

Strategic Relevance of IT in Business and Marketing

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ABSTRACT

The strategic relevance and significance of IT has penetrated deep into the core of business affairs. Managements are adopting and adapting to this new change in their day to day business affairs. In terms of profit maximization, market expansion and customer priorities ,IT applications have inevitable.

Keywords- Digital marketing , CGM,IT

Market, traditionally means a place of buyers and sellers. But today , with the Incredible development in the field of science ,information technology and telecommunication , have revolutionized the very concept of business . Totally a new invisible market as evolved in terms of ‘time and situation’. Communication has become quicker and swifter. Communication has become an absolutely indispensable element of Business. We are experiencing a whole new world filled with un-imaginable and incredible technologies, methodologies and processes that have been influencing and shaping our day to day life.Decision are taken on the basis of speedy availability data via IT. Practically every functional area and every discipline is utilizing the help of Information technology.

The utilization and mass exploitation of the Information -Technology ,gave birth to a new revolutions in marketing and promotion – “E-marketing , Digital Marketing and

Consumer Generated Media(CGM)”.

“With the economy nose-diving and marketing budgets crunched, the pricey commercial on TV may no longer be the answer to all troubles. It’s because the first screen many consumers turn to and turn on may well be Laptop, desktop or tablet . With eyeballs of the affluent consumer moving to these screens, can marketers afford to be far behind”- Brand equity- The Economic Times, 12 September 2012.

The rules of business are changing .The traditional way of marketing has undergone a considerable change .Focus is on the new media and methods. Marketers have stressed on the many advantages of branding on networks. Indeed, it is the place to see and be seen:Branding their products and services on “community platform” is the new way to make the sale.

Lot of Indian companies across industries engaging customers in the digital landscape, successfully created high volume of conversation across various channels including blogs, forums, contests, humorous videos and events on social media sites . Leaders are also putting together digital strategies to understand what customer value most and creating operating models that take advantage of what’s possible for competitive differentiation .

The reason for the focus on the digital landscape are :-

- a).Customers are leaving behind a lot of data about themselves in the digital landscape ,
- b) The opportunity to leverage this data to connect with customers as individuals at the appropriate time,
- c)Increasing transparency as a result of activities in the digital space is leading companies to rework their internal culture .

Another crucial reason to focus on the digital landscape is consumer’s powerful influence on brands. It is also an indication of the opportunities and challenges that marketing function will experience in the days to come.

While marketing has always been responsible for knowing the customer ,it is now required to understand and respond to customers as individuals .Marketing can only do this if it manages vast amounts of unstructured data ,makes sense of it with analytics, and generates insights that are predictive, not just historical- all on a massive scale .To connect with customers at every touch point effectively , marketing needs a system of engagement that maximizes value with each interaction . It should marry the culture of the organization with the brand to create authentic experiences that consistently delivers the brand’s promise. This can be achieved through technology. Technology and the insights derived through marketing and IT have completely transformed how organization –and indeed, society-think, work and innovate. The proliferation of digital natives is giving rise to customers who are more informed. In the past , marketers profiled broad demographics such as ‘women 25-35 years old’ and not really as individuals .Today ,the scenario is very different .Customers are leaving behind a trail of data about them in the digital landscape and marketers are shifting through this enormous amounts of data to paint a vivid picture of each person as individuals.

Today, customers are judging brands by what they do and what they say. In turn, because

of the stream of instant customer feedback via social media, companies are constantly rethinking the way they design, produce and market products and services.

With customers increasingly switching between web sites, social networks ,mobile applications and phone calls in their interactions with companies ,this lack of a unified approach can have a critical impact on business. Simultaneously the deluge of online activities that customers are engaged in gives marketers the opportunities to start connecting with individuals one-on -one, to understand the consumer behavior and expectations , to learn how their tastes are changing ,and to target the new products and services that customers want. To thrive in the new era of the digitally empowered, socially connected customers, marketers have to leverages the power of analytics ,big data and social media.

India's large economy with its increasingly consumer base, offers strong growth for internet usage .The country's internet population has grown 400% since 2007 and doubled in just 3 years with an estimated 205 million users .But when compare to USA and China,India's Internet penetration is only 17% compared to 81% in the USA and 42% in China.Further E-commerce has strongly grown from \$1.4 billion in 2007 to approximately \$10 billion at the end of 2013.But in China onlinesales stood \$ 210 billion and in USA \$226 billion. Though Indian users spend less time online per capita than users in developed countries, theirpattern of online behavior is rapidly converging. The internet's role in communication ,social networking ,and informing and influencing India's consumer in categories such as apparel ,books, financial services, and travel is already comparable with that of developed countries .According to a Mckinsey study ,while the internet contributes only a modest share of India's GDP (1.6%) at present ,it has the potential to contribute to 3.3% of GDP by 2015. This would make the internet economy larger than the education sector and as large as health care sector in terms of current share of GDP.

Digitization has become an unassailable part of day-to-day life –both facilitating and interfering in almost everything that one does .. Adoption of digital platforms will significantly alter the operating cost structures of companies and open up new distribution channels .

KirthigaReddy head of Facebook India, "*Facebook is not about social media but mass media. Our goal is to solve the biggest business and marketing challenge.*" It's about reach and engagement ,not just fans she adds . Brands are asking how they can use social to get to know customers better ,maximize their life time.

NishadRamachandran ,VP –digital experience group ,HansaCequity, "Initially it was all about acquiring fans and engagement happened occasionally.But today ,engagement is being spend along by the blurring between social and CRM which used to operate in distinct silos".

Brands are asking how they can use social to get to know customers better , maximize their lifetime value , increase revenue and reward loyalty. Social media is an important area for actionable insight in areas of marketing ,product ,distribution consumer behavior etc".

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Thank you !

