

MARKETINGNET AS A NEW MARKETING CONCEPT IN A DIGITAL ECONOMY

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Abstract:

The article refers to consumer, media environment and new technologies in marketing field. The key trends of their transformation at the present stage of development are revealed. Authors propose recommendations for marketing activities improvement, which make it possible to increase the efficiency of companies' business results. It covers a justification of creation of a new marketing concept - MarketingNet which helps to meet modern challenges of the market. The authors have disclosed background, essence, features and principles of the proposed concept.

Introduction

Marketing activity is characterized by continuous dynamic development, which requires simultaneous improvement of methodological approaches, new technologies, methods and procedures. Modern marketing needs not only new forms of interaction with contact audiences, but also to update intra-marketing activities in general.

1. Modern stage of media and consumer transformation

In the modern economy, media have a significant impact on the production, distribution, exchange and consumption of goods. Media channels are involved in shaping and stimulating demand, affecting the volume of production and characteristics of goods produced. With the use of media, key segments of the audience have a brand image, a desire to own and use, and additional value is strengthened in the mind regarding products of analogs and substitutes. Communication shapes the situation and the culture of consumption of goods.

Advanced technologies, highly qualified personnel and effective communication are the growth areas of any business. Success in the market is achieved by companies offering new business models. Their development is facilitated by the joint creation of additional value with other agents in order to meet the identified or created needs. Thanks to the development of information and communication technologies, the process of improving business efficiency continues by reducing the time for providing goods and the number of intermediaries in logistics chains. In addition, data is the new currency of the market. There is a close attention of its agents to the technology of data collection, processing, analysis and storage. This is reflected in the actions of the business, regulations and regulations adopted worldwide, as well as the public reaction.

The set of media channels in action generates a media environment. Media development, their high level of technical penetration and use of media channels by the population continues to increase the value of the media environment in the global economy. Through the media, information wars are conducted at different levels, attempts are made to influence the course of significant events. Media channels play a crucial role in the dissemination of messages, the reaction rate of the audience, the accuracy of transmission, and the perception of the directional communication impact.

A media environment is a place in which multiple communication processes take place through media channels that directly or indirectly involve market actors in communication. The media environment emphasizes the heterogeneity of the environment of the market agents, the ongoing interaction. It reflects the multiplicity and nonlinearity of the processes.

The media environment has two main functions - communicative and cultural. The communicative function is dominant and, depending on the tasks of communication, can be subdivided into an entertaining, propaganda, educational component. The cultural function of the media environment broadcasts the level of development of society, its foundations and traditions. It has a significant impact on its development. Many sociologists note that dependence on media is as significant as interpersonal relationships. Indeed, according to research conducted, the dependence of the population on the Internet, smartphones, television is no less than on traditional interpersonal relationships. For example, 24% of the population of the Russian Federation agree with the statement that it is easier for them to express their feelings when communicating with people on the Internet than in person, and the proportion among young people is even higher - 38%. In addition, a high proportion of the population, which the Internet helps to establish relationships with people who have a similar point of view - 36% of the total population and 54% among young people (Mediascope Russia 2017).

The modern media environment has such characteristics as interactivity, instrumentality (the ability to customize communication for individual segments of the audience), simulability, multimedia and multi-screen. They allow you to make the transition from mass to personalization, turning mass channels into media technological communication channels.

In relation to the media environment, each market agent forms its own media behavior. Depending on the goals and the chosen strategy of media conduct, active, moderate and passive positions can be taken in relation to the creation and broadcasting of content, the direction of its impact, and the search and consumption of content. Agents can delineate a range of relevant media channels for monitoring and managing communication. The Internet environment sometimes provides a low level of control over communication and necessitates a quick reaction of agents.

In modern society, the media environment has an impact on decision making. Some of its changes accelerate, change or postpone certain decisions. Each agent, regardless of its value of its assets, can have a significant impact. The idea or the so-called creative component occupy a dominant position. Deep non-standard messages, resonant events can get popular in minutes. The speed of distribution of such content in the Internet using social media is high — social networks, bloggers, vloggers, etc. These processes take place at the level of individuals, legal entities, the state and may entail moral and material losses.

The media environment like any living organism is constantly changing. Media channels, broadcasting formats, coding, methods of interaction, market institutions are changing. Among the trends that occur at the present time can be identified:

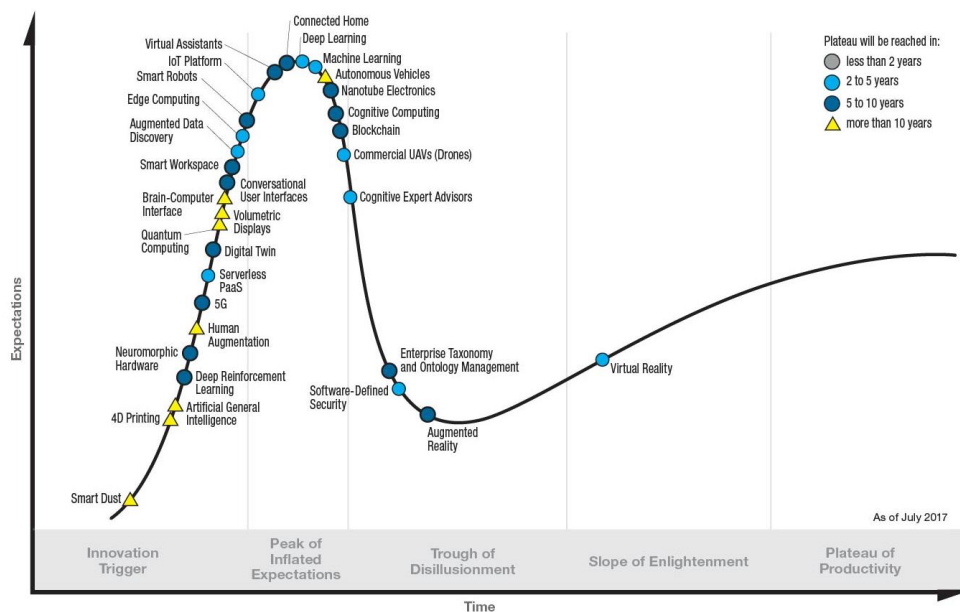
- fragmentation of media channels seeking to work with their narrower audience;
- introduction of technologies that allow to increase the speed of data processing, store large arrays, involve, form of reproduction and distribution of content
- integration of the communication impact system, ensuring a holistic, consistent experience of brand communication with individual consumers.

All this affects marketing approaches, the development of marketing strategies and plans. Fragmentation of media channels, as well as the use of modern technologies allows for highly targeted communication, aiming for one-on-one personalized communication with the consumer.

2. New technologies as a driver of marketing changes

The development of technologies has a direct impact on the media environment. The main ones are presented in Fig. 1. Most of them have an impact on the development of marketing.

Figure 1: Gartner Hype Cycle for Emerging Technologies, 2017



Source: Gartner (2017)

In marketing, the development of technologies allows for more accurate communication management, operational research, engaging the consumer, and building relationships with target segments at a new level. For example, the introduction of the tested 5G will lead to the dominance of video and non-standard features in communication, requiring high speeds and a stable connection. International and domestic experience in the use of key technological developments in marketing is of interest for a separate study. It is important to note that despite the uncertainty in the development of technology, the market is actively developing, there are transactions for the absorption of technology companies in the field of

marketing, there are specialized units, and the demand for specialists significantly exceeds supply. Machine services for the automatic translation of texts, recognition of images, speech, audio materials are being developed. The social network Facebook in its work uses face recognition technology in photos and videos. The turning point in marketing will be the introduction of technologies capable of influencing the organs of human perception (smell, taste, touch).

The data allows you to make a personal appeal to a wide range of recipients. These were the first to be started and successfully used by banks with a large amount of data about users. It has not yet become customary and positively perceived treatment by name and suggestions when calling, messages, in letters. Search engines, information gathering services are attempting to create individual information packages for consumers.

Technologies allow the use of predictive models that analyze not only the behavior of an individual market entity, but also its environment. Accounting for the actions of the environment allows you to understand the motives of the agents and make predictions.

New formats of communications use machine learning, can choose the most appropriate time and place for advertising. An example in this direction could be the Google-run AdSense advertising service (Google AdSense, 2018).

Due to the high economic importance and activity of the business in the direction of data, new legislative acts and updates of current editions appear. A recent event that pushed companies around the world to update their policies and user agreements was the law on the protection of personal data in the European Union. It entered into force on May 25, 2018. and aims to protect the personal data of residents and EU citizens around the world (EU GDPR 2018).

An important direction of improving marketing activity is the formation of a single media space. Consumers expect a consistent experience with brands, wherever they are involved in communication, timely addressing actual needs. Technologies help in planning integrated communication, segmenting marketing communication audiences, developing new media sales models, etc.

Digital technologies create the conditions for the integration of communication impact. The first significant communication planning models based on cross-media efficiency already exist. However, actual cross-media reporting and an independent cross-communications meter are not yet available on the market. Actual indicators, as before, exist for individual media, and cross-media are a calculated value, depending on the opinions of individual experts and is not a market standard.

Despite significant achievements in the virtual environment, without considering the real physical environment, the enormous potential for increasing the effectiveness of marketing remains untapped. In order to form a single space, models are being tested that allow for factorial aggregation of existing user data, probabilistic aggregation from different devices based on machine learning. Significant steps have been taken in combining the physical and the virtual environment. At the same time, to identify about half of the audience, even by socio-demographic basis, is in many cases still impossible.

The media environment has a tremendous impact on the economic activities of all market participants. Being primarily influenced by the development of technology, it is continuously transforming. Based on the analysis, it was revealed the need to update the methodological basis of marketing, which operates in the current state of the media environment, using an integrated approach not only in planning, but also monitoring the results of cross-media communications. Analysis, communication planning and monitoring of the target audience should be carried out considering not only the behavior of the agents themselves, but also their environment. In fact, the more stable and operational communication links in an ecosystem, the more levels a model can analyze with a high degree of reliability of results and the complexity of assessment factors, the more effective it is through the agent making more informed decisions. The transformation of the media environment is aimed at the consumer receiving quality personalized communication.

3. The justification of creation MarketingNet concept

The question of the feasibility of separating a new direction of marketing in companies is due to several reasons, including:

1. The rapid development of information and communication technologies that affect all spheres of human activity. The combination of telephone networks, computer network systems, and Internet networks has changed the environment for the functioning of economic agents at all levels. It has enabled the communication process and its management at a fundamentally new level.
2. Significant improvement of the technical characteristics of networks - increasing the distance of information transfer, increasing the volume and quality of the collected, processed, transmitted information, increasing the speed of exchange, the possibility of geolocation and personification of processes, new data storage capabilities.
3. Changing the form of social interactions and interpersonal relationships. Media consumption has shifted towards a wide range of electronics that accompany a person around the clock - mobile phones, personal computers, robots, various kinds of wearable gadgets, etc. are actively used.
4. The development of modern business models based on such areas as e-commerce, open innovation, co-production and consumption platforms, the creation of an infrastructure of “smart” systems challenges existing marketing approaches, market regulation measures, etc.
5. The high degree of turbulence of the environment constantly changes the conditions of functioning of market entities. It contributes to the need to reduce development time and innovation.
6. The need to increase the annual marketing budget and reduce the effectiveness of marketing investments. Traditional tools are becoming obsolete and no longer bring past results. Annual media inflation, the need to increase the salaries of the most important employees require a change in the existing approaches and algorithms of work.
7. The need to improve the competitiveness of enterprises, increasing the level of commercialization of innovations, reducing the time to implement them, etc.

All this leads to the need for real-time marketing at a more personalized level, anticipating the needs of the audience, understanding their deep essence, and not superficial motives.

In this regard, the formation of a new direction of marketing that would meet the current challenges of the market is relevant. It is designed to develop an understanding of marketing, its concepts, modern strategies, forms, types, tools.

These areas include new types of marketing related to network technologies that deal with individual components of marketing activities, being primarily a way to interact with the audience or distribution channels. In foreign and domestic literature provides a variety of definitions of marketing areas related to network technologies: Online marketing, Internet marketing, Digital marketing, Mobile marketing, Electronic marketing (e-marketing), Virtual marketing, Social Media Marketing etc.

These concepts are united by the availability of information and communication technologies, the existence of two-way communication with consumers, the implementation of promotion or sales.

Smart systems that are actively penetrating the modern economy, such as smart home, smart enterprises, smart city, smart government, Internet of Things and Internet of People require new approaches and marketing methods based on networks – MarketingNet.

4. MarketingNet as a key marketing concept in a digital economy

The key difference of MarketingNet is the presence of multilateral permanent network connections at the “Internet of Everything” level, human participation only in non-standard processes, openness of information, the company's relationship not only with consumers and business partners, but also with universities, society, the active participation of environmental agents in co-production. It is characterized by the versatility and integrity of marketing activities, which is based on networking.

MarketingNet is actively associated with various marketing areas and includes digital marketing, SMM, mobile marketing, uses corporate information systems (CIS), neuromarketing, sensors, artificial intelligence, interactive reports (dashboards), and others. It has: targeting; joint development (co-creation); personalization; portability; crowdsourcing; sharing economy (shared economy), when it is more convenient to pay for access than to own; such testing methods and technologies as trial marketing modeling (STM), virtual reality (VR), augmented reality (AR); convenience; automatic price regulation and automatic price setting; possibility of use from any location; ability to connect to all sorts of networks.

The definition of the term MarketingNet is presented by the authors as follows: MarketingNet is a marketing concept that uses interactive network communications as the basis for managing the marketing activities of an enterprise, implementing models of real-life scenarios on a personal level.

The basic principles of MarketingNet include:

- The principle of network orientation and interactivity. It consists in the formation of permanent integrated communication networks within the company and the external environment. In networks, the boundaries of individual economic agents are erased. The relationship between individual systems, programs, physical phenomena is multifaceted. Information collected from individual network nodes is systematized, converted into a form convenient for analysis, stored, transmitted to meet various kinds of needs continuously in real time.

- The principle of meeting the prospective deep-seated needs of consumers. It is crucial to understand the complex of interrelated needs, their development, and the characteristics of the consumption infrastructure. Information on usage and emerging changes is monitored constantly. Control over the elements of the system takes place at the local and remote levels. It is supposed to eliminate possible problems in advance together with the participants in the creation of value chains. For example, as the printer operates, the control system not only checks its technical condition, but also transmits information on the number of inks remaining in the cartridge to the production and distribution channels, so that the owner can change the cartridge in the most convenient way at the right time.
- The principle of innovation. The functioning of networks implies not only maintaining work efficiency at the highest possible level, but also striving for continuous improvement of models, work algorithms, joint development, production, and promotion of innovative products. Regulating the openness of individual developments of the company over time and actively attracting them from the outside can significantly improve the results of innovation, reduce the duration of their implementation, and generally improve the management of projects, processes and companies.
- The principle of complexity implies a systematic approach to understanding and studying interrelated and interdependent market actions. He directs marketers to the realization of all market activities as a holistic integral mechanism that requires effective integrated marketing management at different levels.
- The principle of profitability and market orientation. Profitability indicates an organization's desire to carry out a profitable activity, the level of which is predicted and regulated on different planning horizons. Market orientation means the implementation of activities aimed at the commercialization of ideas, goods, services, technologies.
- The principle of nonlinearity, which means that the sequence and duration of the stages of each individual marketing process may vary and overlap. Processes have a multi-level structure and a wide network of feedbacks.

Companies following advanced development strategies and MarketingNet principles will be able to gain a significant competitive advantage. Managing actions MarketingNet are aimed at the formation, regulation, optimization of networks, as well as their development in order to build new markets and strengthen the company's position in existing markets. Networks of things are numerous and are represented by a wide range of physical objects that can operate and exchange information. They intersect with networks of people and data, generating various kinds of processes. Data management processes allows you to implement a model of real-life scenarios on a personal level.

The implementation of MarketingNet in an enterprise involves the involvement of such specialists as a network manager, marketing technology coordinator, and a data science specialist. All of them require a high level of interdisciplinary competence of employees, as well as a review of interactions within the structural units and between them.

The concept of MarketingNet proposed in this article reflects the modern market approach to the economic activities of companies. Communication networks imply not only interaction with contact audiences, intra-company marketing activities, but also form the basis of managerial influences.

Despite the fact that some elements of MarketingNet are already applied to companies in one way or another, there are a number of problems that require further development:

- analysis of marketing terms associated with interactive network technologies and the definition of their relationships;
- the formation of a methodological base MarketingNet;
- the study of issues of security, confidentiality, trust, ethics, etc.;
- improving the performance of data transmission in networks;
- improving the reliability of data, which consists in eliminating unplanned delays between network nodes, contributing to the maintenance of smooth operation in real time.

The theoretical substantiation of the MarketingNet concept and its further development are important both for the development of the market itself and for increasing the competitiveness of companies. MarketingNet, in turn, develops current ideas about marketing and contributes to the effectiveness of marketing activities in enterprises.

Conclusion

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