

Marketing: The Evolution of Digital Marketing

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ABSTRACT

The present qualitative research had the objective of presenting a study on Marketing evolution, in order to demonstrate the changes and transformations that occurred to meet market demands. Without Marketing, we would not have the products and services available on a large scale, to the detriment of regional demands and offers, guaranteeing opportunities for all those that want to develop businesses. The methodology of the study consisted in the use of bibliographical and field techniques. The marketing evolution concept was presented, from traditional to digital, from the common to the different and disruptive, and within the conception of Marketing 4.0. It was concluded that the companies are inserted in environments of great changes and transformations and that they must perceive these changes in order to accompany the new generations in relation to the digital environment and the instruments used for its operationalization.

Keywords: digital marketing - virtual environment - strategies - new generations -Marketing 4.0

INTRODUCTION

Marketing evolved to meet the demands of society. If before, goods were obtained through simple production and exchange, nowadays we have the reality of attending, more and more, in an increasingly global manner, influencing the need to segment the customers. With the increase of demand, of competition and variables such as technology, companies have, in their strategic planning, the responsibility and challenge of meeting various demands stemming from increasingly particular strategies, such as the use of digital tools. In this way, this article intends to discuss the evolution of marketing concepts, from traditional to digital, from the common to the different and disruptive, and within the conception of Marketing 4.0.

Marketing in Contemporary Society

In meeting the needs and desires of consumers, companies monetize themselves and generate taxes that are collected by the government for the society, through the improvement of infrastructure and social actions. Without Marketing, we would not have products and services available to a large extent, to the detriment of regional offers and demands, guaranteeing opportunities for all those who want to develop businesses.

Companies have as a premise to grow continuously, guaranteeing the competitive position, which is not always justified by some of the actions taken by the companies that aim at increasing profitability through behaviors that can negatively influence other peoples' businesses, thus generating unfair competition or even impacts on society.

In this way, Marketing has evolved to ensure that companies can carry out their economic and social roles, without detriment to the community. However, it was not always so. The concept of Marketing and respective applications has evolved according to the growth of the companies, business evolution and the consumer society itself. In a very summarized manner:

Table I - Evolution of Marketing Concepts - from Traditional to Marketing 4.0.

Concept	Description	Application
Production	With limited offer and a demand without resources due to the strain of the World Wars, the focus was to produce in a more productive manner and with an economy scale.	Mechanization and production processes were the main preoccupations. The focus was from inside to outside.
Product	With the return of economic resources after the war, consumers had access to a greater diversity of options, as well as the companies to broaden their production lines.	Items such as functionality, design, packaging and other tangible aspects were lauded by the businesses.
Sales	With the growth of competition and the demand for expansion, businesses go back to lowering stock and carrying out short term results.	Sales promotion and personal sales became one of the main guides for businesses.
Marketing	Consumer`s needs and desires are taken care of, where profit is the consequence of a job well done. <u>It is the strongest concept that continues until today.</u>	Quantitative and qualitative research involving the consumer, their habits and behavior, variables and tendencies.
Social	The business should contribute towards society sustainability, through practices and politically correct actions as well as involving the community.	Marketing of causes applied to the well-being of society.
Marketing 3.0	This stems from the concept that businesses, aside from their previous preoccupations, they should go back to their spirituality, as well as that of their internal collaborators.	Awareness practices of the internal public as to quality of life and spirituality.
Marketing 4.0	Considering the intergenerational generations (mainly Y and Z) and the evolution of communication technology, we live in a reality where all actions are guided by a digital environment.	Internal environment adjustment, as to structure, processes and training, in addition to necessary investments to support those strategies.

Source: Authors

Marketing reflects market behavior (business and consumer). As a reflex, it followed the growth and participation of companies, products and services. This led to the so-called marketing guidelines. Marketing, as a subsystem of Administration Science and, consequently, of Applied Social Sciences, is an integral part of the society in which we live, bringing consequences and economic, financial and social reflexes.

Boone (2008) characterizes these guidelines in three eras: Production, Sales and Marketing. Marketing 4.0 permeates the lives of consumers, and the company should migrate from traditional to digital, understanding this new environment and the changes and transformations in consumer relations and, consequently, the use of tools and marketing strategies. Consider the effects of the digital revolution and how it affects the behavior of intergenerational generations. It is not only the use of pure technology, used to optimize processes, but how this is part of people's daily lives.

Marketing Environment

Companies are embedded within a business environment whose variables influence consumption and corporate strategies. These variables are the micro and macro environments.

The macro-environmental variables are formed by demographics, economics, geographic, environmental, technological, behavioral, among others that the company judges to be important for the development of the business. A financial institution suffers great influences from the economic environment, as well as the technological variables that are related to its processes, management and communication with the market. A bank provides, in addition to its debit card, internet access, telephone, notifying SMS movement and mobile applications.

The micro environmental variables are related to competitors, suppliers, distributors, customers and internal audiences, which are manageable and controlled, unlike uncontrollable variables. Retail companies monitor the market, loyalty to their suppliers and are preoccupied with the training of their employees, because they understand that these are the points of contact with the consumer.

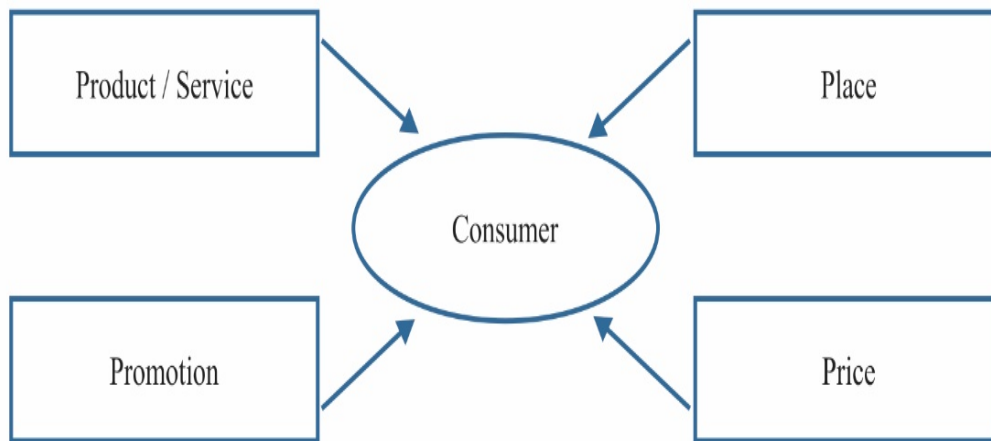
According to Kotler, Kartajaya and Setiawan (2013), the greater the technological evolution is and the ever more constant presence of social media, the greater will the influence of consumers on other consumers be. The technological revolution transformed the habits and behaviors of companies and the population. Companies optimized their internal and external processes in order to gain competitiveness and offer a portfolio of more appropriate solutions to the client, who also changed.

In the past, people searched for products, such as books, in physical bookstores. With smartphones it was possible to expand a faster e-commerce and access information and buying options more quickly, which can be even on demand. (custom book printing), as well as reading them on tablets. With this new scenario, it is still important the timely and adequate on-site sales, however, the diversification of channels requires a broader knowledge of the market, as well as more sophisticated marketing strategies.

Tools and Marketing Strategies

Marketing tools are commonly referred to as marketing mix or 4 P's, the intensity of which will depend on the goals and objectives of the company.

Figure 1 - Marketing Mix.

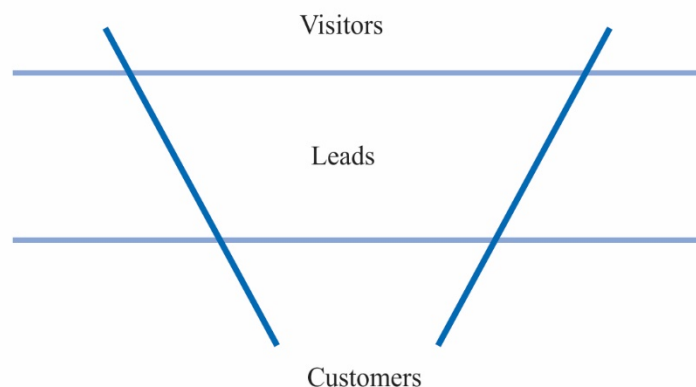


Source: Authors

The influence of the digital world has amplified the application of mix, because, unlike market segmentation that has the balance of 4 P's for each segment (health, tourism, retail, among others), digital marketing reaches all segments in a differentiated way. It is no longer possible not to be in social networks, as a reference, communication and contact with the market.

Content Marketing is essential in Marketing 4.0, which consists of creating, and developing and inserting quality content online and relevant to maintaining the potential consumer's attention (lead) and turn them into customers. To do so, companies must take every opportunity to make use of digital media tools and resources that enable drawing in the audience in order to attract and engage them, often for free. This engagement can have the objectives of informing, educating, entertaining, creating empathy, perpetuating the cognitive bond of trust in the brand.

Figure 2 - The Marketing 4.0 funnel.



Source: Authors

It is an essential way for companies to exhibit in a more institutional manner and become a reference for their target audience. In this sense, questions (checklist drawn up by the authors stemming from consulting services) should be answered:

- Based on the definition of communication objectives, what content should be developed in order to attract the attention of consumers and become a source of spontaneous and

continuous consultation? Fitness clubs can use news on their social networks that sensitize people to the need to practice activities and sports associated with a balanced diet, including a suggestion of recipes, detox juices and healthy foods.

- What guide and argumentation (speech and rhetoric) should be followed to identify the intimacy stages with the consumer? The contents cannot be made available to the public in a random way, but within an argumentative line (justification) that is in harmony with the access to the public. In this way, one can create newsgroups focused on topics so that they do not get lost and make sense to the mind of the consumer.
- In what communication channels (social networks, blogs, offline media, among others), will the contents be distributed? In general, each means has a specific qualification, that is: it is constituted and supported by certain market segments. Facebook is social and attracts communities of friends who enjoy and share news they find interesting; Twitter is an informal news media that composes different contents of communication. However, LinkedIn already has a more professional and formal qualification and Instagram has another style of public and opinion makers.
- In the virtual environment people congregate in diverse communities and groups. The proposal is the virality as well as the shares can reach the physical and virtual communities, exponentially expanding the breadth of communication. One form of adherence to communication in these communities is related to factors of the family, fans, followers and friends, known as the 4 F's: family, fans, followers and friends. Shares can be related to the content itself, as well as photos and home videos. In this sense, YouTube has broadened the possibilities for people and companies in the form of videos, which can be created and stored on their platform.
- From the access and consultation to the contents, the company must identify at what time and situation they should offer, in a more direct way what it produces, taking into consideration the stage of the consumer and his degree of empathy. Within the communication plan, it is not healthy to sell the content directly, but the recommendation of its use, which will bring better reliability to the communication.
- Finally, to establish criteria and indicators that allow for the analysis and monitoring of the results. In this item, one of the most complex and controversial issues resides, because of the novelty of what the subject is about. In addition, a perfect evaluation of the qualitative aspects involved in the process is not possible, without bias in the collection, interpretation and analysis.

From Content Marketing, the company can count on a powerful communication extension that will bring better customer loyalty to their company. It is important to understand how subculture and relationship groups are relevant to the success of Marketing 4.0.

Unlike E-commerce, where the consumer, from the support of other media and communication vehicles seeks what they want and clearly perceives the structure and moment of purchase, Marketing 4.0 advocates a deepening in the relationship with the consumer more empowered by interconnectivity digital. This consumer should be influenced to consumption through more sophisticated marketing strategies, designed and developed by professionals with new skills. According to research carried out by the author of this article, in addition to the skills involving entrepreneurship, creativity and innovation, this professional should have numerical skills that enable for the interpretation and analysis of facts and situations, as well as mastery of information technology tools. From these premises, it is noticed that Marketing Mix undergoes great transformations in the digital environment:

- **Product and service.** In the traditional view, it aims to meet the needs and desires of consumers. An e-book or an MP3 song are good examples of digital products. Within

this new vision, the product is launched on the market with the participation of the community in the spirit of co-creation, as advocated by Ramaswamy and Ozcan (2014:pg.1), where "individuals, as stakeholders, want a more intense involvement in the creation of values, as never before seen." Spotify is a marketing platform of music with the possibility of interaction between stakeholders, as well as the Netflix allows the client to recommend movie titles and series, giving a grade and establishing a ranking. On the other hand, trends such as collaborative economics contribute to business development, such as Wikipedia, which is the result of the spontaneous contribution of people who feed its content. In summary, one should not take into account, in the elaboration of the product, only the internal aspects of the company, but the power to look beyond what the market seems to offer.

- **Market:** it can be represented by e-commerce and social networks. Trends such as the Long Tail Theory, defended by Anderson (2004) and the need to expand business opportunities, have led companies to market an extensive portfolio of products and services anywhere in the world without the need of a physical point of exposure and contact, nor for sales. Through a platform, Amazon markets online titles that are sent directly to consumers, wherever they are in the world. The offer via e-commerce makes it possible for any company to be global, within the appropriate adaptations such as language, legislation and communication.
- **Promotion:** Promotion is conducted through community conversations, social networks, sponsored links and other online media. It is the main use of Content Marketing, which will facilitate the relationship between company, leads and brand. It is interesting that the company actually establishes a relationship and with the opportunity to sell in the course of actions. One of the company's challenges is to reconcile the Above the Line (ATL) and Below the Line (BTL) tools, the first category formed by traditional promotion tools (such as advertising) and the second category of non-traditional tools is specifically related to the virtual environment (such as the use of social media)
- **Price Range:** Platforms like Netflix generate monthly revenue by signing and payment for specific packages of movies and series, rather than the one-time payment for a product or service. In this way, these small monthly investments result in a long-term relationship, seeing that they are small amounts that are incorporated into the daily life of the people and enabling for a greater volume of clients. In summary, it is possible to increase sales by adopting a product or service that can be paid for by the consumer over time, such as other forms of signatures, from beer to culinary dishes created by chefs.

There was a time when many bookstores sold books and physical products, where the consumer upon entering the establishment, looked for the product of interest, handled it, even smelled printed paper and went to the cashier to make the payment. It is now commonplace, in retail, such as bookstores in smaller numbers, for people to search on-site titles, prices, and payment terms on the phone itself. The locality can be just a showcase of products and not necessarily as a place to make the final sale.

In this way one can understand that the traditional strategies of the marketing tools did not disappear with the virtual environment, but the range of options for product commercialization has widened. The company must be on different platforms online and offline, not missing any opportunity to contact the market.

METHODOLOGY

The methodology consisted in the use of bibliographical and field techniques. The bibliographic research allowed for reading, text analysis and discussion between the authors, in the sense of constructing the basic theoretical foundation, that made the field research possible. The qualitative aspect was selected because, according to Denzin (2006), it allows for the characterization and analysis of facts derived from informed opinions that would not be obtained through quantitative research. Thus, 10 resident consultants in São Paulo were selected from academic graduates in marketing and a minimum experience of ten years of marketing experience and in the last five years, in the digital area.

The importance of this qualitative research resided in the fact of complementing the theoretical foundations and was mainly the source presented for the elaboration of the checklist. In the sample, the qualitative focus group research method was used, which at first generated the identification, integration and then through a questionnaire a discussion on topics relevant to the article.

FINAL CONSIDERATIONS

Companies are inserted in environments of great changes and transformations, sometimes smooth and in other situations, turbulent and disruptive. They must perceive these movements and monitor the marketing environment where they are inserted in order to understand the consumers better, as well as to mold their marketing strategies and actions.

This molding should occur at the speed that the market requires and with the intensity of the marketing tools, in accordance with the strategic goals and objectives and especially in the challenges that the company proposes to overcome. Due to intergenerational generations, companies must be more attuned to the digital environment and its tools and instruments.

This reality allows the company to change its way of being, thinking and acting, as there are innumerable challenges and business opportunities that the virtual environment can offer. However, it is not always that the company has the perception that it must change.

CASE STUDY

The "99Taxis" is a startup founded in 2012 that uses an application that connects taxi drivers and passengers registered on a platform. The contact is made through cellular devices and allows for cash payments or in digital form, which is usually cheaper for the passenger. It has had entry barriers because not all taxi drivers have the habit of using applications and information for their use.

In 2013, the market expanded, either through the deepening of the economic recession in Brazil, or through the popularization of this business model through the entry of competitors. Some strategies supported the growth of the business, such as how to get the best use out of the taxi drivers' fleet, which has an official registration of the city hall, as well as partnerships and promotions with the taxi drivers themselves, where they indicated other partners as well as companies. Since the name of the application is "99Taxis" it is one of the first options in the alphabetical search. With home-based practices, the company consolidated in the city of São Paulo and so as to continue sustained growth, have received contributions from the American Tiger Global Management fund.

This idea would have been inconceivable, some years ago, for an application like the Uber or 99Taxis, that replaced the consumer's search for taxis, as well as of takeaway food (I food). In

this case, the offer of options for takeaway food outside the home has become a competitor of the physical restaurants, which have been significantly losing their clientele.

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