

Chapter 13

Marketing Trends in the Digital Age: The Rise of New Marketing Paradigms (Virtual Marketplaces, Connectivity, and Advocacy)

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ABSTRACT

Historically, technology has been the prime catalyst of social, cultural, and economic development. Breakthrough technologies have been found responsible for major disruptive civilizational leaps in time, crafting and reshaping the way we view the world and its infinite boundaries, resolving our common problems and how we interact in pursuit of a communal and cooperative existence. Marketing has constantly reinvented itself in light of the environmental changes caused by these new technologies, and in doing so, has introduced new marketing paradigms and principles. Drawing on key findings from the literature, this chapter discusses the transformational effect of the digital age-related technologies, highlighting major trends and their impact from a marketing perspective. Implicit to these findings and the arguments that follow is the idea that understanding these technologies and how to harness them is of crucial importance.

INTRODUCTION

Technology has been a key and fundamental determinant in the evolutionary process of mankind. Traces of the influential effects of technology are reflected in what we have come to accept and describe as the great transformational revolutions of human development, namely the Agricultural, Industrial, Post-Industrial and, as an expansion of the latter, the ‘Third Industrial Revolution’. Each of these revolutionary stages, or eras of human development, have been triggered by a particular technology.

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Perhaps, of the vast and complex challenges we face today, the most important one is how to comprehend and harness the new technology, currently manifested in what we now designate by the Third Industrial Revolution (also referred to as the ‘digital revolution’), and its shifting trend towards the next revolutionary era of human development, a new stage or era coined by Klaus Schwab (2014) as the Fourth Industrial Revolution. Born in the midst and fueled by the Third Industrial Revolution, this new era is expected to be even more impactful due to the disruptive nature of the technology on which it is based, generating several new phenomena, such as, the “Internet of Things”, artificial intelligence, virtual reality, nanotechnology, quantum computing, biotechnology, unmanned road and aerial vehicles, etc.

As a result of the strong and transversal transformational capacity of these new disruptive technologies, new forms of organizations and businesses will emerge. Consequently, previous business models and marketing guiding principles and approaches will eventually succumb. New opportunities will emerge, one of them being the “...unlimited possibilities of having billions of people connected by mobile devices, giving rise to unprecedented processing power, storage capabilities and knowledge access” (Schwab, 2017, p.1).

Consumers’ preferences and behaviors, production and distribution patterns and, ultimately, the way people choose to communicate and interact with each other will change. As predicted by Toffler (1980), “prosumption”, the primordial economic form predominant in the pre-industrial societies, is now replacing the traditional separation between production and consumption. And in the midst of the reintegration of both functions, we are also seeing the rise of the “prosumer”. Although “prosumption” was not invented on Web 2.0, there is still reason to believe that due to the massive “involvement in, and popularity of, many of the developments in this technological environment (e.g. social networking sites), it is to be held as “the most prevalent location and its most important facilitator as a means of prosumption” (Ritzer & Jurgenson, 2010, p.20).

Organizational survival, along the transformational process of this era, entails the knowledge and understanding of these new technologies, as drivers of development, combined with the ability to make good use of them. In this sense, key organizational functions, such as marketing, are expected to adapt to the changes introduced by these technologies, and there is the need to accept the inflow of technology as an integral part of their processes and management principles.

Drawing from key findings in the literature, this chapter will address the new trends in marketing as a consequence of the transformational effect and impact of technology from the ‘Digital’ and the emerging ‘Fourth Industrial Revolution’ eras. By focusing on these technologies and their impact, the objective of this chapter is twofold. Firstly, to highlight and analyze three fundamental factors as key determinants of the marketing process and practice in the future: connectivity, advocacy and the expansion of the virtual marketplace. Secondly, to provide a comprehensive view and discussion concerning the potential challenges they represent to both marketing thought and practice.

METHODS

The research pertaining to the key topics discussed in this chapter is based on a literature review. Following this approach, a narrative review was conducted with the following objectives: a) to comprehend the diverse perspectives around these scholarly researched topics; b) to provide, with self-knowledge, a personal interpretative view on these scholarly research topics in terms of their relevance and consequence for future marketing practice. The use of this type of review, as a summary and critical analysis of a body

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