

The change induced by IT in marketing and the relative professional families

1. Methodology

The research first involved a survey of the literature, The purpose of this initial phase was to examine the principal studies on the matter published in recent years and to derive from them working hypotheses on the topic addressed by the research. These hypotheses enabled the construction of a question grid which was used to interview a panel of experts consisting of middle-level/senior managers, business consultants and university lecturers.

The interviews were conducted by administering a questionnaire (open-ended questions) via electronic mail. There were around twenty respondents on the mailing list, the majority of them from the business world and with marketing/commercial responsibilities in their organizations.

The interviewees were subsequently collated in order to represent all the opinions expressed by the respondents to the questionnaire. The aim was to map new professional families and the changes that have occurred in 'typical' marketing roles subsequent to investments in I&CT.

The conclusions set out the opinions of the research group on the changes that have taken place in roles and professional families in the marketing area.

There follows a description of the panel of experts and of the structure of the interviewee.

2. Marketing in the digital age. The main studies on the subject

The development of digital technology, and of networks and relational databases in particular, has brought profound and enduring changes in society. Indeed, several authors (Rifkin, 1999) have talked of a digital revolution. As Wind and Mahajan (2001) have shown, this revolution has also had effects on the discipline of marketing as a whole.

Such new, complex and radical phenomena have prompted numerous attempts to interpret and model them, in terms of their impact on business behaviour, by marketing authors (Ellsworth and Ellsworth, 1995; Strass and Frost, 1999). However, these studies are very often excessively enthusiastic, and they are more closely connected with professional practice than with theoretical interpretation of the innovations brought by development of the web. A feature shared by all of them is their description of a 'new world', digital and virtual, in which all human activities will have to converge. In support of this 'euphoria', every book on internet marketing provides entirely encouraging data and forecasts of the future of the web in the lives of people and organizations – and such, in the intent of the authors, to induce every reader to plunge confidently into the world of the new economy. In this scenario, marketing is enriched with new terms and concepts, becoming first digital marketing (Scott, Murtula and Stecco, 1999), then web or internet marketing (Mandelli, 1998), and finally viral or permission marketing (Sheth, 2000).

All in all, these studies are highly heterogeneous, and in some cases self-contradictory, although this is only natural when such a new and dynamic aspect of the discipline is addressed. This evident heterogeneity notwithstanding, it is possible to identify some underlying phenomena and a number of shared features combinable into a model of 'digital marketing'.

3. Business models for the digital world

Amid increasingly rapid and unpredictable changes, agility and flexibility become the key factors in the success of firms, and indeed in their very survival. In order to acquire these factors, firms must be able to organize themselves according to business models able to foster the innovations necessary for competitive success, but without distorting or destroying their set of competencies and abilities.

There is a large and diverse body of literature on business models for the web. But for present purposes, the features of the business model enabling companies to compete in digital environments, and on the web in particular, can be defined as follows.

As regards the **interface with the customer**, one witnesses the progressive dematerialization of points of contact. The expression “from bricks and mortar to clicks and mortar” used to describe the transition from a traditional business to an on-line one, will undoubtedly be familiar. The web can be used to meet and serve each individual customer in personalized manner, supplying an infinite number of references at incredibly low costs and prices compared to traditional forms of commerce based on physical places (Williams, 1999).

The possibility of acquiring and managing (data mining and data warehousing) a large amount of information about customers at low cost, together with the increasingly lower cost of personalizing the product (Pine II, 1999), has generated customer-centred **core strategies**. In particular, the business sphere progressively expands, both in geographical terms because the web induces far-reaching phenomena of globalization, and in terms of commodity categories and sectoral boundaries.

If companies are to adopt strategies of this kind, they must possess a set of strategic resources different from those of the past. Their strategic assets become knowledge (Nonaka and Takeuchi, 1995) and distinctive competencies, while physical ones diminish in value in an ever more dynamic and innovative environment.

Finally to be pointed out is that the web has also brought a radical change in the way that businesses develop relations with the outside. Competition, in fact, increasingly takes place at level of **networks**, coalitions and ‘value constellations’, to use the term coined by Normann and Ramirez (1993).

The revolution in business models – ever more dynamic and organized for processes centred on intangible assets – is driven by the need for increasingly narrow focus on the new customer, to which the web has given a power unimaginable in the off-line world.

4. The impact on marketing processes: defining the product offer and customer satisfaction

Defining the firm’s product offer with reference to its portfolio of customers requires close monitoring of their preferences as manifest in their purchases (transactional data analysis). Those responsible for marketing activities, and in particular for customer services, are consequently required to pay close attention to the preferences and needs exhibited by the various customer clusters in the company’s database (portfolio). They must, that is, carefully interpret the perception of the service furnished to customers in order to detect signals of ‘disaffection’ before they lead to an breakdown in the relation or a reduction of the customer’s value.

Monitoring their customers' quality expectations by means of surveys conducted on the customer base enables companies to improve the design of their service, so that the delivery of the latter matches expectations and is perceived by the customer as genuinely better than that of competitors.

In relational marketing – which functions according to the circular sequence of identification, interaction, loyalty-building and personalization – customer surveying enriches the work of the market analyst with content and 'hypotheses'. In this phase, those responsible for customer care perform an important role: that of designing customer care services intended to maintain the re-purchase rate high and increase the value to the company of each individual customer in the database. From this point of view, one understands why marketing experts pay such close attention to the spread of both information systems and communication technology tools like websites or call centres integrated with the new media (umts and interactive television).

5. Marketing in change

It is evident that the situation described above represents a substantial change in marketing as regards both the process – and therefore the phases and activities of which it is made up – and the roles and tools utilized.

To recapitulate: marketing is going through a transitional phase largely engendered and conditioned by the development of the new information and communication technologies. This transition has been summed up as the shift from transactional marketing to relational marketing. The aim of the former is to facilitate a market transaction, while the aim of the latter is to maintain and enhance the relation with the customer. In relational marketing the process is linear and sequential. It moves through the stages of market analysis, needs identification, segmentation of the market, identification of the target, and positioning the offer. In relational marketing the process is circular and virtuous. Its main phases are the following: identification of the customer, inclusion in the customer database, profiling by means of transaction analysis, the creation of clusters, and compilation of the customer portfolio according to value to the firm.

This new paradigm also entails change to the method used to measure process performance. In the case of transactional marketing, the performance of the marketing process is measured by three main indicators: sales volume (which indicates the company's sales capacity), market share (which indicates the company's ability to measure its commercial efficacy in relation to the market and direct competitors, or those presumed to be such), and direct product profitability (measured in terms of ROI, i.e. with reference to investments in the product whose contribution to corporate growth is being measured). In the case of relational marketing, performance is measured with entirely different indicators: the value of the customer (with reference to the re-purchase rate and the spending volume), the customer share (as the company's ability to direct its product to the individual customer by means of cross and up selling operations), and customer profitability (as the direct generation of income from the customer in ratio to the costs necessary to activate and manage that customer).

Finally, the changeover of commercial activities from the concept of target market to that of customer cluster is one of the main differences in marketing, and it alters many of the roles and structures of this particular corporate process. A marketing division that analyses its performance not in terms of products and the capacity to contribute to turnovers and margins, but rather in terms of the customers in its database, requires quantitatively and qualitatively very different information. In order to group customers into clusters of equal value in terms of profitability, it is essential to measure the magnitude and incidence of diverse activities made necessary with individual customers. Marketers must consequently possess greater analysis and response skills compared to

the operational routine which requires them to work on individual aspects of the product and the marketing mix that accompanies it. A company's ability to deliver 'value added services' rests on its ability to understand customers and interact with them, rather than on their ability to plan product value added with no regard to the customer. From this point of view, relational marketing requires much closer proximity to the customer, although it is mediated by investment in information and communication technology.