

The future of marketing

 By [Marthinus Botha](#)

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First, what is Marketing? The term 'marketing' is often thrown around loosely by organisational stakeholders and the general public alike, but what does marketing really mean?

Marketing, I believe, is any business activity undertaken to create customer value. Great marketing is the underlying philosophy of what an organisation sells and to whom it sells. It is the new flavour introduced by your favourite milkshake brand, it's the way you feel when you walk into your favourite electronics store, it's the extended trading hours offered by the bank who knows its customers, and yes, it's even the empathy of the designer for the user when creating the next killer Facebook app for that rockstar brand.

Marketing is listening to your customers and tailoring solutions to their needs as opposed to merely offering them what you feel like selling. So it's more than a department in an organisation, more than the design of a logo and more than a couple of brochures or even a TV ad.

Real, impactful marketing happens when you know your customers better than anyone else, when everything you do as an organisation is underpinned by a desire to delight, and even inspire. This is the creation of customer value.



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The traditional role of marketing in an organisation

In years past, perhaps during the industrial revolution, marketing was probably not as powerful a discipline as it may be today. This was predominantly due to the lack of choice available to consumers because there weren't all that many competitors around those days. If you wanted a car, you could have it in any colour as long as that colour was black, Henry Ford famously said.

And the colour black wasn't so much the customer's only choice because Mr Ford thought that it was something customers might like, it was reportedly chosen because it was the fastest drying on the assembly line.

During the industrial revolution, business wasn't much more than a game of economics, if you had achieved economies of scale and thus been enabled to charge the lowest price to customers for the commodity you created, you had won. In these years marketing may very well have been limited to what some laggards today think the all-encompassing definition of marketing to be; the activities undertaken by an organisation to create awareness of its offerings.

Fair enough, this is still a key role of marketing communication today, but there is so much more to it. It is only once we take a deep look at where business philosophy and strategy were a mere 100 years ago that we gain an understanding of where our organisations inherit their structures from: the marketing department, the human resources department, the production department... As we see a shift in the way organisations approach business, a 180 degree flip in fact, from an organisational centricity to market or customer centricity, functional departments are becoming cross coordinated, allowing organisations to respond to ever developing or changing customer needs at a speed and accuracy that would have been impossible in the siloed structures of the past.

And in today's business environment the organisation that better serves the needs of its customers wins, not necessarily the one who provides a commodity at the lowest price point.

Developments in marketing communications

We are entering a new business era, where the customer truly is king, his power and influence increasing with every new choice on the market and this can be squared for every new connection he is presented with by social media and the digital revolution. The connection economy is here and it is changing everything.

What all this means is that marketing, defined as 'those activities undertaken to create customer value', has come to the fore of those organisations who will ultimately succeed. If marketing is the philosophy, then marketing communication is one of the most significant strategic tools at the disposal of the marketer.

Traditionally, marketing communication plans were comprised of a combination of BTL activities, as well as ATL, depending on the depth of the marketers pockets. This would have included any combination of posters, brochures, flyers, newspaper and magazine print ads, billboards and of course, the TV commercial. Typically one 'big idea', or theme, would be pulled across multiple media channels to generate maximum results.

Marketers have been using these methods of communication to great effect over the past couple of decades, but today these techniques and strategies are no longer enough. The traditional approach of big brands 'shouting' at consumers through the impossible-to-miss channels such as primetime TV commercials or coverfold magazine ads are tactics of days gone by. Amongst the myriad of brands fighting for a share of the consumer's attention in the ever fragmenting media, it's becoming more and more difficult to get noticed.

At first, this change in media landscape and consumer behaviour might seem frightening to those in the marketing communication game, but along with change comes opportunity. For the first time in history marketers have the opportunity of real engagement with their customers, a two way communication stream as opposed to a one-sided conversation.

The rise of digital calls for a shift in approach and perhaps a change in attitude of the marketer, but in exchange for our loudspeakers we can be promised a deeper understanding of that which makes our customers tick what they like, when they like it, how much of it they like, and even which colour they like it in. We can adjust our products and services accordingly to deliver superior customer value.

Digital mediums are highly empirical which means that ROI on marketing spend can be measured with a degree of accuracy that was simply not possible for the marketer of yesteryear. Digital is also highly targetable which means that marketers can choose to reach only qualified consumers, this provides for close to zero percent wastage in advertising.

The change in the media environment has seen consumers shift their attention from static mass focused publications to niche online productions and social media, all of which can be accessed from almost any device that is connected to the internet. Digital is everywhere and it is very quickly rising to the pinnacle of the marketing communication mix. We are moving into an era where communication strategy will be centred around and optimised for digital, and then only being pulled across to offline media such as TV. Marketers who ignore the significance of digital will be doing so at their own peril.

Opportunities offered by digital

In a South African context, the only thing perhaps delaying the widespread adoption of digital in the communication mix is our level of internet penetration, which has historically lagged when compared to developed markets, but we are catching up quickly.

According to the DMMA, South African internet users have grown by two million in the past 12 months, taking the country's internet population to some 14 million users which represents 39% of the adult population. These figures are expected to give [digital advertising](#) spend a big boost as internet penetration figures were previously reported to be substantially lower.

Digital display advertising spend comprised a comparatively modest R753 million, or 2,35% of the R32 billion spent on advertising in 2011. A recent report by AdDynamix highlighted that this figure had grown by 15% a year later in 2012, and that its growth outpaced that of outdoor and radio which stood at 12% and 10% respectively.

These figures paint an exciting picture for those operating in the digital advertising domain and perhaps also serves as an alarming wakeup call to those traditional suppliers of advertising services who have been hitting the snooze button for far too long.

Conclusion

Consumers want to be engaged with, they want to be entertained, and they expect the marketer to know what they want. Most importantly, they want it now! At this point it's quite obvious that digital is the centre platform that will allow organisations to deliver on the communication needs of the connected consumer going forward. But what might not be as obvious to everyone in the marketing game is exactly how digital as a platform should be utilised.

As previously highlighted, a large part of what makes digital attractive is its opportunity for engagement with consumers a strategy radically different from those utilised in traditional marketing campaigns. This shift in approach also implies a change in the metrics used to measure both marketing effectiveness and involvement. Because in addition to buying up actual media space and filling these with communication messages, marketers will be creating brand relevant content and delivering this in the form of Facebook posts, interactive websites, mobile phone apps, and email messages to name a few.

In the not-too-distant future there will be no specialist digital agencies. As the medium attracts a greater share of spend and steals the limelight from ATL it can only be concluded that traditional agencies will acquire advanced digital capabilities (either by buying out smaller digital agencies or developing new 'divisions' inhouse) and that digital agencies will develop traditional ATL capabilities to service the complete communication needs of the client.

The proposed hybrid agency model of the future will likely result in the cross pollination of digital with the offline world. We are already starting to see seamless digital integration that has the ability to bring a new level of engagement to offline experiences. An example that comes to mind is South Africa's own BOS Ice Tea who developed a Twitter activated vending machine that dispensed a can of ice tea whenever a geographically qualified tweet was sent to its Twitter account along with a given hashtag. The result was that the campaign went viral across social media as well as highly respected global publications ROI consequently went through the roof.

In years gone by the temptation of the marketer was to take on the skeptics, by shouting loud and long enough you had a good chance of convincing them that your offering was better than what they were currently using. The future of marketing couldn't be more different. The future of marketing lies in connecting with your true fans and giving them a great story that they'll love to share with the world, and digital is the perfect enabler of this approach to marketing communication.

ABOUT MARTHINUS BOTHA

Marthinus Botha is a passionate marketer with a keen interest in understanding what it is that drives consumers. His entrepreneurial nature has seen him bring to market the Green Shebeen organic wine brand which is being distributed internationally. He is currently working on projects within digital marketing (it's the future after all!).
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