *digital marketing*, which can so often be a marketing bolt-on, and focus instead on *digitising marketing* – 'conducting a meaningful assessment of how and where digital technology may help create and exploit opportunities which add value across the *overall* marketing effort'. This is a subtle but critical change of mindset – from discrete (digital) to integrated (digitised).

We need to exploit new technology for commercial advantage while at the same time not being taken advantage of by new technology itself. Correctly applied the inter-dependency between *context*, *content* and *competency* presents a powerful framework through which to gauge your organisation's appropriate fit with digital opportunity.

FURTHER READING

'Marketing Perspectives 2012: Adapting to win with multi-channel marketing', Marketing Week White Papers. Available at <http://www.sasknowledgecentre.com/>

Durkin, M. (2013), "Tweet me cruel: perspectives on battling digital marketing myopia", *The Marketing Review*, 13(1), 51-63

Durkin, M., McGowan, P., McCartan, A. and McKeown, N. (2014), *Social Media Marketing: An Entrepreneurial Approach*, Palgrave MacMillan (forthcoming)

ABOUT THE AUTHOR



Mark Durkin is Professor of Marketing in the University of Ulster's Business School. Mark spent over a decade in various service, sales and strategic marketing roles with the Bank of Ireland. Mark completed his doctoral studies at Loughborough University Business School in 2005, which focused on customer e-banking adoption behaviours. He has conducted his research and presented to academic and practitioner audiences in Australia, New Zealand, Sweden, USA, UK and Ireland. A CIM Fellow, in 2006 he was awarded CIM's '*Marketing Person of the Year*' in recognition of his contribution to marketing education in

Ireland. From 2007-2010 he was appointed by the University to set up and direct the University's first (commercial) Student Marketing Division – a unit responsible for marketing the University domestically and internationally. Currently, as Professor of Marketing, through both teaching and research he is focused on exploring social media and the growing domain of digital marketing. He can be contacted at Mg.durkin@ulster.ac.uk