

Consumerism and Marketing in the Digital Age

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Advances in telecommunication technology have contributed to the popularity of smartphones and social media websites worldwide. There are 196 million smartphone users in the U.S., and worldwide, smartphone users were estimated at 1.75 billion in 2014. These increases are signs of how widely social networking companies have penetrated the lives of ordinary people and, in turn, transformed the ways in which people communicate and businesses operate. In essence, social media sites and smartphones have become very useful and integral tools for marketing and consumerism. This paper explores trends, challenges and opportunities in social media marketing and its benefits to consumerism.

INTRODUCTION: THE DIGITAL AGE

Sometimes referred to as the Information Age, the Digital Age has been defined as “the time period starting in the 1970s with the introduction of the personal computer, with subsequent technology providing the ability to transfer information freely and quickly.” (www.yourdictionary.com/digital-age). Some technology aficionados contend that it is actually the second of three stages of a communications revolution. The first is often described as the Computer Revolution during which computers exponentially increased productivity; the second is dubbed the Internet Revolution during which the personal computer shifted into universal interconnectivity. The third stage has been classified as the Digital Age during which personal computers improved with capabilities to connect a wide range of products including digital cameras, digital books, and smartphones. (Vivian, *The Media of Mass Communication*, 173 -175).

While all the stages of the consumer revolution have undoubtedly influenced communication, it is the third stage that has had an enormous impact on consumerism. The most popular product of the 21st century obviously is the do-it-all technological device known as the Smartphones which has become the consumer’s constant companion. During the last decade, more consumers have become proud owners of smartphones, digital cameras and digital books. More than 1 billion smartphones were sold worldwide in 2013, according to a study by the research firm **International Data Corporation**. "The sheer volume and strong growth attest to the smartphone's continued popularity in 2013," said Ramon Llamas, Research Manager with IDC's Mobile Phone team. "Total smartphone shipments reached 494.4 million units worldwide in 2011, and doubling that volume in just two years demonstrates strong end-user demand and vendor strategies to highlight smartphones." ([huffingtonpost](http://huffingtonpost.com), Jan. 28,2014)

Introducing the I-Phone in 2007, the late Steve Jobs, who along with Steve Wozniak, created Apple Computer in 1976, described the multi-tasking hand-held device as “the culmination of the new era.” The

iPhone is “like having your life in your pocket.” Jobs called it “the ultimate digital device.” Today, smartphones make it easy for consumers to get into the marketplace. Writer Colleen Walsh recently described how smartphones are being used:

Need a ride but don’t want to call a taxi? How about a place to stay instead of a hotel? Or maybe you just need someone to fix your washer? If you can access the Internet you’re in luck. With the click of a mouse or the tap of a smartphone, users around the world are joining the “sharing economy” an expanding network of buyers searching for product or service and sellers eager to deliver what they need. Savvy entrepreneurs have tapped into the culture of “collaborative consumption”, connecting searchers and sellers for a price. Ride-sharing companies such as Uber and Lyft, connect passenger and drivers through a smartphone app, and travelers who log onto Airbnb can rent everything from a private yacht in Malibu to a room in an Upper East-side apartment. (Walsh, 2014)

The popularity of the smartphone has been attributed to successful marketing strategies employed by Apple, Samsung and other major manufacturers of the digital device. What exactly is marketing? There are several definitions, but the American Marketing Association defines marketing as “the activity, set of institutions, and processes for creating, communicating, delivering, and exchanging offerings that have value for customers, clients, partners, and society at large.” (AMA.org., 2015). Marketing can also be described as a process by which companies create customer interest in products or services. It generates the strategy that underlies sales techniques, business communication, and business development. It is an integrated process through which companies build strong customer relationships and create value for their customers and for themselves. Essentially, marketing is all about educating and influencing consumers. It may be described as a process of teaching consumers how and why they should choose products and or services. All of that has been simplified and made easier with social media. Modern corporations and businesses in the 21st century have been successful in global marketing because of advances in technology. In fact, it is almost difficult, if not impossible, for any business to exist or operate today without technology. Because of easy availability of technological devices and the Internet, consumers have become smarter and more analytical in the decision making process.

INTERNET USAGE IN THE U.S.

With more than 263 million Internet users, the United States is one of largest online markets in the world. That figure is expected to increase drastically within the next decade. In their best seller, *The New Digital Age, Reshaping the Future of People, Nations and Business*, Eric Schmidt and Jared Cohen have predicted that approximately five billion people will join the Internet within the next decade. Among the current online users are the tech-savvy, college-educated, who were born since 1984 and often referred to as the Net Generation, Generation Y, or the Millennial Generation who have developed an affinity to social media. Although young people, ages 18 to 30, have overwhelmingly been the users of new media, the use of social media has been multi-generational. According to a 2014 Pew Internet study, more than 74 percent of adults actively use and benefit from social media.(Smith, A., 21-3). More and more, Americans – from teenagers to senior citizens - are logging on and spending more time on various social media platforms, networking, and following people and brands online. (Adler, E., 2014). The current Internet adoption is equal among both genders, and near universal across all ages. Online usage also increased among demographic groups with higher education and income.

Recent industry data state that Internet users in the United States spent more than 1,159 billion minutes online across multiple digital platforms and 521 billion digital minutes online via smartphone in July 2014. The most popular online activities of the American Internet users are described as social media use, video gaming and shopping. The growing popularity and usage of apps and mobile social networks sponsored by major American companies have made online shopping a very popular online activity among Internet users in the United States. In 2013, Americans spent more than \$322 billion in online

purchases on Amazon, e-Bay, Walmart online and Apple. Retail e-commerce spending in 2013, the most recent year for available data, was estimated at \$210.6 billion. Current digital and mobile buyer figures stand at \$157.1 and \$101.7 million respectively. Mobile commerce is also increasing, with mobile retail sales expected to surpass \$18 billion in 2014. (www.statista.com/topics/871/online-shopping)

Next to the personal computer, smartphones are the technological tool of choice for the American consumer. A smartphone is essentially a portable phone that combines features of a personal computer operating system with other features useful for mobile or handheld use. (Nusca, A.,2009). Most smartphones typically are equipped with mobile devices such as, personal digital assistant, (PDA), media player, a GPS navigation unit and a digital camera. Most smartphones are capable of accessing the Internet and can run third-party apps and music players. In 2014, sales of smartphones worldwide were estimated at \$1.2 billion, an increase of about 28 percent from 2013. (Molina and Della Cava, 2015)

Since it first appeared on the scene in 1992, and three years later, the term "smart phone" was coined to describe AT&T's "PhoneWriter Communicator" (Savage, 1995), the mobile device has gained much popularity. Smartphones proliferate in the United States. Approximately 91percent use cell phones of which 61 percent identified themselves as smartphone owners. Today, the smartphone is a very useful and necessary tool in marketing and consumerism. It could be described as the linchpin of social media.

In the digital age, the most popular app among U.S. smartphone audiences is Facebook with a 71.6 percent user reach. More than two-thirds of Facebook visitors prefer to access the site via mobile devices. Other popular social platforms include YouTube, Google+, Twitter as well as image-oriented networks Pinterest, Instagram and Tumblr. In 2017, the number of smartphone social network users is projected to surpass 160 million.



DIGITAL MEDIA AND CONSUMERS

Depending on their unique environment, several popular social media platforms are being used for various marketing purposes. Each marketing site requires different strategies to attract consumers. Using social media in marketing does more than improve site traffic and help businesses reach more consumers; it provides a valuable venue for better understanding and learning from target audiences. The guide below, prepared by Wordstream, an online advertising advisor, provides a better understanding of how using social media improves marketing by businesses.

Facebook's casual, friendly environment requires an active social media marketing strategy that begins with creating a Facebook Business Fan Page. It requires paying careful attention to layout, as the visual component is a key aspect of the Facebook experience. The Facebook social media marketing for business pages revolve around furthering conversations with audiences by posting industry-related articles, images, videos, etc.

Google+ promotes the same fun, casual atmosphere as Facebook. On Google+ you can upload and share photos, videos, links, and view all your +1s. Also you can take advantage of Google+ circles, which allow you to segment your followers into smaller groups, enabling you to share information with some followers while barring others. For example, you might try creating a "super-fan" circle, and share special discounts and exclusive offers only with that group. You can also try hosting video conferences with Hangouts and experiment using the Hangout feature in some fun, creative ways. Some social media marketing ideas: if you own a salon, host a how-to session on how to braid your hair. If you own a local bookstore try offering author video chats.

Twitter is the social media marketing that lets you broadcast your updates across the web. Follow tweeters in your industry or related fields, and you should gain a steady stream of followers in return. Mix up your official-related tweets about specials, discounts, and news updates with some fun and quirky tweets interspersed. Be sure to retweet when a customer has something nice to say about you, and don't forget to answer people's questions. Using Twitter as a social media marketing tool revolves around dialog and communication, so be sure to interact as much as possible.

Pinterest is the latest in **social media marketing trends**. Pinterest's image-centered platform is ideal for retail, but anyone can benefit from using Pinterest for social media purposes. Pinterest allows small businesses to showcase their own product offerings while also developing their own brand's personality with some unique pinboards.

LinkedIn is one of the more professional social media marketing sites. LinkedIn Groups is a great venue for entering into a professional dialog with people in similar industries and provides a place to share content with like-minded individuals. It encourages customers or clients to give your business a recommendation on your LinkedIn profile. Recommendations make your business appear more credible and reliable for new customers. Also on Browse the Questions section of LinkedIn, providing answers helps you get established and earns trust.

YouTube is the number one place for creating video content, which can be an incredibly powerful social media marketing tool. Many businesses try to create video content with the aim of having their video "go viral," but in reality those chances are pretty slim. They also focus on creating useful, instructive "how-to" videos. These how-to videos also have the added benefit of ranking on the video search results of Google; so don't under-estimate the power of video content!

USES OF SOCIAL MEDIA IN MARKETING

Marketing has been described as a management process through which goods and services move from concept to the customer. It includes the coordination of four elements:

- (1) identification, selection and development of a product
- (2) determination of its price,
- (3) selection of a distribution channel to reach the customer's place, and
- (4) development and implementation of a promotional strategy.

Marketing is based on thinking about the business in terms of customer needs and their satisfaction. Marketing differs from selling because (in the words of Harvard Business School's retired professor of

No matter how it is defined, consumerism has been greatly influenced by modern technology. In today's digital, social, mobile age, consumers can choose brand messages as much as the brand messages choose them. Consumers are always connected and this has fundamentally changed how they shop. In the digital age, consumers are more likely to browse before they make purchases. That enables them to become more acquainted or knowledgeable about available brands and therefore lead to better consumer choices.

The diffusion of technology used to bring us social media has been accelerated since the Internet was introduced in the 1990s. The ideas were exciting, but there was little to engage consumers. After the Y2K crisis at the turn of the 20th century, when computers failed to implode as a result of their inability to change their internal clocks to the new century, and after the bursting of the dot-com bubble, sites recognized that they had to offer surfers something exciting, educational, or experiential if they were to keep coming back. Today we have entered the entrepreneurial era, in which companies work to find ways to earn profits from the way consumers use and enjoy social media.

The changes and advances in social, mobile, and online technologies have forced firms to change how they communicate with their customers. The traditional ways to market their products – newspapers, magazines, TV, radio, mail, telemarketing- are no longer sufficient. The presence of social, mobile, and online is expanding relative to these more traditional forms of integrated marketing communication.

The changing role of traditional media, sales promotion, and retail, coupled with the new social, mobile, and online media has led to a different way of thinking about the objectives of marketing communication. They must excite, educate, help consumers experience products, and give them the opportunity to engage with their social network.

CONCLUSION: THE FUTURE OF DIGITAL MARKETING

In today's technological society, digital marketing has taken on a much greater role and importance in consumerism. There is no question or debate that marketing has been transformed by technology. Most businesses have developed websites, and maintain regular and constant communication with consumers via email, blogs, apps, and a variety of social media platforms. More small businesses are communicating with employees as well as consumers through smartphones and the computers via the Internet. Nearly all businesses have interactive websites that showcase their products and provide a variety of services for their customers. Many corporate and business leaders also recognize the value of social media to reach consumers. Those types of mobile communications tools will be enhanced and used more commonly in the future.

Another business executive suggests that “The success of today's marketing organizations is largely driven by their adoption of digital technologies to transform the business. As a result the CMO and CIO need to work hand in glove to ensure marketing is enabled with the IT tools and processes to further engage with customers in an increasingly connected world.” (Afshar, V., 2013). As chief marketing officer responsible for global marketing at Extreme Networks, an international firm with headquarters in San Jose, California dealing with 20,000 global companies, Vala Afshar is capable of offering expert on marketing to consumers. He believes that marketers must embrace digital technology (whether it is with mobile, cloud or social technologies) if they want to be relevant to today's customers and they must work closely with IT to fulfill the goals of the business (Afshar, V., 2013)

The future of digital marketing is full of possibilities and opportunities. Michalis Michel, an online market research specialist, recently offered an interesting prediction about the future of digital marketing. He noted that businesses would be involved in more market research in the future, and suggested that social media will be widely used by businesses. “The bottom line is: change or perish. If you are a traditional agency it is not too late. A good first step will be to include in your solutions portfolio social media listening and online communities.” (Michel, 2015). To capitalize on these prospects, marketers will have to acquire new skills, especially the use of social media to effectively communicate with consumers, and highlighting and promoting their products and services. Researchers note a “skills gap” among marketers that “is hindering the efforts of companies to transform content marketing from a promising set

of experiments into an agile, scalable, strategic function in the business.” (Roberts, 2015). To overcome this major deficit, the modern marketers must be open to learning or acquiring new skills to be able to deliver an engaging new media experience to consumers.

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