

THE LIMITS OF TRADITIONAL MARKETING

EXPERT OPINION



By **Thierry PICARD** | CEO – Spikly, the Keyrus Group's digital agency

AT THE BEGINNING THERE WAS MARKETING

Digital, which we all come across daily, represents a new era for all management sciences and for marketing in particular.

Brian Solis (@briansolis) refers rather quaintly to digital darwinism. Businesses and professions must evolve to survive in a market subjected to "hyper-competition" and to the "over-soliciting" of consumers in a context of globalization.

I think we are all convinced that there is no escaping this paradigm shift begun by the internet in the 1990s. With data we are today experiencing a Dan Simmons-style hegemony, a new form of market governance, even a new consumer science to be explored. In his work the "absolute marketing", **Bruno Teboul** (@brunoteboul) refers to societal evolutionism.

Without wanting to give a class on the history of marketing, which has become an academic discipline, thus proving that it has evolved, we can agree, in 2014, on the definition by **Philip Kotler**, the founder of marketing management, according to which "marketing is the entirety of the studies and applications of which the purpose is to foresee, recognize, encourage, renew or stimulate the needs of consumers, whilst at the same time continuously adapting the productive and commercial apparatus".

This definition favours a managerial approach to the discipline, an extension of the marketing mix school, by applying a market-analysis model which is considered to be "arbitrary", namely the 8 P's: **Product, Publicity, Price, Promotion, Process, Productivity, People, Place and Physical environment**. Playing a central role in the application of marketing management, the marketing

mix is complemented by three other concepts forging the foundations of the discipline: product differentiation, segmentation and life-cycle.

If, in order to demystify it, one attempts a holistic definition of marketing, it works to identify, understand and influence a market by responding to a need through enhancing a product's notoriety, developing the act of purchasing and winning customer loyalty.

THE ADVENT OF THE INTERNET AND OF DATA

A new mode of interaction between the business and its market has come along and turned marketing fundamentals upside down. The genome of the medium used, internet, explains the explosion in the variety of possible interactions with the market. Whether it be through the diversity of the terminals used – tablets, smartphones and computers – or through that of the exchange environments, like the tools that are the social networks, the blogs, the first-generation internet or the forums, internet has for years now been generating more uses than the markets are capable of assimilating, according to the 16th research report of the Association of National Advertisers (2013).

The experts agree on the fact that during the 1990s Internet dispossessed the marketer of his power. In order to face up to the rules of interaction imposed by this new channel and compete with the pure players, brands abandoned themselves to internet users, thus shifting from a traditional "one to many" pyramid mode of influence to a more "one to one", "neuronal", equal-to-equal mode.

If we view it from another, more prosaic perspective, for years, Procter & Gamble-style marketing applied the "three moments of truth" model, theorizing the three contacts between the market and the business that are promotion, distribution and the product. This approach to marketing considers the consumer as a "rational" agent, it places reasoning at the center of the decision. This concept had the spotlight stolen from it by Google in 2011 with the Zero Moment of Truth (Z.M.O.T.) represented by the first contact with the product, brought about by the digital ecosystem. Henceforth, before or after the media stimulus – or even with the *showrooming** after an initial contact with the product at the point of sale – the majority of consumers go through internet to form an opinion on the product.

Internet influences more than eight consumers out of ten and transforms them into consumer-actors. More expert, ultra-solicited, organized in networks, united, customers lay down their rules to businesses and push the rational aspect of consumption to its peak. This hyper-competition demonstrates the fragility of the classic models based on price and pushes retailers to innovate in order to grow: cross-canal, web-to-shop, drive-to-store, etc.

This transformation of the consumer into a consumer-actor pushes the traditional consumer behavior analysis models to their limits. These methods basing their reasoning on an isolated consumer, they see any economic phenomenon in terms of the behaviour of the individuals who form the target, without considering the group effects or

the interactions between the individuals. These new phenomena, like that of the "swarm", illustrate the herd nature of the human being, even in its consumption behaviour.

Yet new product and service offerings manage to free themselves from these dictatorships by basing themselves on a better knowledge of consumption behaviour. Two lines of investigation are turning marketing upside down, the first being "emotion" marketing, whose importance in decision-making was highlighted in the 17th and 18th centuries by scientists like **Antoine Gombaud** or **Nicolas Bernoulli**. The second line, and the one which interests us, is behavioral marketing, also called augmented marketing or hyper marketing, based on the interpretation of the data generated by the interactions between the market and the IT and digital ecosystem of the business: internet site, mobile applications, social networks, point-of-sale transactions, etc.

These interpreted data supply invaluable information on the behavior of consumers and thereby allows the business to address them more effectively, and even to anticipate their behavior.

T.P

**Showrooming: new consumer behavior looking to use mobile internet at the point of sale to find an identical or comparable product cheaper elsewhere (e-Commerce or another point of sale).*

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ABOUT SPIKLY

The fruit of a union between digital communication and Business Intelligence, **Spikly** cultivates the art and the manner of combining brand experiences with conversion rates. Its consultants, designers, advertising executives and e-Performance specialists assist brands in defining their digital strategies and orchestrate the most advanced digital systems. Its guiding principle: "creative performance".

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Further information at: www.spikly.com

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