

# MARKETING TRENDS ARE CONSTANTLY CHANGING... BUT MARKETING PRINCIPLES REMAIN THE SAME

In an increasingly complex and changing environment, new marketing trends are emerging; and in turn, the best strategy to serve long-term customer needs is being coherent with the long-term survival of the company.

First one, regarding the marketing focus or the marketing orientations is the so-called *sustainable marketing orientation*. This new orientation of the marketing activity is strongly related to the fact that companies need to meet the expectations of society as a whole, upholding ethical and environmental issues. This marketing orientation considers that the consequences of marketing clearly extend beyond the company and the consumer to future society and future consumers. Therefore, companies following this marketing orientation take into consideration both the *social* and the *environmental* dimensions in the exchange relationship between the company and the market. As a consequence, the best strategy to serve long-term needs of customers is being coherent with the long-term survival of the company and the natural environment. One interesting example of a company following this marketing orientation is Patagonia, which advises and strongly recommends repairing or recycling their jackets instead of purchasing new ones in its advertising campaigns.

Other new trend in marketing is related to the marketing strategy. Nowadays, many companies are developing a *customized marketing strategy* (or *one-to-one marketing*). This strategy focuses on segments of one single person, which means that the products and services offered are precisely defined to meet the needs of each individual. This strategy focuses on customers that take

individual initiative in determining what to buy and how to purchase it. So, this strategy enables that individual customers design their own products and services, and choose their characteristics, prices, components and delivery options. One example of this new trend is the Japanese company Paris Miki, which is an eyeglass retailer that offers a design tool which makes a digital picture of the customer's face, so that the customer compares different alternatives while being able to select nosepieces, hinges and arms.

The digitalization of the economy and the penetration and availability of the internet leads to great changes in the way companies set their prices today. Following Khare et al. (2016) the digitalization makes it possible for companies to offer products and services *for free* to the consumer, whereas other sources of revenue streams are generated, such for example Google or Facebook companies. In addition, other companies are following the *freemium* model of pricing, which consists on offering basic services for free, but charging a fee for upgraded services. Prominent examples are LinkedIn, Spotify or Dropbox. The third trend in pricing is the *subscription* model, which has experienced a great growth since production costs drop when business models are based on digitization (i.e. Netflix). And the last trend in pricing is the *flexible or dynamic pricing*, which is dependent on demand and has a growing importance in online trading, while being applied more frequently in retail stores, such as for example Amazon. This pricing strategy consists on the collection of real-time data on competitors' prices and customer demands and their analysis in order to use personalized pricing or to match competitors' price. Examples are Amazon and some travel websites.



“ In this context of new and emerging trends in marketing, the basic principles of marketing need to be considered when making any marketing decision; and despite each marketing decision may be slightly different from any previous one, the rules or principles remain the same.

In the distribution area, today companies are using *packages* as *silence sellers* and using them to persuade customers to buy, since packaging is an effective marketing tool in the increasingly competitive retail environment. So, today, companies know that well designed, attractive packages can create promotional value. However, companies are also designing and offering

convenient packages due to the time-constrain customer. Consequently, companies are developing more easy-to-open, easy-to-store and easy-to-reseal packages. In addition, numerous companies are considering the *environment* as the major packaging concern, turning “*green*” and reducing their packaging. So, today many companies are turning into the *bulk purchasing*, which consist of literally removing the packaging to offer some product categories in containers through bulk purchase. Examples of this new trend in distribution are the grocery retailers Whole Foods or Auchan.

On the other hand, *new distribution formats* are emerging today. One new distribution format which is increasing its market share is the *specialty store*. These stores carry deeper product line than conventional stores, to attract consumers who are particularly interested in unique product characteristics, such product exclusiveness, high quality or traditional processing. One example of this new format is Whole Foods in the US. Another distribution format which has become popular is the “*one-dollar*” or “*one-euro*” stores. This retailing format is based on a product line pricing strategy –the one-currency price strategy–, which consists on offering the assortment at a level below or equal to one dollar or one euro. Their great success and popularity can be explained by the consumers’ psychological evaluation of prices, where certain round prices –such as 1–, can create a psychological barrier used by consumers in their purchasing decisions. There are numerous examples of companies developing this new format such as *Dollar General* or *Dollarama*.

Finally, the internet has altered the use of electronic means and platforms to develop the company distribution. In this context, two types of companies have emerged. On one side the “*pure click*” companies, which have launched an online platform or website without any previous experience as a company, such as Amazon, Ebay or Airbnb. On the other side, there are “*click and brick-and-mortar*” companies, which have previous commercial experience before including an online platform or website. Many of these companies have discovered that the online distribution channel would be competing with their physical stores and retailers; and for this reason, some of these companies are providing exciting shopping experiences in their physical stores as a differentiating value.

Finally, the new trends in the communication area are strongly influenced by the changing consumer habits and preferences. Today, millennials and young consumers are turning away from the major mass media and television networks and are spending more time online than they do watching TV. To cope with this new situation, many companies are developing “*below the line*” advertising, which uses unconventional methods of advertising. The *below the line* ad-

vertising is more *one to one* or tailored advertising, which involves mobile, e-mail or face-to-face communication. Some of the tools used in this type of advertising involve cable TV channels, video on demand, video games, instant messaging or online audio sites. These are effective advertising methods since allow an individualized presentation and feedback, aiming to create brand recall. ■

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