



WHERE DID YOU GO SHOPPING TODAY? – THE SHIFT IN BUYING BEHAVIOR FROM THE REAL WORLD TO THE VIRTUAL WORLD

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Marketing is a race without a finishing line. – Philip Kotler, Marketing Guru.

INTRODUCTION

The market place as we used to know it was the physical space where goods and services were available for us to choose. The marketers sold their offering through techniques such as advertising, personal selling, direct marketing and sales promotions used individually or as a combination. Marketing was about understanding the customer, talking to her about the benefits of our products and ensuring that she remained a loyal customer throughout her lifetime. There was little communication between the marketer and the customer except in the form of a monologue. The voice of individual customer remained largely unheard among the crowd. Except for governmental agencies, consumers had little recourse to respond to the marketer's unethical activities. The customer could get legal remedy for the injustice apart from which there was little she could do. Very few people even got to know about such issues unless they appeared in the media which could again be controlled by the marketers with huge ad budgets.

The traditional system had its own rules within which it operated. It was a highly mass media oriented company driven process. The final consumer had little say in marketing. The effort was on satisfying the perceived needs of the consumer who was given a product or service presumed to be the solution to his requirements. The products were aggressively marketed to the consumers through marketing communications designed to attract interest and persuade sales. This was a one-way street and it needed to change.

The Computer

In the 1980s, Apple came up with its iconic Macintosh Personal Computer. It was a piece of technology that changed human life forever. Soon computers revolutionized the world and became a common sight all over the world. In the 1990s, computers worldwide joined hands through the World Wide Web. Suddenly we were linked to each other through the internet. Information technology took leapfrog into a 21st century where we are totally dependent on computers and the internet in our everyday life. Human beings now interact with computers, laptops; tablet PCs and mobile phones to do everything. They help us learn, work, manage our money, buy and sell things, connect with our family and friends, share information, deal with governmental and other authorities, make and break relationships, fall in love and fall out of it, listen to music, watch movies, matches and television. Our children learn to touch and swipe even before they learn to talk or walk. What does this mean for marketing and business? This paper endeavors to examine some of the possibilities offered by human computer interactions in e-marketing, innovation, brand building and customer relationship management including transformation of the four Ps of marketing, e-marketing, social media, in-bound marketing and crowdsourcing.

Human Computer Interaction

The Encyclopedia of Database Systems defines human computer interaction to be the way in which computers and related technologies influence human work and activities. It covers most technology from computers with screens and keyboards to mobile phones, tablets, computers, laptops and even interactions with household appliances and vehicles. It is concerned with the design, evaluation and implementation of interactive computing systems for human use and with the study of major phenomena surrounding them. A glance at the statistics will show the importance of human computer interaction.

1. Total population of the world: 7.2 billion
2. Active internet users: 3.01 billion
3. Active social media users: 2.07 billion
4. Mobile users: 3.49 billion
5. Active mobile social accounts: 1.68 billion
6. Worldwide social media users exceeded 2 billion in August 2014
7. Worldwide penetration of mobile phones passed 50% in September
8. The number of global internet users passed 3 billion in early November
9. The number of active mobile connections surpassed the total world population just last month



More than 40% of the population of the world use computers today. The internet is accessed by more than 3.01 billion users through a variety of devices including desktops, laptops, mobile phones and tablets. . Almost 50% of the world's people own a mobile phone and 1/3rd of them have an active mobile social account. Much of our digital behaviour is now converging around mobile devices. Mobile-oriented services like WhatsApp, WeChat and Facebook Messenger have achieved top social media rankings in most countries. Increasing internet speeds and availability of broadband, the average internet user spends around **4 hours and 25 minutes** using the net each day, with Southeast Asians registering the highest average daily use of upto 6 hours. Social media also has an active user base equaling roughly **29%** of the world's population. Facebook continues to dominate the global social media landscape, claiming **1.366 billion** active users in January 2015. Crucially, **1.133 billion** of the platform's global users – **83%** of the total – now access the service through mobile phones.

Transformation of the 4Ps

Philip Kotler defines marketing as creating and communicating value to the customer. Today the entire marketing landscape has shifted to the virtual world. Traditionally marketing was done in market places, areas with physical boundaries of location and time. All the 4 Ps of marketing, product, price, place and promotion were bounded by the physical settings. Consider the case of a book. Earlier, a customer who wanted to buy a book physically went to a book shop and purchased it at the best price available. He might have read good reviews about the book in the newspaper. Advertisements for the bookshop must have appeared on television and a promotional scheme with a discount offer must have been made available to him through a magazine coupon. He would have paid for the book using paper money, credit card, debit card or a cheque. After purchasing the book the person would have either read it or gifted it to another person as a present. Each of these things happened in the physical world and was bounded by the realities of time, space, location and human interactions. Customer had to take efforts to procure the book from a shop located away from his home, carry it along to read at leisure and gift wrap it to be given away.

Shifting the scene to the present day, a person who wants to read a book or buy a book as a gift can do it anytime, anywhere. All that is required is an internet connection and a device to access the online market space. The book may be purchased online, delivered as an e-book to a computer, mobile phone, laptop, tablet PC or e-book reader. The person must have received rave reviews about the book from friends through social media. She may also have checked out the ratings for the book and the e-retailer on major online rating sites. Having checked online for the book, her favorite online retailer or e-bookshop might have send her a reminder to purchase the same. Coupon codes for a discount might have been received via an SMS, Facebook page or email from the e-retailer or publisher. To send the book as a gift to another person, a link to the same might be made available or an over-the-air download may be done to that person's device.

Thus we can observe that the 4Ps of marketing have a separate online existence as follows.

1. Products – e books, music, videos, online education/ courses, gaming, software, movies
2. Price - online payment systems such as net banking, credit and debit cards and e-wallets
3. Place - products bought and sold through e-retailers, websites or mobile applications and delivered on to computers/ mobiles/ tablet PCs
4. Promotion – social media, micro blogging, online marketing, digital marketing, mobile marketing

Rayport and Svikola coined a term “*marketspace*” in their Harvard Business Review article discussing the shift from marketplaces where traditional sellers and buyers interact to a virtual world defined solely by human computer interactions that facilitate experiences and transactions. Information and communication-based electronic exchange environments where physical boundaries do not interfere with marketing processes are called marketspaces. Here each of the dimensions of a transaction such as the content, context and infrastructure are different from that of a real world. In case of content of a transaction an e-book replaces a real book or information about a product or service replaces a real product or service. In case of context of the transaction, an on screen purchase and sale replaces a physical face to face purchase or sale. In case of infrastructure, the website or mobile application of on an e-retailer and device with net connectivity replaces a book shop, a supermarket, a theatre, a college or a showroom as the case may be. Under such circumstances, how can we leverage the power of human computer interactions in fulfilling customer needs and create as well as communicate value by engaging prospective users?

E-Marketing

Strauss and Frost defines e-marketing as the use of information technology for the marketing activity and the process for creating, communicating, delivering and exchanging offerings that have value for customers, clients, partners and society at large. To be more precise, it is the application of information and digital technologies to traditional marketing practices with the objective of creating customer value. It is not confined to marketing or advertising, and is much broader than any of these.



The internet and the World Wide Web are some of the tools that enable digital marketing practices, which include:

1. Advertising of products and services online on websites, social media and blogs
2. Advertising on mobile phones and using them for other marketing communications
3. Technologies that provide selective advertising to users digitally
4. Search engine optimization which allows certain products or brands to pop up each time a key word is searched on the internet
5. Blogs, websites, podcasts, media and file sharing, location sharing, social networking
6. Online retailing and e-commerce – both B2C, B2B and C2C
7. Online brand communities, forums and discussion boards, review sites and couponing
8. Customer relationship management using websites, instant messaging and social media sites
9. Crowd sourcing and customer co-creation of marketing communications
10. Advergaming, webisodes, webinars and other interactive media
11. Product placements and other IMC strategies in the virtual communities such as Second Life
12. Content sharing and real time response to the same as a part of inbound marketing

Social Media

If content is the king, then conversation is the queen.

Social media as defined by Brian Solis of Future Works is any tool or service that uses the internet to facilitate conversations, exchange information and collaborate with like-minded individuals. Social media facilitates interactions between many users with many other users. People use it to, *connect* with others, have *conversations*, *collaborate* in common topics, *create* content together and thus *control* their online presence. Social commerce is a subset of e-commerce that involves the interaction and user contribution aspects of social online media to assist online buying or selling. Here the power of e-commerce and social media are leveraged together. It relies on user-generated content on websites to assist consumers with purchases and includes ratings and recommendations as well as social shopping tools.

Outbound vs Inbound Marketing

Reach, don't preach. Digital marketing is simply putting your customer first.

Outbound marketing or conventional marketing used traditional media such as print, television, radio, email, tele-calling, trade shows, promotional activities, personal selling and direct marketing to reach out to customers. Here all the communication was created by the company and directed toward the target market. The receivers were unable to interact but rather reacted to these communications in different ways. As opposed to this, the concept of *inbound marketing* depends more on the users for the promotion of products and services. Inbound marketing may be defined as a methodology that focuses on creating quality content that pulls people toward your company and product. The components of inbound marketing are:

1. Content [blogs, videos, ebooks, white papers, music, wallpapers and utilities]
2. Social network [Facebook, Twitter, Instagram, Myspace, Google Plus, LinkedIn]
3. Search Engine Optimization techniques which ensure top rankings for your offerings

Statistics from Hubspot's State of Inbound Marketing 2014 with a base of 4000 respondents from around the world have proven a consistent year on year increase of ROI [return on investments] for inbound marketing when compared to traditional marketing activities. According to the same survey, the top inbound marketing projects are;

1. Blogs and content creation
2. Growing SEO presence
3. Content distribution and amplification
4. Webinars
5. Longform or visual content creation
6. Interactive content creation
7. Product how-to videos
8. Online tools
9. Premium trials

One of the most powerful tools in inbound marketing is customer or user-generated content or the concept of co-creation online. The challenge of inbound marketing is customer engagement which is about connecting with a customer. According to the Advertising Research Foundation, engagement involves *turning on* a prospect to a brand idea enhanced by the surrounding context. Here turning on refers to connecting with the person both emotionally and cognitively. Thus online engagement can be considered to be analogous to offline experiential marketing. The prospect is engaged in a manner in

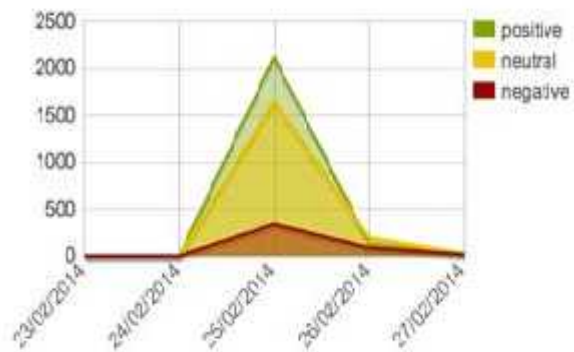
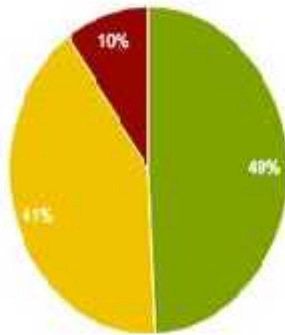


which the entire process creates an enriched online experience that is valued for the content and its relevance. Following are case studies which underscore this point.

When Cadbury's wanted to boost their Facebook likes they decided to construct a giant Facebook thumb out of their own signature Dairy Milk bars. The idea started as a thank you gesture to fans for helping them reach one million likes, but quickly went viral and led to another 40,000 followers within a short space of time. They even decided to stream a live real-time video to document the making of the thumb, which was watched by over 350,000 fans throughout the world.

Maybelline, one of the world's leading brands in colour cosmetics has always created products to suit its image of young, vibrant, fun loving women. In 2014, it ran a twitter contest to promote 30 shades of pink. Users were requested to send tweets on why they love pink with a hashtag #LovePinkBecause and #ILovePink. Women from all over the country tweeted on why they loved pink or which shades they loved. Sentiments were mostly positive or neutral. Conversations of pink and Maybelline spiked on those days when the campaign was on as shown in the figures below. Bollywood and Hollywood actresses as well as popular Rock bands and icons took part in these conversations creating a strong set of influencers. This campaign succeeded in educating their followers about their new product, as well as created excitement to participate in the contest. It achieved its objective to create awareness and increase engagement. Sentiments expressed online are as follows.

Top Sentiments



A sudden spurt in the number of conversations from 0 to 4000plus as a result of the campaign is shown below:

4602 results

Topics





In March 2014, Spice Jet held flash mob Holi dances abroad its flights. It was a fun filled surprise celebration which was enjoyed by the passengers. Such events are held by foreign airline but this was the first time an Indian airline was doing the same. Passengers joined the dance on all flights. Videos and photos of the dances were uploaded on social media and you tube by both airline and passengers and soon went viral. But the trouble came when the Director General of Civil Aviation took offence and send a show cause notice to the airline asking why its license should not be rejected on the grounds of putting its passengers at risk. The airline went on to give an explanation but the news spread among the passengers who were incensed by the reaction. Irate passengers criticized the authorities on social media and other sites for taking up a non-issue. Nowhere was any mention of passenger's life being put on risk by the airline. The issue and the debate that followed garnered huge publicity and open support for the Airline from its passengers. Conversations online were so high that even in the wake of opposition from the authorities, the brand gained tremendous amount of customer engagement and visibility.

Maggi, the favourite noodle brand ran a week long Selfie contest on twitter with the hashtag #HealthyIsEnjoyable. The brand wanted consumers to post Selfies of their breakfast and win a year's supply of its newly launched Oats Noodles. The campaign had a reach of over 1.2 million with power influencers re-tweeting it. Maggi has nowhere mentioned that participants must buy the product but the contest was a good way to increase purchase intent. Many customers posted selfies that showed them having Maggi and these images can be used by Maggi as customer testimonials. By creating buzz on social media, Maggi was successful in increasing the awareness and visibility of the new product. The hashtag #HealthyIsEnjoyable, has also helped to position the Oats Noodles in the mind of consumers as a healthy option.

Crowdsourcing

Marketing is telling the world you are a rockstar. Crowdsourcing is showing the world you are one.

Web based technologies focuses on user generated, co-created and user shared content with user participants as active co-creators of marketing communications alongside the corporate. There is a multi-channel, multi-modal and multi-user interaction with the organization as well as with each other. There is not only a push but also a pull from the customer who draws out information and content. Digital technologies are vivid, synchronous, fast paced, interactive; and promote dialogue and co-production between many people.

Crowdsourcing is the process of using consumers to develop and market a product. It is about leveraging the input of many people to make decisions that were earlier based on the inputs of only a few people. The base of marketing is broadened from a few members of a corporate marketing team to the members of online communities, interest groups and random consumers. The reach of the marketing programs is also widened from a selected target segment to a huge number of potential users or prospective customers from every corner of the world who might otherwise not even hear about your brand or product. In short from a limited sphere of company, target market and customer within specific geographic boundaries; marketing is expanding exponentially to include a huge audience worldwide. Everyone would have their own take on the brand/ product and service. Each of these conversations or content creation would appeal to a different category of people who might otherwise not have been considered by the marketer.

Coca-Cola's Facebook page was initially created by two fans Dusty Sorg and Michael Jedrzejewski. The page received global publicity and millions of Likes which prompted the company to finally join hands with the creators in running and maintaining the page. This is a classic case of the consumer and a brand co-creating content and using it for communicating the brand's core message to its fans worldwide. Starbucks launched a White Cup contest which encourages customers to decorate a plain white Starbucks coffee cup with customized art, take a picture of it and submit their entry on social media using the #WhiteCupContest. The design that wins will be printed on a limited edition Starbucks reusable plastic cup. This is a great way to make consumers feel connected, and a wonderful method to increase engagement. It strengthens the Starbucks brand in the mind of their audiences in a creative and fun manner without any pressure to purchase.

CONCLUSION

Ignoring online marketing is like winking at a lady in the dark. You have done it but no one has seen it.

A marketer is forced to integrate online and offline strategy and provide a seamless marketing experience across various platforms and technologies. For example while a television advertisement was viewed only on television when it was broadcast as a commercial, the marketer can upload the same online on their website, Facebook page and YouTube channel. Prospective and existing customers can view it as many times as they want, express their opinions on it on the comments sections, discuss the positive and negatives of the ad, vote for or against, share it with their contacts, paste it or even upload it to their personal online spaces, list them on top video rating sites, or even manipulate the video and edit it or even create something similar or different that encapsulates the brand idea. Finally instead of the paid air time for the television commercial with its limited viewership, marketer can reach a huge number of potential or existing customers. They can



create conversations around the brand/ idea/ product/ service and enjoy word of mouth communications. And the beauty of it all is that this comes at practically no cost to them. Social media also forces marketers to be aware of Social Media interactions and respond to them immediately. Any negative comments, issues and problems posted online must be acted up immediately. Such reactivity not only sends a strong message of customer care and service, it also reigns in potential negative word of mouth and publicity by nipping it in the bud. In today's world, the distinction between marketing online and marketing offline has blurred. If you are not present online, it means you are not present at all. This argument is true for a developing nation like India because of the following reasons:

1. India has a base of 243 million internet users who form just 19% of the population
2. The mobile phone penetration of 70% translates into 886 million users and growing.
3. The high level of internet adoption among urban and rural youth with an annual growth rate of 30%
4. 180 million mobile internet users forming 15% of the population
5. Growing rate of adoption of low cost mobile devices for accessing the internet combined with low internet charges
6. Increasing availability of broadband in tier 1 and 2 cities which have a percolating effect
7. Average time spend online is 5 hours per user which is higher than the world average of 4 hours and 25 minutes
8. 106 million social media users with Facebook alone adding one new user every second
9. Vast majority of the Indian population are young and willing to experiment new technologies
10. Government regulations which promote telecom services and internet access for all
11. High level of governmental adoption of mobile, internet, social media and allied digital technologies
12. Emphasis on computer literacy and English education from the school levels enabling ease of use.

The above facts and figures are proof of the highly fertile market for human computer interactions in India – a vast opportunity that can be leveraged by marketers to increase brand awareness and visibility, engage customers as well as create and communicate value online.

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