

## Digital marketing mix specific to the IT Field

Loredana PATRUTIU BALTES<sup>1</sup>

**Abstract:** *In a world in which digitalization seems to monopolize more and more the business environment, IT companies are the ones which have initiated and felt the most its impact. If, for many companies, digitalization of the marketing strategy is a very attractive option, for IT companies it becomes a “sine qua non” condition. In this context, the traditional marketing mix has undergone extensive transformations and the marketing strategy of the companies has been rethought for the digital environment. Without this adjustment, any marketing strategy will fail in the future. This article presents the 4 basic policies (product, price, placement, promotion policies) of the marketing mix adapted to the digitalization context, which can be valid for any company that wants to explore the benefits of the digital market, and especially for IT companies.*

**Key-words:** *Digital mix marketing (product, price, distribution, promotion), IT companies*

### 1. Introduction

Both the business environment and its related strategies have suffered huge changes due to the expansion of the digitalization worldwide. As Esther Dysan, president of EDventure Holdings Inc. said: “The Internet is not just another sales channel. It is not just a means of advertising. It is a tool that fundamentally changes the way a company does business, takes orders from its customers and gives them value” (Kotler et al., 2009).

Becoming a necessity in the business environment, in general, digitalization will have an exponential growth in the future. In this context, companies in all areas are forced to adapt their traditional marketing strategy to the digital environment.

IT companies which were the pioneers of digital marketing, having the necessary both technical and material resources, are very interested in the use of online marketing.

Thus, for most small and medium size IT companies, digital marketing is the only direction of marketing, while for IT leaders, the digital marketing approach represents a competitive advantage. In this context, the trends in digital marketing are set by companies such as: Google, Facebook, LinkedIn, Amazon, Yahoo, etc.

---

<sup>1</sup> Transilvania University of Braşov, lore\_baltes@yahoo.com

Moreover, considering the fact that IT services companies depend on this form of marketing, it becomes interesting to ascertain how the marketing mix has been changed and adapted to the digitalization.

Although the digital marketing mix is not officially settled, it is considered that, along the four characteristic policies of traditional marketing concerning the price, product, placement and promotion, there should be considered a new element, namely: the customer relationship management (CRM). In the online environment, the customer relationship plays a vital role, which is why it should become a strategic priority of the digital marketing strategy (Kaufman and Horton, 2014).

## **2. Product policy in digital marketing**

In traditional marketing, the product, in the narrow sense, is seen as a result of the production process, with some physico-chemical useful features easy to identify, which satisfy the consumers' needs. Along with the material substance of the object, the attractiveness of the product is given by a number of immaterial elements (such as the brand), destined to respond to the consumers' increased diversification of requirements (Nita, 2015).

The emergence of the digitalization has largely changed the product policy by the introduction of the new digital products like: online games, programs, music, etc. For these products, being by nature intangible and disembodied, the packaging function has been removed.

For all the products sold on the Internet, the information related to the product is presented on the web pages of E-commerce stores.

Regarding the product image among the online consumers, it reflects, in fact, the products' ability to meet the specific consumers' needs.

In digital marketing, the affective component toward the product ranges between two extremes:

1. For the products with a powerful brand image, such as: Apple, Sony etc. the affective component plays a key role, customers strongly identifying themselves with the brand, which indicates a certain social status. "In 2011, the American researchers discovered that Apple products activate in the human brain the same areas that are activated during religious experiences.

Neuroscientists have used MRI scans to discover that in the case of Apple fans, Apple products trigger in their brain the same reactions as the image of a deity in the minds of religious people." (Gallo, 2015).

2. For the products sold online that do not belong to a known brand, the retention rate is quite low because of the diversity and accessibility of similar products.

The strategies of product positioning the most often found in digital marketing are:

- positioning of attributes (rarely a digital product meets more than three or four attributes);
- positioning by the consumers' target criteria;
- positioning by the competition. In the IT industry, this type of positioning is very often used because most companies try to copy the products of the giant IT companies such as: Google, Apple, Amazon...

As for the digital products, they are released initially in Beta version in order to be tested by the customers and, depending on their feedback, they could support periodic upgrades. In the software field, a product can be continually improved even after the official launch, if necessary.

This is explained by the fact that the moment of the product launch plays an important role in IT, which is why companies choose to launch a product that is not 100% viable than to launch a "perfect" product but late.

In this context, according to the LEAN principles, the "minimum viable product" (MVP) is the most common way to reduce the time-to-launch of the product on the market, its testing and the interpretation of the customers' feedback, who most of the times will indicate the directions for optimizing the product (Ries, 2011).

Moreover, in the case of digital products, the feedback provided by customers allows the company to eliminate any operational or user interface problems. So, the optimizations are related to the user interface or their running functionality.

Also, their life cycle is low, whereas the progress in this field correlated with the increasingly diversified needs of the customers requires the permanent launch of new products. That is why, IT companies practice a constant strategy of innovation and diversification of their products in order to satisfy the needs of an increasingly wider range of customers.

In conclusion, for the digital products, the competition study (study of similar products development and functionality) it's very important and useful in order to bring additional functionality compared to the competing products.

Another feature of digital marketing is that Internet and the online environment allow an easy identification of the consumers' needs, leading to the development of new products constantly, able to satisfy the consumers' requirements.

### **3. Price policy in digital marketing**

"The price is a very important means of communication, being one of the first elements of the product wherewith buyers come into contact, and it provides a comparison basis with similar products as use value, found on the market at a specific time.

Therefore, the price strategy is considered crucial in achieving the commercial goals established by the company, because the price affects the sales volume, the profit, the market share, as well as the brand image” (Nita, 2015).

If in traditional marketing the price of goods has usually been determined according to the producing costs, in the digital marketing era, the competition plays a crucial role in pricing. The increased competition of similar products (placed on a global market) requires companies to establish their pricing policy based on the competitors’ prices.

For the digital products, “the competition price orientation (competitive pricing) determines the companies to pay a greater attention to the external environmental conditions involved in the formation and adjustment of the price, without ignoring the covering of the product development costs.” (Diaconescu, 2010).

Most often, the price of the products sold over the Internet is expressed in a strong currency, known globally (dollar or euro).

Regarding the payment terms for the online purchasing, it requires the online payment by bank transfer.

Also, the Internet has brought a great advantage to the consumers in terms of finding the best price using websites such as: [www.price.com](http://www.price.com), [www.pricerunner.co.uk](http://www.pricerunner.co.uk), [www.vola.ro](http://www.vola.ro) (ticket price comparison), [www.booking.com](http://www.booking.com) (comparing prices of hotels), etc. which allow the comparison of prices.

This fact pressures companies to adjust their market prices in order to remain competitive on the online market.

#### **4. Distribution policy in digital marketing**

“Distribution is a key component of the marketing mix, which provides the clients with goods and services carried out by the producers. In traditional marketing, the distribution role is essential in ensuring the link between production and consumption.” (Nita, 2015:18).

In digital marketing, the distribution function was changed comparing to the traditional marketing. Thus, in online marketing, the distribution channel involves usually two intermediaries between the producer and the final consumer:

Producer (P) – E-commerce store (I) – Courier (I) – Final Client (C)

1. E-commerce store which commercializes the product.
2. Courier, the company which ensures the transporting from the online store’s warehouse to the doorstep.

Exceptions from this rule are the digital products, where the distribution function is eliminated, because the clients download directly the online products.

Usually, even if the products which were bought online are from another country, the product price (including the courier costs) is lower than the price used

for the same product by the traditional stores because the practiced addition is significantly higher than the courier's fee.

In conclusion, in the e-commerce trade, the distribution costs are often significantly lower than in the traditional trade.

## **5. Promotion policy in digital marketing**

“In marketing, the promotional strategy plays an extremely important role in the marketing mix, ensuring a constant flow of messages and information between the company and the external environment.

The communication involves more than sending a message to a receiver, because it also needs that the message be understood in the sense that it was intentionally transmitted, and the transmitter receives, in return, a feedback.” (Nita, 2015).

The digital age has imposed various changes regarding the organization's communication policy. Currently, no company, no matter its size, can afford to lack an online communication strategy, because the digital communication meets certain important advantages over the traditional communication, such as:

- Reduced costs (costs of promoting the online environment are considerably lower than in the traditional communication: radio, TV, press ...).
- Accessibility: the client or the prospectus can access online the information anytime, anywhere (home, work, on holiday), whenever they are connected to the Internet.
- The communication messages are well targeted on the customers based on the social networks which were used by their interest, needs, etc.
- Services such as Google Analytics provide information which enables proper configuration of the “buyer persona” profile and thus allow a communication strategy tailored to the target group.
- Establishing real and concrete metrics to measure the results of the undertaken communication campaigns.

The main tools used in digital promotion policy are:

- Websites;
- Blog;
- Newsletters;
- Social networks (Facebook, Twitter, LinkedIn, Pinterest, Instagram etc.);
- Webinars;
- Video content (YouTube);
- Forums;
- Online contests.

### **5.1. Online sales promotion**

The sales advertising “means the use, usually or occasionally, of marketing instruments and techniques in order to stimulate, boost and grow the sales of goods and services offered on the market by an economic agent” (Nita, 2015).

In digital marketing, the E-commerce stores often offer discounts for certain products in order to increase the sales volumes (ex. During the same period of time, Elefant online store offers discounts up to 90% for books, Emag store for smartphones, Amazon for various groups of products, etc.)

In conclusion, the practice of offering discounts is common in online marketing. To offer the best price on a global market, companies are forced to offer discounts in order to promote their sales.

Furthermore, online shops offer small promotional gifts for a specific volume of purchases.

### **5.2. SEO (Search Engine Optimization)**

SEO has a dominant role in the digital promotion policy, since it influences the positioning of the digital channels available to an organization such as: websites, blogs, and social networking accounts. So, web pages can be optimized to be “most attractive” for the search engines in order to be first displayed to the searches using browsers.

It should be noted that SEO involves the necessity of unique and quality content, as well as the respect of some content rules in order to be indexed properly by the search engines.

“The positioning on the first page of the search engine is vital to have an effective digital policy because 80% of those who perform a search using Google (the most used search engine in the world) access only the links listed on the first Google page. More the page is listed above to the search, more it will attract a higher number of users” (Optimizare Plus, 2016).

SEO involves the use of keywords which are the most frequently searched by the users and identified using Google Analytics tool.

### **5.3. Online advertising**

“Online advertising is the advertising displayed on the Internet, having similar proposes with the traditional advertising, but using receiving, communication and interaction tools with the target audience specific to the electronic environment” (Veges and Grigore, 2009).

“From a conceptual standpoint, the online advertising can be defined as a form of direct communication in which the organization submits, to a general or

specific public, information on: its products and services, brands, important events for the organization or any information about the organization itself.” (Veges and Grigore, 2009).

The most used instrument of the online advertising is the online advertising banner. Designed as a static or animated image that appears on the Internet, it represents the virtual business card of an organization, namely the way in which the organization wants to present itself to the Internet users. Its function is to increase brand awareness on the online environment. The online banners can be used in emails, social channels, websites or blogs.

Unlike the traditional advertising through radio, TV or other traditional media, online advertising can be viewed anytime and the dissemination costs are much lower compared to the traditional form. Another advantage of the online advertising is the interactivity that allows a real-time feedback from the prospects.

#### **5.4. Affiliate online marketing**

“Affiliate marketing is a marketing practice in which a web-based merchant (advertiser) rewards one or more affiliates (publishers) for each visitor or customer brought by the affiliate marketing efforts” (Afilier, 2008).

In general, there are four main players in the online affiliate marketing industry: the merchant (who provides services and offers the services of its affiliate program participants), the affiliate network, the publisher (pay per click affiliate) and the end customer.

The affiliate marketing in the online environment can be practiced in two ways: through the Pay Per Click (PPC) affiliate programs (which involve search engine optimization, paid affiliate programs, pay per click affiliate programs via email or other social networks) and through the affiliate networks that occasionally use the more classic techniques, such as: written opinions about certain products or services.

This marketing strategy is widespread in the online environment, especially in the case of e-Commerce stores, when reviewers are rewarded for every visitor, new consumer, or subscription obtained. On the one hand, this strategy aims to strengthen the brand, and on the other hand, to increase the sales.

According to Helen Southgate, Senior Online Marketing Manager of BSKyB and of the Internet Advertising Bureau (IAB): “Affiliate marketing is an excellent way to generate revenue from online advertising, regardless of the business size” (Tims, 2011).

In essence, it is considered that the online affiliate marketing solution is “win-win” because the trader sells its product, the affiliate receives a commission, and the customer is informed about the product and pays the same amount of money as without the affiliate marketing.

### **5.5. Public Relations in digital marketing**

The public relations cover a wide range of actions intended to establish and maintain good relations with the target public, employees, media, and the society generally. In digital marketing, public relations campaigns are supported through the digital channels.

Nowadays, more and more IT companies, major players in the digital environment have identified the benefits of public relations in terms of shaping the company's image as a *responsible social actor*.

At the level of the main actors in the digital marketing field it is noted an increased interest allocated to the corporate social responsibility (CSR). For example, within Hitachi, a Japanese company leader in IT, CSR is placed in the center of its vision. Thus “Hitachi’s global vision consists in its contribution to the society by developing superior and original technologies and products. Our activities on the corporate social responsibility (CSR) are in the center of this vision.

In this regard, in 2012, Hitachi has sponsored the CSR Europe’s Enterprise 2020 summit in Brussels to discuss how CSR can reduce the risks to which Europe is exposed, by strengthening its competitiveness and its leading position, and by joining the forces which fight against the sustainability’s challenges.” (Hitachi, 2015)

Another example is Apple which launches annually the Supplier Responsibility Progress Report which includes details on the company’s CSR program and the initiatives undertaken within the company in this context (Dudovskiy, 2015).

In fact, marketers speak of the emergence of a new form of marketing called Marketing 3.0 which is centered on the CSR.

“In the last sixty years, marketing has passed from being centered on products (Marketing 1.0) to being focused on consumers (Marketing 2.0). Now, marketing turns again, in order to answer to the new dynamics of the social environment. Companies are expanding their area of concern. This is the Marketing 3.0 stage, in which companies have a human-centric orientation that balances the profitability and the corporate responsibility.

For a long time, marketers believe that customer’s satisfaction was the main objective of the marketing activities. Marketing 3.0 shows that the welfare of consumers and society is the next big challenge for the companies.” (Kartajaya et al., 2010).

However, for the IT companies, the internal communication is very well developed as the market demand for labor is much higher than the labor offer, which is why IT companies develop important PR internal actions such as: Knowledge Sharing sessions, workshops, teambuilding, etc. in order to increase the loyalty of their employees.



## 5.6. Promotional events in digital marketing

In digital marketing, the promotional events can take the form of webinars or online trainings offered by the organization, free of charge, in order to increase awareness and strengthen the brand.

These webinars are presented through specialized platforms and allow access to real-time training, based on a prior subscription.

Also, for the companies that produce and commercialize software designed for the digital environment, the participation in trade fairs is a defining stage in a new product launching.

Moreover, the IT companies provide to the students in the final years of the Technical Universities internal trainings based on the most popular programming languages and offer them the opportunity to prepare their Diploma project by developing new relevant and useful applications

## 5.7. CRM (Customer Relationship Management) systems

Although some specialists in digital marketing believe that the CRM systems should be the 5th dimension of the digital marketing mix, because it is an indispensable component to it, not all organizations that practice digital marketing have a CRM system. The relationship between Marketing and CRM is particularly close and depends on the goals targeted in the digital marketing strategy. Thus, an organization can choose between four types of CRM technologies:

- “CRM for customer’s recovery and retention. Focus: customers who have the intention to purchase a product or service, but gave up at the last minute or changed their mind because they were attracted by another offer;
- CRM for loyalty. Focus: the most stable segment of the company’s clients mass. CRM technologies are used for observing tastes, preferences and wishes and it permits the granting of bonuses and prizes;
- CRM for the offer diversification and improvement. Focus: whole mass of customers. The system is used for publishing news and for testing and running marketing campaigns;
- CRM for the market research. Focus: potential customers and market segments newly discovered” (Fotache, 2004).

Thus, depending on the company’s needs and size, it can choose different CRM in their digital marketing strategy.

Also, “according to a survey carried out in the UK among organizations that have implemented CRM applications, their motivations are mainly related to improving their customer relationships” (Cretu, Gramada, 2008).

In conclusion, CRM systems are necessary in the digital marketing strategy in terms of attracting and retaining customers, market research (customer behavior),

offer improvement, and ensuring the premises of a digital marketing strategy essentially centered on the client.

## 6. Conclusions

Digital marketing presents a number of advantages over traditional marketing that make it indispensable in the future, which lead an organization to rethink its strategic and operational marketing.

Also, the marketing mix has undergone major transformations as compared to the traditional one, by the emergence of digital products, the comparison and indirect fixing of prices made by the customers, the simplification of the distribution channels and the reduction of the distribution costs (or even the disappearance of the distribution function for the digital products), the occurrence of the online advertising, the online sales promotion, the use of digital communication tools (newsletters, social networking, blog, web site, specialized forums, video, etc.), as well as the use of the CRM systems.

Regarding digitalization, it has allowed a dynamic transformation of the business communication. In a future dominated by the high-technology, without active communication in the online environments, the communication strategy of an organization is doomed to failure.

For the companies in the IT field, the digital communication is the most important form of business communication, if not the only (for small and medium companies).

In this context, if the IT companies have been the pioneers of the B2B and B2C digital communication, currently the largest IT companies are defining the new trends of the digital marketing, by holding human, technical and financial resources necessary for the online environment exploitation.

“Today the great world companies are oriented to this field, and firms like *Google Inc.* or *Yahoo!*, even young, without history, have succeeded in only ten years of function to become the dominant giants of this sector of communication technologies”(Duguleana and Duguleana, 2008).

In present, the strongest IT companies such as: Apple, Microsoft, IBM, Facebook, Google, etc. (Forbes, 2015) are those that have the best visibility in the online market and the e-Commerce stores are becoming the new trend in procurement.

In their case, the communication methodology includes an extensive area of online communication tools (website, blog, newsletters, social networks) in order to reach as many market segments as possible.

Also, beyond the technical details of a communication focused on generating leads and sales, IT companies' communication aims to establish a long term relationship with their customers and to attract prospectus.

As the use of online analytic tools like Google Analytics helps IT companies to better identify their customers, the business communication should be based on the customers' interests, needs, and used communication tools.

Therefore, to remain competitive in the virtual global environment, IT companies should develop and implement a digital marketing mix adapted to their needs and size, and focused on their consumers' target.

## 7. References

- Afilier, 2008. *Marketing afiliat*. [online] Available at: <<http://afiliere.afilieri.com/2008/marketing-afiliat>> [Accessed 01 February 2016].
- Cretu, E. and Gramada, A., 2008. *Tendinte Moderne in Informatizarea Managementului Organizatiilor*. [online] Available at: <[http://megabyte.utm.ro/en/articole/2008/Sti/sem\\_1/TendinteInInformatizareaManagementuluiOrganizatiilor.pdf](http://megabyte.utm.ro/en/articole/2008/Sti/sem_1/TendinteInInformatizareaManagementuluiOrganizatiilor.pdf)> [Accessed 15 January 2016] p.7.
- Diaconescu, M., 2010. *Marketing*. Bucuresti: Ed. Universitara, p. 111.
- Dudovskiy, J., 2015. *Apple Corporate Social Responsibility (CSR), Research Methodology*. [online] Available at: <<http://research-methodology.net/apple-corporate-social-responsibility-csr/>> [Accessed 12 January 2016].
- Duguleană, L. and Duguleana, M., 2008. *New Communication Technologies Used for Online Sites' Marketing*. Bulletin of the Transilvania University of Brașov Vol. 1(50), Series V, pp. 21-26.
- Forbes, 2015. *The World's Most Valuable Brands*. [online] Available at: <<http://www.forbes.com/powerful-brands/list/>> [Accessed 25 November 2015].
- Fotache, D., 2004. Customer Relationship Management. *Revista Informatica Economica*, nr. 2(30), p.98.
- Gallo, C. 2015. *Experiența Apple. Secretele construirii unei relații pe termen lung cu clienții*. Bucuresti: Ed. Amaltea, p.12.
- Hitachi, 2015. *Responsabilitatea Socială Corporatistă (RSC)*. [online] Available at: <<http://www.hitachi.ro/about/hitachi/csr/>> [Accessed 07 February 2016].
- Kaufman, I. and Horton, C., 2014. *Digital Marketing: Integrating Strategy and Tactics with Values, A Guidebook for Executives, Managers, and Students*. New York: Ed. Routledge, p.49.
- Setiawan, I. and Kotler, P., 2010. *Marketing 3.0. De la produs la consumator și la spiritul uman*. Bucuresti: Ed. Publica, Prefata.
- Kotler, P., Jain, D. and Maesincee, S., 2009. *Marketingul în era digitală*. Bucuresti: Ed. METEOR PRESS, pp. 9-17.
- Nita, A., *Marketing. Note de curs*. Available at: <[https://www.academia.edu/13203414/MARKETING\\_Note\\_de\\_curs\\_CAP.1\\_](https://www.academia.edu/13203414/MARKETING_Note_de_curs_CAP.1_)

- NO%C5%A2IUNI\_INTRODUCTIVE\_1.1\_Definirea\_conceptului\_de\_marketi  
ng>, pp. 9 – 26 [Accessed 21 January 2016].
- Optimizare Plus, 2016. *De ce este necesara prezenta in prima pagina Google* [online]. Available at: <<http://www.optimizareplus.ro/de-ce-este-necesara-prezenta-in-prima-pagina-din-google>> [Accessed 02 February 2016].
- Ries, E., 2011. *The Lean Startup: How Today's Entrepreneurs Use Continuous Innovation to Create Radically Successful Businesses*. New York: Crown Business.
- Tims, A., 2011. *Affiliate marketing: hard but lucrative*. [online] The guardian. Available at: <<http://www.theguardian.com/money/2011/may/21/affiliate-marketing-lucrative>> [Accessed 23 January 2016].
- Veges, I. and Grigore, B., 2009. *Relațiile publice și publicitatea online*. Bucuresti: Ed. Polirom, p. 7.
- Veges, I. and Grigore, B., 2009. *Relațiile publice și publicitatea online*. Bucuresti: Ed. Polirom, p. 91.