

Contemporary Marketing Evolves

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This article encompasses principles of marketing as it relates to the current trends of technology. From the Marketing Plan to Survey Monkey, and the analysis of ACSI to CX on the internet, marketing has fresh nuances that need to be rooted in its time-tested foundation. Measuring customer cost, customer satisfaction, and defining new tools for customer service make this article a noteworthy read. Concluding with social media and ordering capabilities from Alexa; marketing has evolved.

INTRODUCTION

What goes around comes around sometimes in a new package. Nearly 20 years into the new millennium, how has marketing changed since approaching the year 2000? The foundational principals of marketing remain the same but how we research the consumer's needs and wants and meet them has come into much clearer focus.

The emerging trend for the marketing manager in the 21st century is the unprecedented, technology-leveraging, focus on customers and unparalleled customer service. Dell executive Jerry Gregoire said on the eve of the new millennium that "The customer experience is the next competitive battleground" Kirsner, 1999, para. 3). Craig Borowski (2016) wrote that "customer experience (CX) is one of the hottest topics in the business world (para. 1). Derek Sivers said, "customer service is the new marketing" (Burke, 2015, para. 66). The renewed focus on customers requires going to the customer, anticipating customer needs and wants, earning top-of-mind awareness, being first and readily available for transactions, and then exceeding customer expectations for service.

The key is to find out how your organization can help the customer solve problems, gain market share, and be more profitable. Frank "Pat" Murphy's words in 1994 remain pertinent today: Listen to your customers. Listen, listen, and listen. Listen and find out what the customer's problem is. How better to listen given the voluminous amounts of data now available to the marketer via web searches and social media. In analyzing results from "high-performance marketers, ... Their ability to integrate data on *what* consumers are doing with knowledge of *why* they're doing it ... yields new insights into consumers' needs and desires and how best to meet them." says Marc de Swaan Arons, Frank van den Driest, and Keith Weed (2014). The customer does not want you to sell them something but help them solve their problem.

With this information, your organization can take a creative and innovative look at the customer and their needs. By putting together, a multi-level, multidisciplinary task force your company can see what specific products, services, and solutions with which they can create. The "solution" might mean a capital investment or could require a complete change in the company's time-honored policy and procedures. It may mean the re-organization of the Chief Marketing Officer to add responsibilities of IT. "It is clear that "marketing" is no longer a discrete entity (and woe to the company whose marketing is still siloed) but now extends throughout the firm, tapping virtually every function." de Swaan Arons, (2014).

MARKETING PLAN

An organization's marketing plan complements the finance, production, and human resources plan to implement the overall corporate strategy. The product must always be better than the sales pitch. The product isn't sold until it's paid. A good marketing/production plan should only sell a product or service once. The marketing plan has a focus on meeting customer needs. It keeps existing customers and develops new ones. Marketing strategy has been compared to warfare. This plan creates a view of the competitor, their strategy, and how your strategy combats theirs.

The marketing plan begins with a strategic analysis of the company's purpose, its goals and its values, its competitors, the industry, and pertinent macro-environmental trends. The target customer is precisely profiled, and buying behavior is studied. Measurable goals are set, supported by strategies and tactics along with a timeframe and budget. Evaluative tools are put in place to monitor progress toward meeting the goals. The marketing mix of product, price, place, and promotion is precisely analyzed and adjusted as needed. Strategies are developed regarding the right mix of products, effective pricing strategies, efficient distribution, and promotional messaging. A promotions plan is prepared to hone the message to customers as well as the tools and media to most effectively deliver that message. The promotions plan focuses on powerfully delivering a precise message to the target customer using the most impressive blend of promotional tools including advertising, publicity, sales promotion, personal selling, and direct mail – as well as newer technology-driven tools including social media, online/interactive, and word of mouth. The message in the promotion plan appeals to the perceived and real needs of the customer. The promotion plan closely supports branding.

The sales management plan coordinates the work of sales representatives who own the relationship with the target customer. Sales representatives personify the company to target customers, focus on identifying and meeting customer needs and wants, facilitating transactions, and ensuring stellar customer service and satisfaction.

The organization must empower, train, encourage, and reward its people. When it's all said and done, PEOPLE get the job done. For example, in 2008, Dulux's new global brand team pursued a sweeping program to understand how people perceived the brand across markets, the purpose of paint in their lives, and the human truths that inspired people to color their environments. From China to India, to the UK, to Brazil, a consistent theme emerged: The colors around us powerfully influence how we feel. Dulux wasn't selling cans of paint; it was selling "tins of optimism." This new definition of Dulux's brand purpose led to a marketing campaign, "Let's Color." It enlists volunteers who now include more than 80% of AkzoNobel employees and donates paint (more than half a million liters as of 2014) to revitalize run-down urban neighborhoods, Dulux's purpose-driven approach has expanded its share in many markets." de Swaan Arons, (2014).

CUSTOMER SATISFACTION

Outstanding customer service is key to customer satisfaction. Exceeding customer expectations, however, is the key to brand loyalty.

While an organization should strive to deliver positive customer service to prevent customer complaints, the savvy marketer appreciates customers who will complain because those customers are giving the company an opportunity to correct a perceived wrong. Those customers are giving the

company a second chance to wow them and keep their business. Bill Gates said, "Your most unhappy customers are your greatest source of learning" (Walter, 2014, para. 5). Donald Porter said "Customers don't expect you to be perfect. They do expect you to fix things when they go wrong" (Walter, 2014, para. 10).

Satisfied customers translate into business success. A customer is the most important asset a company possesses. The customer is the source from which all cash flow is generated. You always want to keep the customers you have and gain new customers who would be loyal to you.

According to Stewart (1995), "if you cannot demonstrate the link between increased customer satisfaction and improved financial results, you are not measuring customer satisfaction correctly" (para. 18). Satisfied customers should exhibit at least one of three measurable characteristics: loyalty (retention rates), increased business (share of market), and insusceptibility to your rivals' blandishments (price tolerance). Earning a new customer is the first step in developing a continuous relationship that builds strong brand loyalty. Barchetti said, "make a customer, not a sale," (Walter, 2014, para. 2) emphasizing the role of the customer relationship in building brand loyalty over a single transaction to meet a sales goal. Providing quality service includes recapturing the existing customer each time you are in contact with them. When you do this successfully and repeatedly, the customer becomes comfortable and satisfied with the relationship, thus reducing their chances of leaving. Customer comfort means that the customer's needs have been met. Customers do business with organizations that they rate highly in services, products, support, and costs. If the customer's comfort level is fervent in all four categories, the overall value will be highly rated.

Iacobucci (1998) wrote that managers are seeking to enhance customer service, to offer customers added value and gain the competitive edge. Managers should consider the implications of the basic characteristics of customer services; such as the differences in services, and the fact that they are simultaneously produced and consumed, and that they are intangible.

MEASURING CUSTOMER COST

Frederick Reichheld of Bain & Co. said that "long-term customers tend to buy more, pay more, and create fewer bad debts. Reichheld stated that by raising customer retention rates by five percentage points, a company could increase the value of an average customer by 25% to 100%."

Based on the work by Reichheld and the University of Michigan's Claes Fornell, here is a summary of how to calculate what a customer is worth. First, decide on a meaningful period over which to do the calculations. This will vary depending on your planning cycles and your business. Secondly, calculate the profit (net cash flow) customers produce each year. Track several samples and find out how much business the customers gave to you each year and how much it cost you to serve them. It's better to segment them by age, income, sales channel, and so on.

For year one, consider the cost of acquiring the customers. Costs will include things such as advertising, commissions, and back office costs of setting up a new account. Be sure to get specific numbers. For example, profit per customer in year one, year two and so on, and not averages for all customers or all years. Lastly, you chart the customer life expectancy, using the samples to find out how much your customer base erodes each year. You should find that it is costlier to acquire new customers if you have to replace an existing customer.

Once you know the profit per customer, per year, and the retention figures, it is simple to calculate the net present value (NPV). This information can assist businesses in finding out how much to spend to attract new customers. "Repeat business is the ultimate measure of customer satisfaction and almost certainly merits bigger investments that you make." According to Reichheld, "for advertising agencies, a 5% increase in retention rates translates into a 95% increase in customer NPV and for credit card companies a 75%, increase in customer NPV."

MEASURING CUSTOMER SATISFACTION

Stewart (1995) stated that "Customers define a business and the meaning of the economic activity. The final analysis of what matters is how well an economy satisfies its customer's needs and wants." The University of Michigan's Ross School of Business and the American Society for Quality Control, released in 1994 the American Customer Satisfaction Index (ACSI), making it possible to keep track of customer satisfaction. This model is the first large-scale, methodical attempt to measure the quality of economic output. ACSI (2016) is now updated online each quarter to report overall national scores of cross-industry customers satisfaction in the U. S.

The ACSI monitors customer satisfaction for ten economic sectors, 43 industries (including e-commerce and e-business) and more than 300 companies. Since consumer spending accounts for about two-thirds of the GDP of US gross domestic product (GDP) and measures the quantity whereas the ACSI measures the quality. According to the economist, Claes Fornell, a professor at the Michigan Ross School of Business and designer of the index, "At the macro level, you should consider this an economic indicator, like indicators of price and productivity" (Stewart, 1995, para. 5).

Stocks of companies with high ACSI scores tend to do better than those of companies with low ratings, according to ACSI's "Key Findings." Manufactured goods tend to score higher, yet services such as airlines, subscriptions services to the TV which requires more service, have lower scores. Digital Banking is reported to be at an all-time high for retail banks, with a score of 81 out of 100, up 1.3% and credit unions at 82. "Digitalization is a major factor in the success of retail banks," says Claes Fornell. In the Health Insurance industry, Humana gained 10% and Kaiser Permanent 7%. Packaged food fell 2.4% to 81, as consumers demand higher quality, fresh, natural and organic products, according to an ACSI press release.

According to Ray Schneider (1997) of Perspective magazine, your customers are sitting on a wealth of information that can help you improve your business opportunities with them. Conducting a customer survey can bring in this valuable information; by removing the guesswork out of the way, you do business so that you can do more of it. A customer survey specifically does the following:

1. Establishes a baseline of measurement for improving customer satisfaction.
2. Help focus improvement efforts.
3. Increases customer perception that you're listening.
4. Increases ability to be customer focused.
5. Increases ability to stay quality focused.
6. Improves market position.

The managers of the Clarkson Company of Sparks, Nevada also agree that conducting surveys provide many advantages. According to the managers, having an outside firm conduct the surveys offered substantial benefits both internally and externally to the firm. Respondents felt freer to share information more candidly with a third party. The Clarkson Company used The Voice of the Customer surveys developed by Colleen "Coco" Crum, to find out how their customers felt about their services and products and about their competitor's performance.

The methodology Crum employs enables companies to determine their competitive strengths and weaknesses as well as customer expectations for customer service, product design, and quality, product costs, and other performance attributes.

Beard (2013) said that customer satisfaction is more than meeting or exceeding customer expectations. He identified six metrics to track customer satisfaction: customers' expectations versus perceptions, their likelihood to recommend to customers, experience vs. ideal experience, overall satisfaction, affective and cognitive satisfaction, and intention to purchase again.

Today, marketing research tools are easy to find on the internet for creating your market surveys such as Survey Gizmo, Survey Monkey, Constant Contact, Zoomerang or Google using templates to help for quick survey results.

According to Meyer and Schwager, E-mail-based surveys are superior to paper-based ones because they can be more easily shared; they allow rapid distribution; they give the surveyor the flexibility to

extend or abbreviate the questioning; they minimize delays in analyzing the results; and they lead to quick action, such as a referral to a general manager should score fall below a predetermined level. E-mail surveys can also be more easily tailored. For example, the surveys Marvin Windows and Doors send to its distributors are different from those sent to architects who buy its products.

Surveys do have their limitations, and focus groups, user-group forums, blogs, and marketing and observational studies can yield insights that surveys cannot.

“Once only utilized by large companies, an increasing number of small companies are using focus groups,” says Richard Weinberger (2016). Real-time feedback with a group of potential or current customers can help a company at the ground level to grow their business. It can assist in gathering information about needs, motivation and purchasing decisions, assess potential customer interest before entering the marketplace and estimate the potential size of the market. These focus groups can all be done on a tighter budget if you are able to have the right representation, an unbiased moderator, an off-sight setting, a recording and, if possible, multiple groups to determine validity. Fortune.com (2016).

NEW TOOLS FOR CUSTOMER SERVICE

Customer Relationship Management (CRM) software is a common choice for many organizations for tracking current and prospective customers and the service they receive. Companies selling to business customers also track the status of current and prospective customers in the business-to-business (B2B) buying process. CRM software can follow the buying behavior of customers and help companies' meet specific product or service marketing needs. A well-managed customer database is especially helpful for small businesses competing with large ones.

Customer databases help companies achieve these goals by providing employees with quick, convenient, access to relevant information before they call customers. Such information includes previous purchase, questions asked, and problems incurred.

This form of relationship marketing is sometimes called, one-to-one marketing and is a strategy that large firms have been using for more than a decade to increase customer retention. Now small businesses can hold their own with their big business competitors by using point-of-sale, database, contact management, call center, and customer-service and support software.

Borowski (2016) defined the customer experience (CX) as “the overall quality of all of the interactions a consumer has with a company and its products and services” (para. 5). He identified five categories of technology-based tools to improve customer experience: mobile support, live chat, self-service, social support, and omnichannel support.

The Gartner Group (2016) reminds marketers to focus on consumer behavior and business opportunity while using technology as the tool. “The future of business will be defined by how well companies, organizations, and governments leverage the technology to enable partner and customer engagement across a wide range of digitalized processes” (para. 1).

Borowski's first category of customer experience software is mobile support. More customers today use mobile devices to access information about products and services. Software Advice (2015) found that 63% of U.S. adults use mobile devices at least several times per month to seek customer support. Online shopping isSo; it's critically important for a company to be able to fully interact with customers using their choice of online mobile platforms. Factors such as compatibility, ease of navigation, load time, and search functions (Borowski, 2016) can make or break an online purchase and affect brand satisfaction.

Providing positive support to customers at the precise point of the customer's need can impress customers and facilitate transactions. Responsiveness is one of the qualities that consumers seek in customer service (Lamb, Hair, & McDaniel, 2010). When the customer needs and wants help, providing an immediate and helpful response can increase customer satisfaction, improve customer brand loyalty, and speed the sales transaction. Live chat is a widespread software tool allowing organizations to respond at the click of the customer's online request, providing information to answer questions and assist the customer in finding the most appropriate solution to meet his or her needs. Software Advice (Borowski,

n. d.) reported that the majority of customers under age 35 preferred online chat to telephone calls for online shopping and online customer service needs.

When customers search online for information, answers to questions, how to guidelines, and frequently asked questions, they expect to find straightforward, concise, and pertinent information. Meeting and exceeding customer expectations for online support can considerably enhance the customer service experience – conversely, offering incomplete or ineffective online help can cause irreparable damage to customer loyalty (Borowski, 2016).

Social media has changed forever how marketers communicate directly with customers. Today every customer has a global voice online through social media platforms. Leveraging web-based communications, customers chat with one another, with companies offering products, and with their competitors, offering everything from solicited product reviews to unsolicited evaluations and speculation on harmful rumors. Proactively managing messaging to target publics is often handled by an organization's public relations department in coordination with the marketing department. But information coming into the organization is directly managed by customer service staff that identifies compliments and complaints. Software that allows a company to identify, monitor, evaluate, and prioritize social media chatter about a product, service, brand, competitor, or marketplace can allow that organization to wow a customer with timely customer service and support. Consider an organization that can monitor negative complaints about a competitor and then contacts those dissatisfied customers with a service offer, capably taking away customers from a competitor at the point of failure to deliver. Or an organization that can identify trends that affect sales forecasts or supply chain deliveries in a geographic area.

Social media allows for targeting of posts and content, distribution of coupons, sweepstakes, but “Alexa” as your own “personal shopper” is revolutionary. Amazon’s Alexa device in August of 2017 announced that their device can allow you to shop, answering your request for deals, and ordering anything from gift cards to dog food to be able to check delivery status of recent orders. This ushers in a lightening-speed sales and free two-day shipping as it the searches for the best value available.

Borowski’s (2015) last category for software that improves the customer experience is omni-channel support. This software category uses a holistic approach to continue conversations with customers regardless of the platform or platforms used by the customer. A customer may phone a company for more information about a product and receive a response via email or snail mail. A customer may use live chat to resolve a problem with his or her order and receive a response by email and the corrected package delivered to their door.

Database mining software leverages millions of records of data to develop complex statistical predictive models and identify target markets and trends.

Lastly, always make sure that employees are trained to help customers. Every single time a customer interacts with any member of the organization should support, enhance, and strengthen the customer’s loyalty to the organization. Not only do employees need to know to use the company's customer's service databases and technologies, but they also need to have the interpersonal skills to communicate with the customer efficiently.

CONCLUSION

Contemporary marketing means you get to know your customer. Contemporary marketing means focus, listen and learn and act. Contemporary marketing means organizing your efforts to help your customer succeed. Contemporary marketing means, to be honest, have character and integrity; integrity in what you do, in what you say, and in how you conduct business. Your product or service must meet the customer’s expectation and even exceed it; it must be better than your sales pitch.

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