



كلية مسقط
Muscat College

The Digital Future of Marketing

Impact and Implications for Business Strategy

Highlights of the Presentation at the International Conference on Business Renaissance – The Era of Digital Cure, organised by the PG and Research Department of Commerce, Ethiraj College for Women, Chennai, India, in association with The Madras Chamber of Commerce and Industry (MCCI) – 21st April 2022

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OUTLINE



Global Context



The Digital Future of Marketing



Digital Marketing & Business Strategy



Conclusions and Implications



First, let's try to clarify some key ideas...

- **Marketing** – Marketing mix: 4 +3 Ps: Product, Price, Place, Promotion + Process, People, & Physical appearance; “...activities involved in directing the flow of goods and services from producers to consumers.” (Encyclopedia Britannica Vol. VI (1976, p. 633))
- **Digital** – A business process that is by default a fully online, fully automated process ... with no need for human intervention
- **Digital marketing channels** are systems based on the Internet – digital networks between a producer and a consumer through which a certain value or utility is delivered to the latter.
- **Business strategy** - a clear set of plans, actions and goals that roadmaps how a business will compete in a particular market with a product or number of products or services.
- **Future** - an expectation of progressive development or advancement
- **Impact** - a marked effect or influence.
- **Implication** – possible future effect of something.

Unanswered questions?

- ❖ What will the world look like in 2050 or even 2100?
- ❖ How would science, technology and own (buying) behaviour help to shape the future?
- ❖ What is “digital” about marketing, and why is our proper understanding of “*digital marketing*” essential for sustainable business success and shared prosperity?
- ❖ How should a discerning organisation/marketing team respond to the emerging changes in the global business environment?

Global context...

- Russia-Ukraine War – supply chain
- Covid-19 pandemic – The coronavirus pandemic disrupted our normal functioning, and many companies were forced to adopt digital tools for product/services promotion (Sanghamitra & Aaswari, 2022) – a redefinition of “work”... and “health”
- Climate change – shifting weather patterns across the globe & energy sector
- A shift toward digital - Kepios analysis (<https://kepios.com/>) shows that there are more than 4.62 billion social media users around the world in January 2022, equating to 58.4 per cent of the total global population.

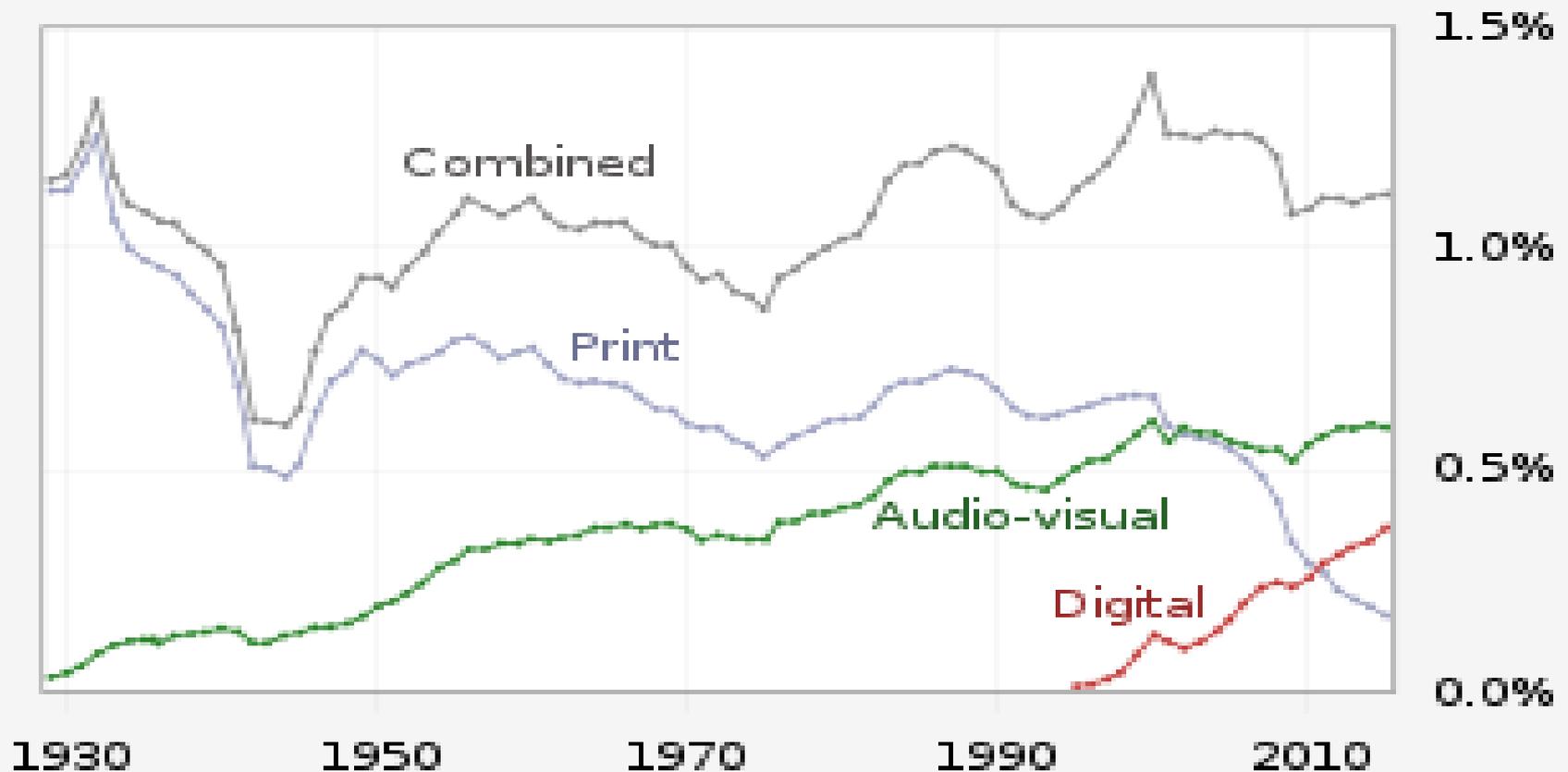
Global context.../2

- Rising inflation – rising to 4.35% in 2021, from 2.7% in 2016 (<https://www.statista.com/statistics/256598/global-inflation-rate-compared-to-previous-year/>)
- Contactless economy – e.g., virtual showrooms
- Online banking
- Digital currencies
- ‘Nextshoring’ – manufacturers digitizing and automating
- Video marketing
- Blogging and affiliate marketing
- Social networking
- Display advertising, etc.

The rise of the digital...

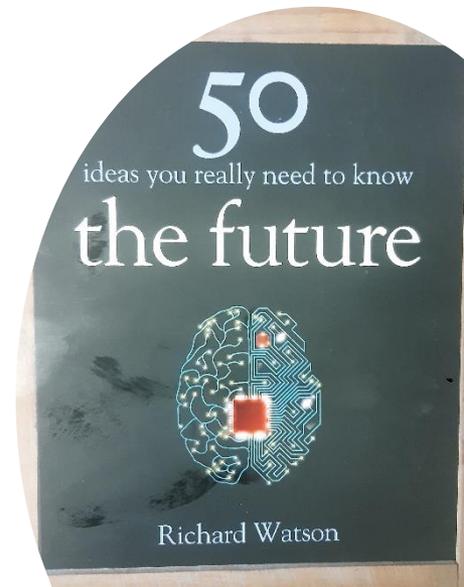
[https://en.wikipedia.org/wiki/Digital_marketing#/media/File:1929-Advertising_revenue_as_percent_of_GDP_\(US\).svg](https://en.wikipedia.org/wiki/Digital_marketing#/media/File:1929-Advertising_revenue_as_percent_of_GDP_(US).svg)

Advertising revenue as percent of GDP





*Is the 'future' here
already & digital?*



Some theoretical perspectives...

- ❑ Peter Drucker (1909 – 2005) Austria- American
- **The Age of Discontinuity** – The permanence of Change + the Reality of Disruptiveness
- **Four Sources of Discontinuity**
 1. New Technologies
 2. Globalisation
 3. Cultural Pluralism
 4. Knowledge Capital
- ❑ Alvin Toffler (1970) – Future Shock, The Third Wave
- ❑ Charles Handy (1989) – Strategic Drift & Transformational Change
- ❑ Gary Hamel (2000) – Strategic Decay



Peter Drucker

The digital future of marketing

Digital marketing – some key drivers?

- People spend more time and money these days online – declining traditional media (e.g., Encyclopedia Britannica Vs Wikipedia; growth of online shopping)
 - Effectiveness of reaching potential customers where they spend their time and money on various online activities including attending educational and entertainment events, making purchases, and conducting research into products and services. – 64% of the time, US consumers are usually with smartphones and tablets.
 - Digital marketing allows businesses all the opportunity to level the playing field The big guys and the ‘little guys’ can play and win!
- The growing influence and role of brand awareness in online consumer decision-making -Brand exposure to a broader audience on a much smaller advertising budget, but with the opportunity to scale-up marketing budgets
 - The widespread use of social media.
 - When explored in absolute or even centrist terms, income inequality has, however, been increasing (<https://www.wider.unu.edu/publication/global-inequality-rising-or-falling>)

Digital Marketing & Social Media

- Digital marketing
- Online marketing’,
- Internet marketing’
- Web marketing’ (Italy)
- ***Online Behavioural Advertising (OBA)*** to tailor advertising for internet users, but OBA raises concerns about
 - Consumer privacy
 - Data protection

- ***Social Media*** – since the 2000s, searching for PPPs - people, places, and products
 - LinkedIn
 - Facebook
 - YouTube
 - Instagram
 - Twitter,
 - Snapchat
 - WhatsApp, etc

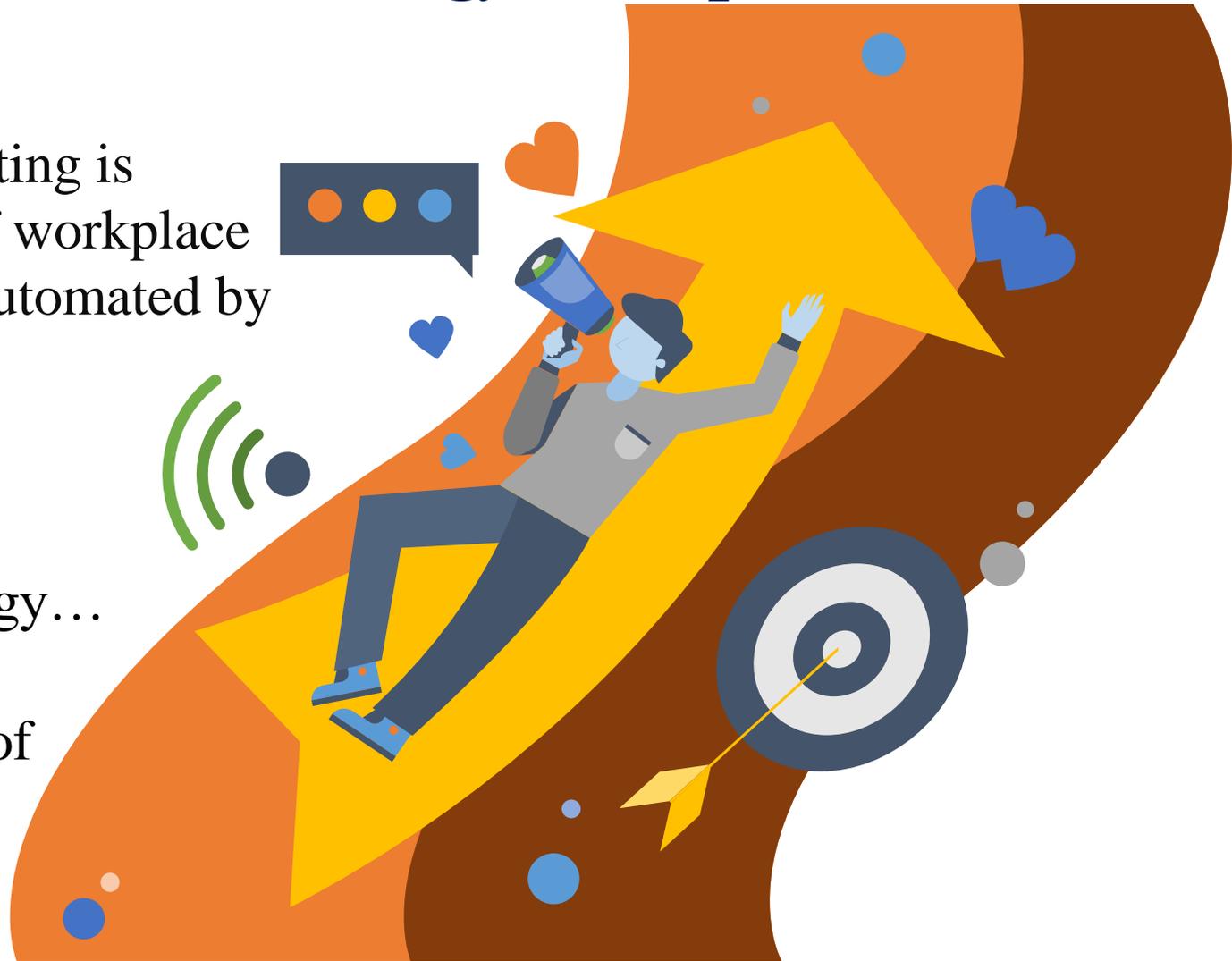
Marketing future ... technology development

The future of marketing is technology— 1/3rd of workplace activities could be automated by 2030

(McKinsey Global Institute, 2017)

Diversification of Marketing technology...

Real-time tracking of changes in customer behaviour



The scope of digital marketing is wide and growing...

- ❑ **Marketing** - product, pricing, place, promotion, - that uses
 - ✓ the Internet and digital technologies/digital media/platforms
 - ✓ Desktop computers/digital devices versus physical shops
 - ✓ Cell phones, SMS & MMS,
- ❑ Commonplace deployment approaches - Search engine optimization (SEO), Search engine marketing (SEM), e-Commerce marketing, e-mail direct marketing, content automation, e-books, online advertising.

❑ *Digital marketing & Innovation*

- Companies are increasingly leveraging digital technologies toward innovation strategies that deliver novel features to customers sequentially through successive new product generations (i.e., successive innovation)

New? - Non-Linear Digital Marketing (NLDM)

Interactive marketing, is a long-term marketing approach based on achieving visibility in multiple areas.

- Traditional marketing techniques (typically a direct, one-way messaging to consumers (via print, television, and radio advertising) versus NLDM strategies - reaching prospective customers across multiple online channels.

Higher consumer knowledge + sophisticated consumer offerings.

Targeted individual rather than a coalescent audience.



Addressing the digital skills divide

(Sanghamitra & Aaswari, 2022; Carlisle et al, 2021)

- Online marketing and communication skills
- Social media skills,
- MS Office skills,
- Operating systems use skills
- Skills to monitor online reviews
- Artificial intelligence, robotics skills, augmented/ virtual reality skills
- Digital tools - Google Keyword Planner, Google Analytics, *SEMrush* or *Moz*.

Creating “Markets of Tomorrow”

- ❑ Research & innovation that safeguard the planet and empower the people, communities, and institutions.
- ❑ Digital marketing is part of “innovation ecosystem priorities” emerging from the past decade (Schwab et al, 2020)
- ❑ Web3 Technology – a new decentralized phase of the web run by ordinary people, not the ‘big guns’ like the Google and Facebook.

❑ Issues

- Digital/data privacy – intrusiveness, viewability – 84% of time spent on top 4 apps
- Accessibility – 22% in Africa, 45% in Asia, 73% in China, 90% in the US, and 92% in Western Europe.
- Universal broadband infrastructure – the emergence of AI/ML, multi-cloud, IoT, 5G & data connectivity...
- Brand safety; detecting fraudulent traffic.

Digital Marketing
&
Business Strategy

Strategy: What does it take to win?

- “Wars are not won with braggadocio machismo.”

• Nobel Laureate Paul Krugman

Think ‘value proposition’
– (Aaker, 2016)



Two Key Elements of Marketing Strategy



**Value-Creation &
Value-Protection
Agility**



Consumer Behaviour
-habits, buying process, brand awareness

Predictive analytics
-data mining to predict potential future trends

Strategising in ‘the new normal’ era ...some reflections

- Quality and lower prices - a competitive price
 - Faster and more efficient product and service delivery
 - Building your brand, your sales, and your image quickly.
 - Improving both their search visibility and improving conversion and ROI.
 - Conducting competitor analysis
 - Strategic planning, digital strategy – being at the right place at the right time
- Search marketing, personalization, and relationship-building –
 - Understanding/leveraging your audience, dynamic online behaviour, - advertising-savvy, time-poor, multichannel, and multi-device using individuals.
 - How frequently they use the internet.
 - What are the search keywords/terms they use?
 - How do they interact with your content?
 - What are their social media activities?
 - The best way to start this research is by defining your target audience through the creation of customer personas.

Conclusions & Implications...

- ❑ **“Goods must change hands before being used.”** (Encyclopedia Britannica Vol. VI, 1976, p. 633)
- Both traditional marketing and digital marketing agree on one purpose: Effective, efficient, and worthwhile transfer of valuable service or product from the producer to the consumer.
- The dynamics in the global business environment including new technologies, and our choices and actions, will combine to fuel the use of digital marketing channels for reaching billions of customers.
- Renewed focus on marketing research and innovation (MRI), and reforming academic curricula in marketing programmes to properly embed digital marketing science.
- ❑ Benefiting from the emerging complex business environment will require continuous marketing management research and innovation, and demand greater managerial and strategic agility and responsiveness; notably:
 - Agile marketing departments, networks and teamwork with a robust accountability system
 - Move faster
 - Move earlier
 - Be more decisive,
 - More focus on sustainability, and
 - Operate on data-driven decision-making culture

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Thank you very much

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