

Chapter 20

Impact of 2.0 on Contemporary Marketing

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ABSTRACT

Contemporary marketing recognizes the scope and complexities of marketing activities. It is a multidimensional and a dynamic concept, known as holistic marketing, that asks and allows for the support systems in order to permanently connect to the parties, to create value and long-term relationships among all. In this context, this chapter presents a wide review about conceptualization of relationship marketing and its evolution and integration within the broader concept of contemporary marketing. It highlights that the development of a program for implementing and managing a successful Customer Relationship Management (CRM) system is an essential part of a strategic contemporary marketing plan. Additionally, it is imperative to assess it to better demonstrate its success or failure. The metrics to do this are also revisited in this chapter. Still, the emerging capabilities of CRM systems using Internet technologies are putting tremendous challenges on organizations and their human resources. Reference is made to some social media tools that can be a cheap and useful support in marketing strategies.

INTRODUCTION

At the beginning of the third millennium, the process of market interaction requests from marketing the creation of expectations that should be seized and overcome, generating intrinsic values with all stakeholders, focusing on long-term relation-

ships with them and strongly increasing ethical, environmental, and legal and social responsibilities to society as a whole. According to Kotler and Keller (2009) contemporary marketing is a Holistic Marketing that incorporates an Integrated Marketing, an Internal Marketing, a Relationship Marketing, and a Performance Marketing.

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This chapter, placed within this new approach of Holistic Marketing, based his study on the concept of relationship marketing and assesses the contribution that Customer Relationship Management (CRM) system and the social media have on contemporary marketing. A brief review of the evolution of the marketing concept stresses that after the mass marketing focused on product (the concern was to sell one product to as many customers as possible), became the marketing of segments (requires the identification of categories of customers to create profiles based mainly in demographic elements). But liberalization of markets and competition easily lead to the conclusion that this is not enough. The new era assumes that marketing should be customer oriented (rather than the product) and requires customer identification at other levels. In addition, it is crucial to keep a study on customer behaviour over time, and consequently go adjusting the form of interaction with the mutual goal for retaining valuable customers the longest time possible, and thereby increase profit and reduce the cost with each customer. The concept of relationship marketing emerges. But for this to be possible technology plays an increasingly vital role, so relationship marketing concept is associated with CRM systems, as evidenced by some references in the literature about the concepts. On the other hand, the emerging capabilities of CRM systems enabling both reading and writing in online collaborative environments are putting tremendous challenges on organizations and their human resources. It is therefore important that agents involved be able to recognize it, a priori, as a philosophy and a strategy that must be understood and accepted, to be assumed. Additionally, the social media are in general huge data objects embodying complex knowledge concerning customer opinions, tastes and preferences as well as possible connections between single markets. Knowing, recognizing and understanding the related concepts, the technologies that can be used for automation and the performance indicators that can best demonstrate its achievement or failure is imperative.

The chapter begins with a background around the theme. After that, a state-of-the-art will be presented about the concepts of relationship marketing under the big umbrella of contemporary marketing. Its integration on this holistic approach and the intertwining of these concepts will be also explained based on pragmatics of theory and practice. The following section presents an overview around de CRM systems and their application. Under the perspective of the technology support, an architecture covering the organizational levels (operational, analytical and collaborative) is presented. Relevance will be made on the use of Internet technologies and collaborative platforms, namely on social media. The triumph or failure of a program of this nature will be analyzed in next section, where several performance indicators are presented to assess the degree of implementation of the program, either on the implementation level as on the outcomes level. Some critical success factors are also appointed. Finally, future research directions and conclusions are indicated.

BACKGROUND

Marketing is derived from “market” which refers to a group of sellers and buyers that cooperate to exchange goods and services. Contemporary marketing should be conceived as a complex multidimensional concept designated by Kotler and Keller (2009) as Holistic Marketing: an (1) Integrated Marketing Concept (integration of all components of the marketing-mix); (2) Internal Marketing (marketing as business perspective in all departments of the organization); (3) Relationship marketing (develop a strategic and long term vision for the organization with all its stakeholders); and (4) Performance Marketing (financial accountability and social responsibility marketing).

During the last decade of the twentieth century relationship marketing “was probably the major trend in marketing and certainly the major (and arguably the most controversial) talking point in business management” (Egan, 2011, p. 16). Ac-

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